

Providence FY23 Budget: Continuity of Investments in Youth, City Services and Infrastructure

FY23 Budget Address

Mr. President, honorable members of the City Council, members of the Providence delegation, our City Hall team, and fellow residents of our great city – It is a pleasure to be with you this evening to present my proposed budget for the upcoming fiscal year.

The world has changed in so many ways since we last came together. And while we're all anxious about what the "new normal" will be and wondering what kinds of changes lie in store, we often ask: how is the world going to be different in the future? What's going to change? But I believe there's a far more important question that we should be asking. And that is: "how is the world going to be the SAME in the future? What things are permanent and unlikely to change?"

As I think about this question, I can't help but think of it from the perspective of being a dad. I catch myself getting butterflies and a little bit emotional when I find myself doing the same things with my son Omar, that my dad did with me as a child. Sledding in the snow at Roger Williams Park; dropping him off at school with his little backpack; or just walking to the corner store holding his hand. I'm often left pondering the circle of life and the reality that the more things change, the more they stay the same.

No matter how much the world changes around us, there are certain things that just won't change; they are timeless and permanent. We all want to live in stable homes and neighborhoods that provide comfort and security. It was true before the pandemic, and it is true after. We all want to improve and do better so that our kids go even farther than we did. And we all want to belong to a community, family, friends and neighbors, and feel that we are part of something bigger than ourselves. These three things will never change.

It is not up to city government alone to nurture and preserve these three things, but we do play an important role. For starters, for our residents to feel secure, there must be a basic level of stability and our finances have to be solid. Seven years ago, when many of us came into office, the City faced deficits and liabilities totaling over \$20M and we were facing state oversight. Today, we've turned that deficit into an almost \$30M surplus, the first time we've had a "real" surplus of that size in probably 50 years. Our credit rating has gone from virtual junk bond status to solid investment grade and just a few months ago, Fitch rating agency gave the city its first positive outlook in a decade.

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And to capitalize on this, we are asking residents to approve a Pension Obligation Bond that will help us address the lingering challenge of unsustainable pension payments. Please come out on June 7, vote “Yes” on Question 1, and help us save our city.

Our sound fiscal management, combined with recent pension reform with our three partner unions (the Laborers, Police and Fire), allow us to present this budget, for the eighth straight year, without raising tax rates. Property values have grown so much in the past three years that many property owners will indeed pay more in taxes but we were able to minimize the increase by lowering the residential and commercial tax rates by 25% and 8%, respectively, and by increasing the homestead exemption.

With our finances in order, and all that that allows us to do, we have helped create that positive outlook that ultimately draws people in. This last census saw the largest increase in population that the city has experienced since 1930. People are moving to Providence and believing in Providence, investing well over \$2B over the past 7 years. While this is a sign of a healthy city, it also brings its challenges. The cost of housing today is exorbitant. Tenants are barely scraping by and it is hard for new homebuyers to even find a house.

As a city, we are stepping up and doing what we can. Along with my colleagues on the council, there emerged a consensus that our top priority is investing in housing. This means establishing the city’s first dedicated revenue stream for affordable housing, allocating American Rescue Plan dollars to housing and homelessness supports, or designating funding to help first-time homebuyers buy a house, and existing homeowners with home repairs. We have rehabilitated over 700 abandoned homes and we’ve broken ground on projects like Paragon Mill, the old Barbara Jordan II, and soon the Superman building, which will each have a transformative impact on their neighborhoods. Our collective efforts have allowed us to create affordable housing units and to oversee the creation of an unprecedented number of houses, homes and apartments over the past seven years. I want to thank Bonnie Nickerson and her team at Planning and Jeff Dana and his team in the law department for spearheading much of this work.

While having a home goes a long way, there’s more that goes into feeling at peace and secure. Our city has been shaken by some senseless crimes and I know people are scared. With public safety, the perception of safety and the reality on the ground both matter. The reality is that the last two years have seen a worrisome increase in gun crimes, in our city and throughout the nation. While this has caused incalculable pain,

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there is reason for measured optimism. With almost a third of the year gone by, shooting incidents are close to the lowest they've been, year to date, in a decade and they have declined by 50% from last year. We will monitor it closely and, of course, intervene proactively as the year progresses.

Aside from gun crimes, I also want to address the perception and reality of crime more generally. While there is a perception that crime is the worst it has ever been, the reality is that violent crime, as a whole, is down to some of the lowest levels in modern history. Your risk of being the victim of a random crime is lower today than it has perhaps ever been as over the past 10 years, robberies have fallen 70% and burglaries are down 80%, both remarkable declines. It takes all of us to stay safe but I want to thank our Police Department for all they do to keep us safe and secure.

Over the years, we have collectively invested in shoring up our Police Department and with the police academy that will soon be trained, I recently learned that we will have hired more police officers during our two terms together, than at any time that we have records for. We will end the year with about 480 officers, an increase of about 40 officers from seven years ago. While we have added new officers, we've shattered every record for racial and gender diversity as our department more and more reflects the community it serves. While we've done this, we've integrated technology like body cameras and improved the recruiting and training processes. The Providence Police Department has been and will continue to be one of the most forward-thinking and progressive police departments in the country.

But not to be outdone, our fire department gives the PPD a run for its money. Already recognized as a leader for its Safe Stations program, the Fire Department sprang to action during the pandemic and administered vaccine doses to thousands of city residents. Every person was treated kindly and our team worked efficiently to get folks in and out. And now, behavioral health clinicians will begin riding with our Fire Department to provide better services to people experiencing a mental health crisis. Please join me in recognizing the proud men and women in our Fire Department for everything they do.

We want everyone to live in stable homes and safe neighborhoods but we strive for even more. We want neighborhoods that have their own character and are designed with people in mind. Working with the City Council, we established a Capital Improvement Plan that sketches out and funds projects for five year stretches. With this, we've improved over 100 public parks and now, every child lives within a 10 minute walk

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of a renovated park. We've installed 2 full-size synthetic fields and now, our kids have the best fields of anyone in the state. Roger Williams Park is once again shining like the crown jewel that it is, the zoo continues to expand and improve, and the welcome center on Broad Street will be completed in the coming months. I look forward to cutting that ribbon and celebrating with the community. Please join me in recognizing Wendy Nilsson and her team in the Parks Department.

I live in the Silver Lake neighborhood and I admit I take some pleasure in being perhaps the first mayor in the city's history to live in the hood. Regardless, I want my son to play outside with his neighborhood friends when he's older but unfortunately, it's hard to do so with the number of cars that zip down the street. I know I am not alone in being frustrated by this and that's why our Safe Streets initiative has installed hundreds of traffic calming measures to meet the high neighborhood demand. We are paving roads regularly throughout the city and we're rebuilding them with pedestrians and cyclists in mind. One such project involves paving most of Broad Street and providing an example for what the roads of the future will look like and how they'll make our neighborhoods more livable.

We've also invested in our neighborhood Recreation Centers. We opened two new centers, for the first time in decades, and expanded programming throughout the city. Today, we have more kids participating in our rec programs than ever before and the Rec Department's budget has tripled in the past seven years. I'd say that's money well spent. Please join me in thanking Mike Stephens and his team in the Rec Department for always looking out for our kids.

All these investments enhance our neighborhoods and help them stand out. But to ensure that they continue to stand out, we've created our 3-1-1 program and improved our Public Works Department. We have created systems so that no complaint goes unanswered and we've upgraded our vehicle fleet so that now, we can plow more snow, sweep more streets, and provide the basic city services to upkeep our neighborhoods. We have increased street sweeping from only one time a year seven years ago, to a minimum of four times for every street in the city this year. And, to ensure that our folks have the best equipment and facilities available, I am excited about breaking ground on a new DPW headquarters in the coming months. This building is long overdue and I thank the men and women at DPW for their commitment throughout the years. Please join me in recognizing the men and women of DPW.

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When I first took office, I heard loud and clear from my Council colleagues that felt City Hall was not investing enough in the neighborhoods. Working as a true team, our priorities quickly aligned and over the years, we've put unprecedented resources to addressing that concern. By working together over the last seven years, we've put the focus back into our neighborhoods. And as we look back, I believe we can all say that we have done all we could to create those stable homes and neighborhoods that provide the comfort and security our residents have always and will always seek out.

The second characteristic that is permanent and will never change is that we all want to grow as people, to improve, go farther, and set our kids up for success.

We all believe that the best way we can do that is by investing in education. Three years ago, we asked residents to support a \$300M bond to start rebuilding our schools. Our residents overwhelmingly supported the measure and it has allowed us to recently break ground on the Narducci Learning Center in the city's North End - congratulations again, Councilman! - and will have us breaking ground on several school projects in the months and years to come.

Aside from the physical infrastructure, we've also tackled the instruction that happens inside the buildings. The blunt reality is that the traditional public schools are not making the grade. They've been low-performing for decades, they remain a quagmire, and another generation of kids risks being lost. I want to be clear on an important point, as it influences policy decisions that will be made in the future: the failings of PPSD are not due to any individual or group, and therefore cannot be resolved by any individual or group. Our schools didn't get this way because someone didn't care enough, know enough, or execute well enough. The failings of PPSD are structural. Superintendents and principals do not control the district or the schools and the seniority system does not incentivize teachers in the right way. The dirty secret is that if we really, and I mean REALLY, want to turn public education around, it requires a radical transformation. Changing personnel, reorganizing departments, and simply spending more money will not do.

While PPSD has struggled, there are some bright spots to celebrate in public education, and that's the expansion of high-performing public charter schools and the results they are delivering for our kids. Charter schools, at least here in Providence, are "public" in every sense of the word and there's no contradiction in stating that expanding charter schools supports public schools. Over the past seven years, charter schools have begun to grow at scale in the city and within time, 20% of our kids will be educated in

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them, including in our buildings. I hope they will continue to expand so that more kids and families will actually have school choice.

Over the years, we've also recognized that what happens in school buildings is only one part of a child's education. That's why we are continuing to invest in programs such as Providence Talks, and continuing our pre-K facility investments to not only increase the number of seats available, but also improve the facilities and quality of instruction.

We are continuing our investment in one of my favorite initiatives, the \$5 Summer Camp program that literally saves families hundreds of dollars a week and keeps kids active, engaged, and exploring new interests. To this day, I don't know of another city in the country that offers this kind of support. We complement this with our free academic-based Summer Learning programs, our creative Young Maker partnership with the public libraries, and the Youth Jobs initiative that pays \$15/hr to hundreds of young people in our city. If we want to get ahead as a City, we need to continue to invest early and often so that our kids are prepared to succeed.

And speaking of succeeding, we have entrepreneurs that are striving to live the American Dream and do well for themselves and their families. Working with the City Council, we prioritized ARPA funding to get dollars directly into the hands of small business owners and we have awarded over 225 grants so far. We have reformed the Providence Business Loan Fund system and have granted over \$4 million in low-interest loans to entrepreneurs who no one else would take a chance on. With the next round of ARPA, we will help even further by helping small businesses upgrade their technology, providing technical assistance, and positioning them to better compete in the 21st century connected economy.

We have to be grounded in the present, but always with an eye toward the future. One exciting opportunity that we intend to fully capitalize on is the growth of the offshore wind industry here in Providence. We are all proud that the first offshore wind turbines in the country were assembled and deployed right here at ProvPort. Years ago, we moved quickly and creatively to provide them the space to assemble the turbines. As they look to expand from 5 to 50 turbines, we have to move creatively once again to give them the space they need to grow. And as we do so, we are beginning to prepare our workforce for the good-paying clean energy jobs that are being created here in our city. Our Economic Development team is working closely with ProvPort and other partners to ensure that we continue to seize this opportunity and remain national leaders in the clean energy industry.

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Another industry that is near and dear to all of us is the hospitality industry. As the Creative Capital, we are a restaurant city and our arts programming is second to none. These sectors suffered horribly during the pandemic but many are emerging stronger and more resilient as a result. Working with local partners, we are creating the special experience of Al Fresco dining and a fresh open-air stroll that will keep folks coming back for a night out in Providence.

We want to support our small businesses in creative ways but we also know that there are brass tax issues that we cannot overlook. That's why this budget continues the tangible tax relief so that 40% of businesses throughout the city will not be paying a dime in inventory tax.

We all want to get ahead, but we also know that doing so is not fulfilling unless it is tied to something meaningful. The third timeless truth is that we all want, or better yet, need, to be part of something bigger than ourselves. Unexpectedly, the pandemic has caused many of us to seek this out.

The pandemic brought about unprecedented hardship. Long after the virus is conquered, the pandemic of loneliness and depression will linger. Over the last two years, the country also saw a rise in overdose deaths, gun deaths, and even traffic deaths, eerily connected even though the reasons are not fully understood. And it is fair to say that our collective anxiety about politics, war, climate change, social unrest, and beyond, aided and abetted all the while by social media, have produced a mental health crisis that won't be going away any time soon. It's left many of us wondering what is our purpose and what's this all about?

But moments like these tend to arouse "the better angels of our nature." I will never forget perhaps my most emotional moment as mayor when the vaccines finally arrived and the city, all of us, sprang to action to get it out to vulnerable seniors. I remember all the seniors, the way many wept with deep emotion, the way they felt existential relief, and how appreciative they were of everyone's efforts. I think almost every person in this room volunteered at one point or another, as did hundreds of city residents. Many of us felt the meaning and purpose of our work more acutely during those days than at any other time. The pandemic and its hardship inspired our city to do even more to help. The City Hall effort was led by PEMA, MCCS, and the Fire Department. They worked double shifts, they worked weekends, they made house calls, and they kept going on

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fumes to make sure every senior got the vaccine. Please join me in thanking PEMA, MCCS, the Fire Department, and all our volunteers.

When people have been most in need, we've stepped up. When immigrants were targeted, we created municipal IDs and when tenants faced a slew of evictions, we created an effective right to counsel. We created jobs for the unhoused through A Hand Up. To tackle persistent poverty, we launched a Guaranteed Income pilot. To stop violence, we created mentoring programs and non-violence training. And, to address the generational harm endured by the Black community, we led the effort to change the state's name and launched a Truth, Reconciliation and Reparations process. We've never shied away from taking on the issues that matter and when people in our city are in need, we step up to help! These measures not only help their situation, but also reassure them that they are part of us and that they belong.

This is an urgent time to do just that because we live in a time of heightened fear and anger. These are powerful emotions, causing many of us to seek out and retreat to the security of our own tribes. But the biggest lesson of the pandemic is, I believe, that we are all connected, that my health and wellbeing is connected to yours and vice versa. And in spite of what we might see on social media, it is this spirit of camaraderie, of common purpose, based on those permanent and timeless qualities that our residents will always seek, that is who we really are. That's what has made us great, and that's what will sustain us great.

Many years ago, I stood on this very spot and stated that I wanted Providence to be the top mid-sized city in the country. I know I am biased but there is no place else I would rather live, and no place else I will likely live. For all the challenges and differences that exist, I believe more than ever that we have something really special here in Providence. As we all prepare to pass the baton to the next generation of city leaders, I am excited to look back on what we've done but I'm even more excited to look forward to the new and different directions that they will take our city. As I sign off from this platform for the last time, I want to make two emphatic points. First, I pledge to bring the same intensity and dedication to my job over these last eight months as I have brought for seven full years; I'm going to sprint to the finish line. And second, I state unequivocally that the state of our city is strong and it's poised for even more greatness in the years ahead.

Thank you City Council, thank you Team Elorza, and thank you Providence. God bless.