



# Mayor Ed Gainey's 2024 State of the City Address

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Good morning.

Council President Lavelle, Council President Pro-Tem Wilson, Finance Chair Strassburger, members of City Council, and my fellow Pittsburghers: thank you for joining me here today to discuss the state of our beloved city.

As we gather here today, our country has reached a pivotal moment in history. At a time when the echoes of division are loud, we must remember that at our core we all share in the hope of a better future. Whether we like or dislike the outcome of the 2024 election, our strength lies in our ability to listen, understand, and unite despite our differences.

Here in Pittsburgh, we will forge ahead to create a city for all. We will not allow hatred and division to hinder our progress. We will use every resource to protect our residents so that everyone feels safe and welcomed. We will continue to develop strategies to create new opportunities in our city so every resident can thrive. Our mission remains the same: we will always promote and protect the public good through excellent and equitable services for every resident and visitor.

I encourage all of us to exercise empathy while we commit to building a city where every person, voice, and community matters.

Once again, I am proud to share that the state of our city is strong. For the past three years, my Administration has been working hard to rebuild city government as we emerge from the dual crises of financial distress and the COVID-19 pandemic.

When I took office, our city stood at a crossroads.

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Only a few years before, we exited Act 47 financial distress. This was an enormous accomplishment, but one that came at an extraordinary cost. While the city's balance sheet was finally back in good order, the city itself was not.

Years of cost-cutting meant we lacked the staff, equipment, and institutional knowledge to maintain our infrastructure, we were running vital city functions on outdated systems, and we were just barely keeping up with our obligations to provide basic services like garbage collection, emergency medical services, and community safety.

Stretched thin, and lacking the things they needed to do their jobs, city workers were being injured at a shocking rate, and morale across the workforce was extremely low.

This weakened state made it nearly impossible to confront the pressing challenges our residents faced, challenges like:

A drastic shortage of affordable housing that displaced 3,000 low-income Pittsburgh households between 2015 and 2019;

Cumbersome permitting processes that hindered new economic development; and,

Widening disparities in wealth, job opportunities, and small business success.

But where many saw adversity, I saw a unique opportunity.

Although there had been many attempts to respond to these challenges, few had truly blossomed.

Many were small pilots, unable to meet the scale of our challenges, such as our investments in affordable housing. Others failed to launch due to a lack of focus, like the land bank and the rental registry.

At the same time, the COVID-19 pandemic left us with new challenges that would sweep cities across the country.

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Homelessness had grown significantly during the pandemic, but emergency federal aid that provided shelter and the opportunity to self-isolate had masked much of the problem.

As federal aid expired and shelters closed, the true magnitude of the challenge became apparent, as people with nowhere else to go turned to our trails, riverfronts, and much of our downtown in search of means to survive.

COVID also fundamentally changed how Americans work in a way that central business districts everywhere...but especially downtown Pittsburgh, were not prepared for.

As remote and hybrid work became a permanent feature of office culture, businesses scaled back their office footprints, vacancy rates in office buildings rose, and commercial real estate values fell.

In response, building owners have appealed their tax assessments due to these shifts in the market.

These challenges are complex, multi-dimensional, and intersecting; but at the root we saw that they shared a common solution.

We needed to make government work; rebuilding our ability to deliver basic services and to do so more quickly, conveniently and seamlessly for our residents.

And we needed to make it work for everyone, particularly for people who were historically left out or left behind.

My administration puts these two strategies: making government work, and making it work for every Pittsburgher, at the heart of our efforts to rebuild city government from the ground up.

In no place was intervention more needed than in the Department of Public Works.

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When I took office, it was a snowy January day, typical of a Pittsburgh winter. We saw immediately that DPW lacked trucks to plow our streets in a timely manner, and that low morale resulted in many workers refusing to put in the hours needed to coordinate an effective response.

The workforce was unmotivated and resentful thanks to a management culture that used discipline as a first resort to address performance issues, and relied on politics and favoritism to determine promotions rather than merit and experience.

We also learned that DPW workers were injured on the job at an alarming rate, a fact that was met with the callous response that it was simply “part of the job they signed up for.”

As a result, service to residents suffered. Snow removal was slow and spotty, garbage collection was inconsistent, and our public spaces didn't get the attention they deserved.

The work piled up, as did our costs, driven by overtime pay needed to cover the shifts of injured workers.

My Administration understood that if we tackled these challenges in DPW, we would lay out a blueprint for transformation across the city. Even more importantly, we knew that we could show the entire city workforce that we were serious about making our city government work.

We started immediately by visiting every Division at shift change during snow storms to show that we stood with our workers. Now those were a lot of cold, dark, early mornings, but direct conversations with our front-line workers taught us a lot. They revealed the dire need for more trucks, so by February of our first year, we had implemented a plan to purchase or lease 12 new vehicles to supplement the DPW fleet, a response that continues to pay dividends every winter.

We also learned about a number of top down innovations that sounded good on paper but actually made matters worse. Drivers told us that they had lost the ability to regulate salt themselves. But this change, intended to save money on the city's salt purchases, resulted in the need to sometimes go over the same road several times just to get enough

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salt on the ice. This meant there really weren't any savings, just slower response times for residents.

So we listened and got to work with department leadership, finding ways to increase the volume of salt that our trucks distributed where it was needed. We put control back into the hands of our drivers, trusting their experience and on-the-ground-knowledge to drive our approach.

The following winter, we truly saw the effects of these changes in action. With a motivated and engaged workforce, better equipment, improved processes, and clear expectations, we were able to institute the city's first service level standard and inform residents that we could have every street treated within 24 hours of a storm's end, a commitment we have consistently met or exceeded since the winter of 2022-2023.

It's a simple but powerful approach: we listen to the needs and concerns of our frontline workers and follow the evidence to find real solutions to the root cause problems.

With this approach, we made changes large and small. We ordered new boots for every environmental service worker to reduce injuries in the winter. And we overhauled the entire promotional structure to ensure that forepersons and supervisors are selected based on their ability to lead and to deliver for residents, rather than who they know.

We are joined here today by Nicole Ford, a newly-promoted foreperson in the 4th Division, who embodies this transformation. Thank you, Nicole.

Empowering DPW workers like Nicole to make decisions that improve safety or improve quality has resulted in a whopping 51% reduction in worker injury over two years.

By fulfilling our basic obligation to keep our workforce safe, we are also returning injured workers from the sidelines. Better health and better service without increased expense: this is the power of treating workers with the dignity and respect they deserve.

The budget I am proposing today will continue to build on these successes. We are proposing the addition of eight anti-litter inspectors and three lot coordinators to

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combat illegal dumping and blight, so that we are investing in keeping the city clean instead of paying fines to state and federal regulators.

We also heard the concerns of our residents this past summer and propose the addition of a new plumbing foreman, certified as a master plumber, who will not only increase our capacity to address plumbing needs in our parks and facilities, but will also be able to train and certify new plumbing apprentices.

All across our city, we have found that a forward-thinking approach - one which unleashes the knowledge and creativity of our 3,500 dedicated public servants - allows us to solve problems and make changes without always needing to add more money into the budget.

Let me turn now to our efforts to repair and improve our aging infrastructure. That journey started on another cold January morning, just three weeks into my term in office. I got the call that the Fern Hollow Bridge had collapsed.

The challenges we faced that morning were daunting- caring for those who had been injured in the incident, containing the safety risks that the collapse caused, and immediately thinking about how to build a new bridge to reconnect our neighborhoods. But perhaps the most daunting task of all was figuring out how a piece of infrastructure used every day by commuters, first responders, and school children got into such poor condition in the first place. What happened to the Fern Hollow Bridge, and what did it mean for the other bridges across the city?

In partnership with the Biden and Wolf Administrations, we got right to work, and we designed and constructed a new bridge in record time, cutting the ribbon on the new Fern Hollow Bridge less than a year after the collapse.

But we didn't stop there; we used the crisis as an opportunity for growth and improvement. We forged new and closer working relationships with PennDOT and the Southwestern Pennsylvania Commission; we developed faster and more nimble methods of engaging with the community to incorporate residents' ideas while responding to the urgency of the moment; and we got a clear view, for the first time in decades, of how problematic the state of our infrastructure truly was.

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So we didn't just stop with a new Fern Hollow Bridge; we dug deeper.

We launched a brand-new Bridge Asset Management Program to completely rethink how we take care of our bridges. We updated our inspections of every bridge, and we added city workers to do ongoing maintenance.

As a result of these efforts, we not only have a New Fern Hollow Bridge, we also have zero open bridges in failing condition, and a long list of projects underway; with a plan to have every single bridge in our system in a state of good repair.

At times, this will require us to close a bridge proactively when we discover issues, as with the recent closure of the panther hollow bridge; but I will take a closed bridge over Pittsburghers going over an unsafe bridge any day.

Last year, I announced a 300% increase in bridge maintenance funding compared to the prior four years, totaling \$1.1 million. This is a significant cost to bear, yet it is nothing in comparison to the cost of continued inaction. Today, I am proud to propose that we maintain this level of investment in maintenance moving forward.

And we're now taking our commitment to safe infrastructure beyond bridges to every part of our transportation network. No one should lose their life to a traffic accident, yet in my time as Mayor, I've witnessed far too many senseless deaths on our streets caused by reckless driving and unsafe road design.

That's why I've committed to a vision of zero traffic related fatalities in the right of way. We've dramatically expanded our deployment of traffic calming measures, bike and pedestrian lanes, and sidewalk repairs. In the 2024 budget, we increased funding for traffic calming projects by 146%, a level of investment we are proposing to continue in 2025. A dedicated Vision Zero team brings together expertise from across departments to immediately review every serious crash to understand its root causes and to be sure that we are maximizing safety for everyone who uses our roadways.

I'm proud to be joined here today by Lauren Abt, a mother, Manchester resident, and avid cyclist who is one of many Pittsburghers who has stood up to say that far too many

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of our children, parents, and friends have died in roadway crashes, and that we must take action. I invite all Pittsburghers to join Lauren and I in our commitment to zero traffic deaths on our streets.

Next year, we will expand our efforts to eliminate traffic fatalities by deploying the city's first ever Automated Red Light Enforcement Program, a proven approach in preventing serious crashes that could easily become fatal.

I want to take a moment to thank Councilperson Strassburger and Councilmember Warwick for their leadership in advancing the legislation for this important program.

In my proposed budget, we have allocated \$1.2 million for the red-light cameras we will need, as well as a new position to manage the program. This innovative solution will work in concert with a \$32 million project currently underway to network all of our traffic signals and be able to adjust traffic patterns in real time, all from a new traffic management center based on traffic flow.

And while innovative approaches and new technology form a central part of our plan to increase safety and renew our infrastructure, we remain committed to the basic building block of maintaining our roadways: paving.

In good news for our neighborhoods, I have proposed a total of \$20.3 million to repave roads, an increase of \$3.3 million over this year's program.

Let me now turn our attention to our first responders and the Department of Public Safety. What did we find, what did we promise, and what did we do?

At the end of 2021, there were 163 homicides or non-fatal shootings in our city, concentrated especially in neighborhoods that had seen disinvestment and had been passed over by community-building efforts. Morale in the Police Bureau was low, leadership was lacking, there were no recruits in the academy, and trust between the police and the community was deeply compromised.

To create a city where no one fears either crime or the police, in the past three years, we have completely overhauled the command staff with energetic and forward-thinking



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leaders who are committed to a community-first vision of policing. We've also implemented new, data-backed and proven deployment models that return police to our streets, when and where they are most needed, and we've restored normalcy to some of our most challenging areas like Downtown and Carson Street.

We negotiated a historic new police union contract to help us recruit and retain officers through competitive pay, while also increasing transparency and accountability through a revolutionary disciplinary matrix that is allowing us, for the first time, to clarify norms and public expectations, so that officers who do a great job are able to advance, and those who don't can be held responsible for their actions. This contract marks the first in at least 20 years to be reached through negotiation and not arbitration, and that matters, because arbitrators don't award the revolutionary changes we have achieved.

Today, as a result of these efforts, homicides and non-fatal shootings are 43% lower than they were by the same point the year before I took office.

Importantly, this decline is largely driven by dramatic transformations in some of what were previously our most violent areas, like Frankstown Avenue and Allegheny Commons.

We've also begun to civilianize non-essential police functions, allowing sworn officers currently assigned to administrative duties to return to patrol or investigative work. This year, we hired the city's first community service aides. These are un-armed responders who can respond rapidly to non-violent situations, like parking violations, property theft reports, and wellness checks.

Next year, I am proposing we double-down on this strategy by hiring civilians to staff the desk at each zone, replace sworn officers in the Real Time Crime Center, and manage property and evidence. We are modernizing Bureau operations while returning more of our officers to our streets.

Pittsburgh: we've made tremendous strides to make our city the safest city in America and we're just getting started. Despite the recent retirement of our outstanding former chief, I remain confident in the Bureau, and I know that under the leadership of Acting Chief Chris Ragland we will continue the great work we have started together.

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We've also expanded our commitment to violence intervention with a crew of 30 violence interrupters who are working with people who are at risk for committing or falling victim to the disease of gun violence, connecting them with resources and providing them options to change course before they are arrested or, god forbid, fall victim themselves.

The violence interruption program is just one example of new alternative response measures. Several others are being deployed through our Office of Community Health and Safety.

OCHS was created in 2020. But despite lofty goals at its inception, when I took office two years later it had no co-response program, no diversion program, and no post-overdose team.

Today, a staff of over 40 community responders are answering calls to get people the care and support they need: providing counseling to the victims, families, and communities affected by violence, and proactively assisting frequent users of our emergency services to improve their conditions so that we can avoid a tragedy before it happens.

Every day, the OCHS team is addressing the needs of our unhoused citizens. They connect them with critical support and services and work in close partnership with the Allegheny County Department of Human Services to provide credible housing offers to move people off of our streets.

With winter fast approaching, it's more critical than ever that we connect our homeless neighbors with safe, dignified shelter options. With the re-opening of Second Avenue Commons and the establishment of additional facilities throughout the city and region, we are moving closer than ever to having a credible offer of shelter to everyone in need.

In addition to addressing the needs of the unhoused, OCHS is working to divert low-level offenders into services rather than jail through its law enforcement assisted diversion and co-response programs. In partnership with our police officers, social workers are paired with police and dispatched to calls involving individuals in crisis.

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In these units, the police are able to assess a scene for risks to public safety or the active commission of a crime. Where these conditions aren't present, they turn the response over to social workers who will assess citizen needs, in order to connect them with social or behavioral services.

This immediate, hands-on service model, backed by law enforcement and the courts, provides at-risk individuals a last chance to accept help and avoid arrest. Diverting low-level offenders and those in crisis from jail puts more public investment in the business of healing while allowing our criminal justice system to focus its resources on combating violent crime.

This year, we have deployed co-response to the daylight shift in Zones 1, 2, and 5. Today, I am proposing increased staffing to bring this vital program to all six zones, with new evening and weekend coverage; ensuring that everyone who might benefit from this approach has the opportunity to receive help and avoid unnecessary arrest.

The success of our efforts to improve public safety ultimately hinges on our ability to recruit the next generation of emergency responders.

Let's talk first about the Police Bureau. In 2022 I reopened the police academy, after several years without recruits which was rapidly dwindling our number of officers. Reopening the academy has allowed us to initiate new recruits into the profession with revamped training rooted in a community-oriented, human centered approach to the job. We also removed barriers to entry for people considering careers in law enforcement - eliminating a college credit requirement that prevented those who couldn't afford college from entering the academy, and removing implicit bias from our psychological screening process.

The success from these efforts continues to grow and I am proud to report that last week we started our 5th class since the Academy reopened with 42 recruits, the largest to date, all of whom are eager to protect and serve.

Today, I'm proud to be joined by Officer Chris Bowles, who took part in our last academy class. Officer Bowles was born in the United Kingdom, but fell in love with

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Pittsburgh; so much so that he chose not only to build his family here, but to take up the calling to protect and serve. During his training, Officer Bowles was recognized by his fellow recruits for his leadership and embodiment of the values of the Bureau, and now proudly serves as a night-turn patrol officer in Zone 1. Please join me in thanking Officer Bowles and all of our recent recruits for heeding the call to serve.

In the Fire Bureau, we just graduated a class of 39 new firefighters, and are changing the testing process to eliminate outdated barriers to women who want to pursue this profession.

The Emergency Medical Services Bureau has, for the first time, accepted the challenge of recruiting and training its own EMTs with the Freedom House EMT Training Academy, which builds on the historic legacy of the Freedom House Ambulance Service - the first public emergency medical service in the country launched right here in Pittsburgh's historic Hill District.

Until now, a person who wanted to become an EMT had to come to the Bureau with their qualifications in hand. That meant finding a way to pay for their own training before being eligible for employment. The new Freedom House Academy provides recruits with full-time paid employment while they receive their training and a guaranteed job with Pittsburgh EMS if they see the program through. This brings our medical services in line with the training approach used for firefighters and police.

We've already seen early success from this mode. Buoyed by newly hired EMTs, the Bureau has been able to deploy a greater number of basic life support units at one time than at any time in its history.

Today, I'm proud to be joined by the recruits of the 2<sup>nd</sup> Freedom House EMT Academy.

If we're going to talk about making government work, then we need to talk about bureaucracy.

We have to make sure that our own rules and procedures don't stand in the way of achieving our mission to make our city a place where all are safe, welcomed, and can

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thrive. In that regard, our permitting processes were missing the mark when I took office.

Let me be clear: the staff who conduct development reviews and inspections for the city, whether in PLI, City Planning, or DOMI, are dedicated professionals and public servants. They strive every day to protect the public from unsafe conditions, ensure that development projects align with community desires, and maintain the integrity of our urban fabric. Their work is critical to maintaining a healthy and vibrant city.

And yet, outdated service models and antiquated technology meant that when I took office the important work that they did took far longer than it needed to. This could add time and cost to important projects, often leaving customers in limbo and making it slower and more expensive to build critically important housing to address our housing crisis.

In the 2023 and 2024 budgets, we made long overdue improvements to these teams, adding inspectors, re-aligning work to reduce processing times, and building career progressions that both lowered barriers to entry and improved retention for our teams.

We listened to our customers and frontline workers to dramatically shift the way that we handle planning and building applications. Launched earlier this year, our new Building and Development Application takes the guesswork out of the application process, using simple, plain-language questions to gather the necessary information about a proposed project without the applicant needing to have expert knowledge of the construction process.

Look: no one should have to submit multiple applications for the same project, and rather than leaving applicants to track the status of multiple applications across multiple city departments, the city - not the applicant - should be responsible for coordinating the review process.

Here's how it works: the applicant supplies the information the city needs to do its review. From there, we take over to determine what approvals are required to complete the project. We request any additional information from the applicant, and then we conduct one unified review of the applicant's materials. What residents and developers

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will experience is a faster, more reliable development review process, providing our customers with predictable schedules for project review and the cost-savings that come along with these improvements.

And next week we will take another huge step forward to improve the development review process when we open the physical OneStopPGH, a brand new in-person permitting counter at 412 Boulevard of the Allies. This will mark the first time that the city has accepted permit applications in-person since the beginning of the COVID-19 pandemic.

Applicants large and small, with projects from simple deck additions to complicated multi-phase construction projects, have been clear: they want to have an in-person option to submit their permit applications where they can speak face to face with review staff, ask questions, and build relationships.

We addressed additional customer needs by proposing new caps on PLI fees. For residential projects the cap is \$8,000, and \$80,000 for commercial projects. Our proposed budget also includes support for City Planning to test a pilot program for concierge-type service on certain projects.

I want to highlight a few additional places where improving our own processes and unsticking bureaucracy have paid dividends for residents by making government work.

First, the rental registry.

This important program is critical to fulfilling our commitment to ensuring every Pittsburgher is provided with safe and adequate living conditions. A functioning registry lets us protect the public from predatory landlords. It also helps us identify when properties are being used in ways other than what they are intended, including short-term rentals or group homes without a proper operator. Just as importantly, it provides us with a clearer picture of where rental units are and how to contact their owners, providing much needed improvements to the ways in which we plan for and communicate about future development.

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Now when I took office, this legislation had been on the books for 10 years. However, it had yet to be implemented because it was tied up in lawsuits with no path to victory. So we revised the law, hired and trained inspectors, and will begin voluntary registration by mid-December, with full enforcement starting June 1 of next year.

The Land Bank is another example of a vital initiative left unfinished when I was elected Mayor. The Land Bank was created in 2014 on the promise that it would let the city more effectively address blight and reduce our large and growing inventory of vacant and abandoned properties.

These properties are a drain on the growth and vitality of the neighborhoods they occupy, are chronic threats to public health and safety, and deprive city government of much needed revenue to support other basic services.

But despite the urgent need for this work, when I took office, the Land Bank hadn't moved a single property. Since then, we've worked with our allies in the state legislative delegation to change state law to enhance the Land Bank's ability to operate, hired staff, and now have over 150 properties sold or pending sale. We're in the process of negotiating a cooperation agreement with the County and PPS to secure their full participation as well.

Now I'd like to take a minute to talk about the neighborhood we are in right now: Downtown. Since the day I took office, I've received more calls, from a broader set of stakeholders, to discuss our Downtown than any other issue.

As the COVID-19 crisis abated and the world began adjusting to a 'new normal', it became apparent that a major shift was underway in the city's commercial real estate market.

After two years of quarantine and remote work, employers and white-collar professionals began to face the question of when, how, and even whether businesses would return to the office. It was clear that while there was still a place for Downtown offices in our business culture, the days of the Monday-to-Friday, 9-to-5 commuter model were over.

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The true social, psychological, and economic costs of the pandemic were also revealed, as a growing homeless population was pushed out of emergency shelter and onto our streets.

The combination of these two trends began to establish a vicious cycle. Concerns about cleanliness and safety slowed the pace of the return to work, putting further pressure on the health of Downtown.

We saw that a dedicated, compassionate, and humane public safety initiative was necessary to meet the needs of the unhoused, and that a reinvestment strategy was needed to guide Downtown through its transition into a vibrant mixed-use neighborhood. And we knew that the success of either initiative would depend on the success of the other.

So first, we invested heavily in an “all-of-the-above” public safety approach to Downtown, focusing the energy of our OCHS ROOTS team to working with the unhoused who were concentrating in the Golden Triangle.

The Pittsburgh Downtown Partnership supplemented these efforts with a new downtown Ambassadors Program. Whenever I talk to visitors to our city, they consistently point out how friendly Pittsburghers are to strangers; but in 2022, with the sidewalks unusually empty, that neighborly attitude was noticeably missing Downtown. The Ambassadors Program stepped into that gap, connecting with people, putting additional eyes on the streets, and helping to coordinate a response across different agencies.

Next, we established a dedicated and specialized police detail to patrol Downtown. Modeled on the successful community-oriented substation in Northview Heights, this team combines tried and true, boots-on-the-ground tactics like assigned foot patrols and in-person engagement with residents and business owners, with public health approaches like de-escalation diversion and referral to human service supports.

I'd like to take a moment to thank acting Chief Ragland and Commander Novosel for their efforts to lead this initiative. I'd also like to acknowledge the contributions of PNC



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Bank and Bill Demchak who recognized the power of partnerships, collaborating with us to bring the new Downtown Public Safety Center to fruition.

Finally, dedicated Downtown clean teams made up of city DPW workers, PDP contractors, and the maintenance staff of downtown businesses now collaborate as never before, pooling tools and resources and reworking their shifts and assignments to ensure better routine coverage and more rapid response.

Taken together, these street level interventions allowed us to reduce actual and perceived safety and cleanliness challenges and to break that vicious cycle that was preventing employers from calling their workers back to the office.

But public safety workers and clean teams alone could not solve the problems of our Downtown real estate market. We needed a comprehensive strategy for reimagining Downtown.

To develop that comprehensive strategy, my Administration jumped into action, leading the convening of the public sector, corporate community, foundations, cultural institutions, and Downtown-serving nonprofits.

It was apparent that Downtown needed more than just office space to support a healthy economy. In particular, we needed rapid growth in round-the-clock residents to balance against a reduced commuter base. Local government led the way, with the Urban Redevelopment Authority, Allegheny County Economic Development, and the PA Department of Community and Economic Development partnering to establish a pilot program aimed at converting unoccupied office buildings to residential uses.

This pilot program immediately spurred significant projects, but as importantly, it allowed our economic development agencies to show that residential conversion was feasible at scale.

Working hand-in-hand with my Administration, corporate and Downtown stakeholders led by the Allegheny Conference, the Pittsburgh Downtown Partnership, and the Downtown Neighbors Alliance began developing plans to reinvest in and

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reimagine downtown's public realm, creating a more inviting and multi-use experience for workers, residents, and visitors alike.

Working collaboratively in ways not seen in decades, the government and business leaders of our region came together to create one coordinated vision and to craft an ambitious but achievable plan. We took this plan to Harrisburg to present a unified front to raise the resources needed to make it happen.

The result of this nearly unprecedented consensus was announced a few weeks ago: a package of \$600 million of reinvestment in Downtown Pittsburgh, anchored by over \$60 million from the state, \$20 million from the URA, and a broad array of private sector pledges. These commitments are in turn unlocking private investment in critical projects.

This monumental effort will advance seven major Downtown conversions, creating roughly 1,000 new units of housing, a third of which will be affordable.

It will remake critical public spaces like Market Square and Point State Park, and create a new one in the Cultural District. And it will bring additional resources to Allegheny County's human service programs to continue to re-house people living unsheltered downtown.

There are truly too many partners in this effort to thank, but I would be remiss if I did not recognize my partners in marshaling public sector resources: County Executive Sara Innamorato and URA Executive Director Susheela Nemani-Stanger and the team at the URA for driving the downtown investment strategy. I also want to thank David Holmberg, whose vision and leadership as both CEO of Highmark and Chairman of the Allegheny Conference was critical, along with Conference CEO Stefani Pashman and former Conference Chair Bill Demchak, to securing the partnership of the private sector, and last, but certainly not least, Governor Josh Shapiro for believing in our plan and delivering the resources necessary to make it happen.

I would also like to take a moment to recognize the Pittsburgh Board of Public Education, Allegheny County Council, and this Council - in particular Councilman

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Wilson - for the actions each body took to create tax abatement programs in support of Downtown. Thank you.

As I said earlier: not only did we need to make government work, but we needed to make it work for everyone; particularly for people who were historically left out or left behind.

Now, equity and inclusion are important not only because they are so central to our values, but a city that works for everyone is also the key to the economic and population growth that we truly need.

Let's start with housing. We can all rightly be proud when Pittsburgh makes the list of most liveable cities, but we all also know that housing in Pittsburgh has been growing further and further out of the reach of many working families for over a decade.

That's why increasing the supply of affordable housing has been a top priority of my administration since day one. In three years, we've won an unprecedented 12 competitive Low-Income Housing Tax Credit deals in the last two rounds of funding from the state. This is a significant increase in the number of awards our city has received from this vital program and a strong signal of validation from the state in the capacity of our team at the URA. It is also a testament to the robust pipeline of quality affordable housing projects being produced by our development community, and I would like to thank Lena Andrews from Action Housing for being with us today. As one of the foremost developers of affordable housing units in our region, Action Housing is on the front-lines of the housing crisis. Thank you for joining us here today, and for your steadfast belief that housing is a human right, Lena.

To ensure we had more local resources for housing, my administration worked with this council and the URA to secure the city's first-ever affordable housing bond, enabling us to invest more than \$30 million in affordable housing construction and preservation projects. These funds will allow us to produce or preserve an additional 1,000 units of affordable housing over the next three years. We know these new resources are desperately needed, and I would like to thank the URA for already putting them to work in projects from Homewood to Allentown. This is all on top of the 890

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units completed or in construction and more than 1,000 units approved by the URA Board and in the pipeline over the past three years.

As a former Section 8 resident, I can personally attest to the urgent need for reinvestment in our public housing buildings; and as someone who played a part in our city's first CHOICE Neighborhoods implementation project in Larimer, I have seen first-hand how that project transformed lives for my constituents.

That is why I am so proud that we were awarded the city's *second* CHOICE Neighborhoods implementation grant in 2023 from the U.S. Department of Housing and Urban Development so we can reinvest in Bedford Dwellings and expand affordable housing options in the Hill District. Coupled with funding from the city, Housing Authority, and URA, we will leverage this \$50 million in funding from the federal government into over \$400 million in investment in the Hill District over the next seven years.

This will result in a one-for-one replacement of all 411 units of housing at Bedford Dwellings - meaning no one gets displaced - along with 210 additional units of affordable housing and 202 at market rate.

And through the revolutionary OwnPGH program, we have put 150 low- and moderate-income Pittsburghers on the path to generational wealth all across our city by helping them purchase homes for the first time.

So we've stuck to our commitment to make sure that development includes options for working families. Now, we're pursuing zoning changes that will make the laws that regulate housing development match the needs of the moment.

My bold zoning package includes important reforms that our developers need - reforms aimed at getting government regulation out of the way of the production of more housing units.

This strategy includes rezoning for transit-oriented development around three major PRT stations to create denser housing options that are close to reliable, high-quality public transit; providing Pittsburghers of all income levels with more options for

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housing that make it convenient to get to work, school, and recreational opportunities without the need to own a car.

It also includes the elimination of parking minimums to remove an artificial floor on how much parking a new development must include. Parking is almost always the most expensive component of any residential construction or redevelopment project, and typically the component that is the most difficult to finance. Eliminating this unnecessary barrier to the financial viability of projects will allow developers to produce significantly more housing units, both affordable and market rate.

And finally, it includes the legalization of accessory dwelling units.

These are units that can be built into an existing home or built free-standing as an additional structure on a residential lot.

ADU's hold the promise of increasing housing options in neighborhoods without dramatically changing their existing community fabric, and they give new options to multi-generational families who would like to live together. They can also allow existing homeowners to generate additional income from renting out an ADU or give seniors the ability to age-in place.

I am confident that these market-based reforms, if adopted, will significantly increase the supply of housing in our city, providing a release valve for some of the pent-up demand driving housing prices upward.

However, we know that the market alone cannot address all of the need for affordable housing. That's where we as government need to act. Recent cases of price fixing uncovered by the Department of Justice, as well as the perverse market incentives that drive patterns of gentrification, make it clear that left entirely to its own devices, the market will continue to replace naturally affordable housing with high-cost, luxury units. This drives the displacement of working families from their communities and ultimately drives them from the city altogether.

That is why our package also includes the expansion of inclusionary zoning city-wide, establishing that in all housing projects of 20 or more units, at least 10% of units be

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made affordable to households at or below 50% of Area Median Income for rental units and 80% AMI for for-sale.

Let's translate those numbers into real people. Someone making 50% of Area Median Income in our city makes about \$35,000 a year, or \$17 an hour. These are the food service workers, retail workers, paraprofessionals, and caregivers who make our economy run. They are the essential workers we all relied upon so heavily during the pandemic.

Ensuring that there is a place for these neighbors in the future of our city isn't just the right thing to do - it is critical to the continued health and vibrancy of our local economy.

And let's be clear: we know that this level of affordability can be sustained in our development market. Councilwoman Gross has seen it with multiple projects in Lawrenceville from Milhaus, Albion, and Camp 8. As further proof, these changes would have allowed the Mellon's Orchard, Shakespeare Giant Eagle, and Shur-Save projects to happen by-right. This means they would have been able to advance in a matter of months rather than taking nearly two years to get in the ground or not advance at all.

Inclusionary Zoning is an achievable and necessary counterbalance to our efforts to remove unnecessary hurdles to housing production. Taken together, our affordable housing zoning package is a pro-housing *and* pro-tenant approach to building a city that everyone can call home.

For decades, our city has had laws on the books that were supposed to support the growth and success of minority- and women-owned businesses; but our results have never matched our rhetoric.

We've long known that historic disinvestment, systemic inequities, prejudice, and patriarchy have created a playing field slanted heavily against businesses owned by women and people of color. And we know that when we tolerate that slant, we not only generate worse outcomes for those businesses, but also create worse economic conditions for our region and our country with lost spending, taxes, and job creation.

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This will come as no surprise to anyone who has spent time working with minority business owners, like I have. These are hard-working entrepreneurs, eager to earn their shot at success, and they deserve a level playing field.

When I came into office, the makeup of our prime contractors didn't look anything like the rich diversity of our city. In the four years prior to taking office, only 10% of our larger contracts were awarded to MBE businesses as primes. I told my administration that it was time to change that - we needed to make our procurement process work better for all of our entrepreneurs.

Because it doesn't have to be this way. Our city code has clear provisions that permit us to have ambitious goals for the inclusion of women and minority-owned businesses in public purchasing.

Those same provisions also allow us to sanction prime contractors that do not meet, or even demonstrate a good-faith-effort to meet, those goals. The Equal Opportunity Review Commission is entrusted with ensuring opportunity to historically disadvantaged populations, but for years, the EORC has been treated as little more than a procedural formality and a rubber stamp.

One important way that we undermined the power of the EORC was by failing to give it the legal foundation of an up-to-date disparity study, the analysis required to set enforceable participation goals for women and minority-owned businesses. These studies are required to be updated every five years, but Pittsburgh's current study is over two decades old.

Under my leadership, we are about to begin a new disparity study to establish updated participation goals and breathe new life into our procurement practices and our DBE program.

But we're not waiting for more studies to improve our processes. Right now, we are intensifying outreach, establishing new policies and procedures, and retraining staff to help MWDBE businesses succeed now under current goals.

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We're already seeing the positive effect of these efforts. In the last two years, we've seen historic awards of contracts to disadvantaged businesses: 13 contracts with D-B-E participation of 50 percent or higher, the first ever LGBTQIA+ certified subcontractor, and, most excitingly, minority-owned firms are being selected at higher rates as prime contractors on important projects.

If public projects help us to grow new businesses, they can also be the source of high quality, good paying jobs.

From a young age, I witnessed the transformational impact that my uncle's job as a union ironworker had on my family. But for far too long, we have witnessed a growing opportunity divide, where many of our underserved communities have been left behind even as new industries and funding come to revitalize our region.

We have made it our focus to prioritize disadvantaged workers - those from underrepresented neighborhoods and marginalized communities who face systemic barriers to employment - because access to opportunity all starts with a good job.

That focus birthed the Pittsburgh Good Jobs Principles. More than just a statement of values and a shared vision, this was our commitment to action.

Case in point: two weeks ago, we announced the advancement of a Regional Workforce Equity Agreement in partnership with the Housing Authority of the City of Pittsburgh and the Urban Redevelopment Authority. This historic agreement, the first of its kind in our region, commits all three agencies to utilizing projects - projects like the Esplanade, the redevelopment of Bedford Dwellings, the reconstruction of Smithfield Street, and the installation of public EV charging stations - to make good jobs for people who need them most.

We also led on the expansion of Partner4Work and Intro to the Trades' 4Construction program to the construction of the Live Nation venue in the Lower Hill. As a pre-apprenticeship program, this will ensure that we are continuing to build that pipeline of a skilled and diverse workforce with paid training opportunities.



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For years, the residents of the Hill District have been promised job opportunities in the redevelopment of the Lower Hill. This solemn promise was made in recognition of the historic injustice done to the community during the clearing of the Lower Hill to construct the Civic Arena. As someone whose family was born on the Hill, I know firsthand the frustrations of that community waiting for decades on these promises to materialize.

Take Troy Beufort for example, who said himself at the announcement of this partnership two weeks ago that his life was not headed in a positive direction. Last year, he completed the 4Construction program and is now working as a Laborer Apprentice. Even better: Troy is also in the final selection for apprentice of the year.

Troy is the example of the transformational change we can have when we center the needs of the people we serve.

This pre-apprenticeship partnership on the Live Nation project is far from a fulfillment of our promise to the Hill, but it is a critical step forward, and I want to thank Live Nation, PJ Dick, and Partner4Work for their commitment to building opportunity infrastructure in the Hill District.

But anyone who has experience with workforce development knows that a job opening does not necessarily result in a job. And that there's a big difference between getting hired and keeping the job.

So it's not enough to say we're creating opportunity. Our job is to create success. We have to make sure that any worker who tries to make it, does make it. That's why the Pittsburgh Prosperity Project is so important.

Workers will now have a chance to get coordinated help clearing employment hurdles - like finding childcare, or learning jobsite culture, or securing transportation. Solving these problems turns abstract opportunity into real-world success.

I want to thank the community stakeholders and our partners in the foundation community for helping us build the supports that can address the needs of Pittsburgh's

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disadvantaged workers. And I especially want to recognize Rob Cherry for the instrumental role that Partner4Work has played in these efforts.

This unusually warm November, let's look at our investments in environmental justice.

We've long prided ourselves on being a city that prioritizes environmental sustainability, but when I took office, we still purchased 100% of our energy from polluting sources.

Last year, for the first time, we changed that. With our partners in the Western Pennsylvania Energy Consortium, we took the historic step of directly purchasing 40% of our energy consumption from a wind farm in Ohio, decreasing our city's dependency on fossil fuels and reducing our contribution to the severe weather events caused by climate change that are putting our region and its infrastructure at risk.

We're currently pursuing additional clean-energy investments in our energy portfolio and are firmly committed to our Climate Action Plan Goal of 100% renewable energy by 2030.

In partnership with the URA, we are also funding work to develop a solar farm on top of a slag heap - a literal mountain of industrial waste - leading the way in the transition from our region's fossil-fueled past to its sustainable future.

And as we look to that future, we know that we must also prepare for the environmental impacts of climate change.

For years, Appalachia has been bearing the brunt of the unfolding climate catastrophe. In 2022, severe storms in eastern Kentucky caused massive flooding that displaced thousands and destroyed communities that still have not been rebuilt.

In late September of this year, Hurricane Helene brought devastating flooding to western North Carolina and eastern Tennessee, wreaking havoc on communities like Asheville, which, until only recently, was attracting new residents moving there to escape climate impacts on the coast.

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The changing weather in our region places us at enormous risk, and the next disastrous storm could hit Pittsburgh.

We must prepare for this possibility, reinforcing our infrastructure and increasing our resilience to climate emergencies. That is why I have charged my administration to apply the same tools that allowed us to make so much progress on our bridges to the evaluation of vegetation and retaining walls - the natural and built infrastructure that protects us from flooding and landslides. And we are creating a concrete hazard mitigation plan that guides our investments so that our neighborhoods and our city are ready for whatever mother nature sends our way.

But as we plan for the future, we must not plan only for the risks but also the opportunities. As I often say, there are no microwave meals in development, and our most important task as leaders is to plant and water seeds that will bear fruit decades from now, long after our time in leadership has ended.

That is why I am so invested in our initiative to craft the city's first Comprehensive Plan, a holistic vision of our collective ambitions for our city that will guide future land use decisions and economic development strategies.

Rooted in the values of social, economic, and climate justice, our Comprehensive Plan will be the foundation that ensures that the capacity that we are rebuilding today will be put to use to make it work for everyone for generations to come, because a Comprehensive Plan is a plan by all of us, for all of us.

In the new year, we will see the Comp Plan enter full swing as our 90-to-1 engagement strategy takes shape. This will ensure that we are learning from residents in all 90 neighborhoods across Pittsburgh. While this work will highlight what makes each neighborhood unique, it will also reveal what unites us as one city.

I charge every Pittsburgher, from every walk of life, to engage honestly, openly, and fully in this effort. Crafting a Comprehensive Plan is truly a once-in-a-generation opportunity to shape the future of the city we all love in ways that will outlast many of us, and we can only build a city for all if we all take part.

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Finally, I want to take time to address the city's financial health; a topic that has received considerable attention over the course of this past year.

This year, I launched the Joint Task Force on City Finances. Representatives of all three branches of government meet monthly to keep each other up to speed with what's happening to your tax dollars. We are stewards of your resources, and all of the task force members take this very seriously.

I am proud to share that even in the face of significant headwinds, some of which are happening to cities across the nation and others which are unique to our region, the city's financial condition is strong and can support my proposed budget while remaining balanced, maintaining sufficient reserves, and responsibly managing our debt, all without raising your taxes

The end of ARPA support for our operating budget in 2025, combined with a COVID-related debt cliff in 2026, will limit our ability to make new investments for the next two years. We've been telling the public about these tricky years since my first preliminary budget proposal in September 2022. Let me tell you right now: two tough years will not stop us from continuing our mission of rebuilding your government and making it deliver for you.

Two additional strains on our resources right now are the challenges of property tax appeals driven by Downtown vacancies and the common-level ratio ruling. Our investments in the reimagining and revitalization of Downtown are aimed directly at addressing the first of these challenges. At the same time, the latter must ultimately be resolved through the County assessment process.

Guiding us through this challenge has required extraordinary diligence from our fiscal team in the Department of Finance and the Office of Management and Budget. I am happy to report that they have risen to the task. I have every confidence in our ability to weather this unsettled period.

In addition to swiftly processing new revenue and carefully managing our expenditures, this team has taken on new initiatives to protect our bottom line. Our decision to bring the collection of delinquent real estate taxes back in-house has increased prior-year real

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estate revenue by 83% this year, largely offsetting income lost to refunds resulting from real estate tax appeals. The Finance Department has continued to deploy new technologies and process improvements to accelerate our ability to process new business registrations and tax payments, eliminating huge backlogs that plagued the city for years.

On the spending side, thanks to careful management, we will achieve our objective of fully obligating 100% of our ARPA funds by the end of the year, meaning that not one cent of this vital financial support will be returned to the federal government. Our ARPA allocations balanced purpose with practicality, supporting a mixture of core services, new projects, and innovative programs. Our management of the program has been praised by the Biden Administration for its professionalism and ambition.

The strength of our financial situation has been validated by the rating agencies, which have consistently rated the city's bonds as a safe and stable investment.

In fact, earlier this year S&P Financial improved the rating of the city's general obligation debt from AA- to AA, even in light of the challenging dynamics surrounding real estate taxes. This improved assessment of the city's financial position is a testament to the quality of our financial management practices and the resilience of our local economy.

So Pittsburgh: even though our country is on the brink of an enormous transition, and there are likely challenging times ahead, I am confident that the future of our city is bright.

I am confident because of all we have accomplished together over the past three years, the challenges we have already overcome, and the course that my Administration, this Council, and our citizens have charted for our future.

I am committed to building a city for all where government works, and it works for everyone. This commitment fills me with purpose and drives me forward, even on the most difficult days and in the face of the most daunting challenges.

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It fuels me to see opportunity where others see adversity, abundance where others see scarcity, and hope where others see cause for fear.

I know that whatever fate throws at us, if we all stand together, Pittsburgh will rise to the occasion.

That is why I am so incredibly proud to have the opportunity to lead this city as its Mayor, and so deeply grateful to the people of our great city for the opportunity to serve you.

Thank you all for your partnership in this journey to a more just, humane, and prosperous future for every Pittsburgher.

Let's get it done.