Thank you all for being here today.

I’d like to start by acknowledging the members of the Board of Supervisors – thank you for your hard work and commitment to public service.

And in particular, I’d like to acknowledge the President of the Board, Matt Gonzalez – thank you for your years of service.

I’d also like to acknowledge City Attorney Dennis Herrera, Assessor Mabel Teng, newly-appointed Treasurer Jose Cisneros, District Attorney Kamala Harris, Public Defender Jeff Adachi, and Sheriff Mike Hennessey.

I am proud that we’re joined today by Congresswoman Roybull-Allard, Assemblyman Mark Leno, San Mateo County Supervisor Mike Nevin, former mayor, Willie Brown, as well as many other distinguished guests.

I’m also proud to be joined today by the command staffs of our city’s Fire and Police departments. In particular, I’d like to recognize Fire Chief Joanne Hayes-White and Police Chief Heather Fong – both pioneers and innovators in their fields.

And of course, I’d like to thank Mission High School – the students, the faculty, Principal Kevin Truitt – as well as Superintendent of Schools, Arlene Ackerman and the School Board for having us here today.

Not so many months ago, San Francisco gave me the great honor of serving this city as your 42nd Mayor.

I found a San Francisco that was confident of its past but uncertain of its future…

Confronted by the greatest economic downturn in recent memory and the largest budget gap in city history…

Challenged to provide essential services in the face of staggering federal and state budget cuts…
Mayor Gavin Newsom  
State of the City Address  
October 21, 2004

Held captive by a growing gap between decision and execution, planning and reality…

Other cities retreat in the face of such challenges.

But I did not run for Mayor to lead a city in retreat. I believe this is a moment to advance.

We are, after all, San Franciscans and there is no budget crisis that can cause us to surrender our core values.

There is no economic downturn that can make us surrender in the fight for a safe, compassionate and livable city.

I ran for Mayor to lead this city forward. And move forward we will.

Together, we are advancing to a place where our community is healthier, safer and stronger.

The state of our city is strong – and getting stronger each and every day.

That’s because we are doing what so many of us for so long have said was impossible.

When some said homelessness was unsolvable… We started providing permanent supportive housing.

When some said we could never be united… We passed a budget that navigated through the most severe financial crisis in our history.

And when confronted by injustice, we had the courage to take a stand for equality and allow same sex couples the same rights and privileges all Americans are afforded.

We are doing more with fewer resources. And here’s why…

Over the last 2 years, the state of California has cut $2.6 billion dollars from our cities and counties.
San Francisco, alone, has lost $70 million dollars in state funding to our city’s General Fund and we will lose at least another $35 million dollars next year.

Nationally, the problems are even more magnified.

In the last 4 years, some 5 million Americans have lost their health insurance, now 45 million Americans have no health insurance at all.

There has been a 56% increase in the cost of health care premiums. And Medicare costs are up a staggering 17.5% – the biggest increase in our history.

Poverty is up not down – with 35.8 million Americans now living below the poverty line – and in just the last 4 years, 4.3 million more Americans have joined their ranks. These are families of 4 with total annual household income of $18,810.

Nationally, unemployment is up – in the last 4 years, 1.6 million Americans have lost their jobs.

500,000 kids lost their after-school programs, including 300,000 just last year alone. And another 100,000 kids are without childcare because of Federal cuts.

In cities across America, homicide rates are up. Gang violence is up. At the same time, the Federal government has cut funding for 23,000 police officers.

And recently, they allowed the Assault Weapons Ban to expire. Despite the heroic efforts of our Senator Dianne Feinstein, the same weapons of war that are being used in Iraq are now being made more readily available on our streets.

Hope VI, the successful Federal program that turned around communities like North Beach Place and Bernal Dwellings, has had its funding cut by two-thirds.

[I’d like to acknowledge Mayor Willie Brown, who is here today, for his success in securing almost $200 million dollars in Federal Hope VI funds]
over the last 8 years – more than any other city in America. Thank you, Mayor Brown.]

President Bush’s 2005 budget, incidentally, will eliminate Hope VI entirely.

And just this year, President Bush tried to block grant Section 8 Housing vouchers, which could have eliminated as many as a quarter of a million housing vouchers nationwide, and would have put at risk housing for some 800 San Francisco families.

Thanks to the leadership of Nancy Pelosi and our efforts at the US Conference of Mayors we were able to defeat this misguided initiative.

We are living in a time of failed leadership at the state and federal levels. Cities like San Francisco have become America’s first responders in almost every category, forced to create the solutions to the seemingly intractable problems facing America today.

Confronted by this complete abdication of responsibility from the state and federal governments, we are a city that has remained true to our core values.

Here in San Francisco, we’ve begun a revolution of solutions that challenges the status quo to innovate and reinvent… to rethink and reconnect our city with its people.

We are fulfilling our obligation to educate, create jobs, build affordable housing, provide affordable health care and house the homeless.

In the last decade alone, over 1,000 people lost their lives on our city’s streets – they weren’t murdered, they were homeless.

Homelessness has replaced the Golden Gate Bridge and the Cable Car as one of the city’s most defining symbols. It’s the one thing that every San Franciscan can agree upon – homelessness is THE problem.

Together, we have challenged the status quo and reconnected our most needy residents with vital services.

When we could have just offered another shelter bed, we are increasingly offering a home – and supportive services – to the homeless.
Where others were defeated, we were determined. And now that determination is saving lives.

Take Melvin Boyd, a Care Not Cash client.

Until recently, Mr. Boyd was living in shelters and on our streets. He was unable to hold down a job.

Just this May, Mr. Boyd was given a permanent home at the Graystone Hotel. Today, he has a steady job and recently moved out of the Graystone and into a subsidized apartment of his own.

Mr. Boyd, we honor your struggles and salute your perseverance. And I thank you for being here today.

The “Housing First” model, adopted under Care Not Cash, is a comprehensive approach that provides permanent supportive housing while addressing the underlying causes of homelessness.

Since January, San Francisco has added 768 units of new supportive housing without spending one penny more of your tax dollars.

We replaced the cash-based system of care with a service-enriched system, and by the end of the year, we will have over 940 new units of supportive housing.

I’d like to thank Supervisor Dufty for his strong support of these efforts.

Just last week, 300 city workers and volunteers took part in an historic effort called Project Homeless Connect. In one day, we connected 600 homeless San Franciscans with the services and referrals they need to get their lives back on track.

I thank every one of those city workers and volunteers for standing up and being part of the solution.

Today, I am proud to announce that this initiative will be made permanent.
Starting in November, Project Homeless Connect will bring hundreds of people out from behind their desks and onto the streets to conduct outreach at least one day each and every month. This, in addition to our ongoing daily outreach efforts.

We’ve come so far – now is no time to retreat.

We can end chronic homelessness if we have the courage and commitment to implement the 10-year plan developed under the leadership of Angela Alioto.

I’d like to thank the members of the 10-Year Planning Council, including Supervisor Chris Daly for his support.

The next step is passing Proposition A – the housing bond on this November’s ballot.

Prop. A will invest $90 million dollars in developing permanent supportive housing, making San Francisco a model for the country. By comparison, the Bush Administration’s entire supportive housing budget is just $70 million dollars.

Providing essential funding for supportive housing is only part of what Proposition A will do.

It will invest $50 million dollars in the creation of new homeownership opportunities for low and moderate-income families.

Prop. A will provide real home ownership opportunities for our middle class, rooting them in our city’s future by making it possible for their children to own a home in this great city.

We need more home ownership in the city and county of San Francisco.

Prop. A will also invest $60 million dollars in the development of affordable rental housing for low-income families.

We will leverage all these dollars with federal, state and civic contributions resulting in a total housing investment of close to $1 billion dollars.
I thank Supervisor Peskin and others at the Board for helping to craft this solution.

As with housing and homelessness, we have a choice: stand behind the status quo or advance innovative and inventive solutions that reconnect the city with its people.

Today, over 130,000 San Franciscans are without health insurance. Again we have a choice: retreat and accept the status quo or advance towards a healthier community by making universal health care a reality.

We have chosen to move forward, connecting residents with the health care they need. This year, we’ve committed to providing health care for every eligible San Franciscan, not just ages 0-18, but ages 0-25.

No other city, no other municipality, no other state in the entire country has done that.

Healthy kids are essential to a healthy community but so too are healthy schools.

Today, the City’s direct investment in schools is the highest it has ever been.

In future years, thanks to the leadership of Supervisor Tom Ammiano, Proposition H will set aside $60 million dollars annually for San Francisco schools to fund arts, music, physical education, early childhood education and other vital programs.

But we did not wait for Prop H to kick in – because our kids cannot wait.

The budget I signed in August, thanks to the efforts of Supervisors Sandoval and McGoldrick, immediately set aside $11 million dollars for city schools.

I also followed through on my pledge to appoint a liaison to coordinate efforts between my office and the School District.

As mayor, I recognize that I may not have direct responsibility or policy making for our schools, but together, we have an obligation to advance excellence for every San Franciscan. That’s why improving our schools is among my highest priorities.
We have also made supporting Superintendent Ackerman’s Dream Schools a top priority.

These schools offer real hope for our city’s youth in underperforming schools.

And if there ever was a time to use the city’s Rainy Day Fund, this was the year to do it.

City schools received an additional $3.5 million dollars to create new safety initiatives, enhance athletic and arts programs even further, establish apprenticeships, and increase summer school funding.

These funds will also be used to combat truancy, a serious problem plaguing our public schools and our community.

Just a few days ago, we announced a new initiative to reduce truancy. And I thank Superintendent Ackerman for her hard work on that effort.

Our commitment to San Francisco’s youth does not end in the classroom.

Today, San Francisco has 42 youth in the California Youth Authority. I believe the CYA is no place to send our children.

We can do better.

Today, I am announcing that we are convening a taskforce, led by Judge Katherine Feinstein and my office of Criminal Justice, in partnership with Public Defender Jeff Adachi, District Attorney Kamala Harris, Juvenile Probation and the Department of Children, Youth, and Their Families.

This taskforce will develop a plan to ensure that none of San Francisco’s children will be sent to the CYA. This plan will be in place by the end of my term.

Today, without doubt our city’s communities are healthier – and they are being made safer.

Citywide, we are more ready than ever to respond to a catastrophe.
Whether manmade or mother nature, we remain steadfast in our resolve and readiness to keep San Francisco safe.

With the help of Supervisor Ma, we have updated our Emergency Operations Plan for the first time in a decade, to reflect the new threats of the 21st Century.

We have conducted joint training exercises with our Police, Fire, and Public Health departments.

We’ve reached an unprecedented level of cooperation with our regional partners, conducting tabletop exercises and drills with other Bay Area first responders.

And just this year we surpassed 11,000 city residents trained and ready to respond in the event of a disaster.

Today, I am proud to announce San Francisco has been awarded a $700,000 dollar Homeland Security grant that will make it possible to significantly expand our Neighborhood Emergency Response program.

While planning for the unknown is essential, it has not prevented us from focusing on the day-to-day reality on San Francisco’s streets.

It’s been a difficult 9 and a half months since I took office.

While violent crime has dropped 5% overall…

Homicide rates have soared. And Gang violence has escalated.

And we suffered the brutal slaying of one of the city’s finest – police officer, Isaac Espinoza, the first officer to be shot and killed in the line of duty in a decade.

Today, I express our city’s gratitude to Officer Espinoza for his service and our sorrow to his family. This city will never forget your sacrifice.

The problems are real.
But we cannot turn a blind eye or shrug our shoulders hoping they go away.

No. We are doing just the opposite.

I asked for more beat officers – and we got them. Today there are 44 additional officers walking a neighborhood beat, including 16 officers patrolling public housing. And we have plans to hire an additional 150 new officers over the next 18 months.

We are using new technologies like crime mapping that provide real time data to police officers, helping to identify hotspots and better allocate resources.

And today I am announcing we will be bringing the CompStat model of policing to our Police Department within the next 6 months.

But we cannot stop there.

What value is increased public safety and prosperity if not every San Franciscan feels more secure or is better off than they were yesterday?

In truth, while we are one city united in name, we remain separate communities.

In our city’s southeast, there’s a San Francisco that is a community apart. Separated by geography, violence, and decades of neglect.

Despite over 40 years of promises, programs, speeches, high rhetoric, and good intentions, economic and social conditions in the southeast are getting worse not better.

It’s there, in the Bayview, Hunters Point, Visitacion Valley and Potrero Hill that our problems are magnified.

For too long we have calmly accepted newspaper reports of young men being gunned down in their youth.

14 year-olds killing 15 year-olds. A 25 year-old man, suspected of killing a 6 week-old baby.
We glorify killing on television and in the movies. And we call it entertainment.

At the same time, we make it easy for men and women of all shades of sanity to acquire whatever weapons they desire.

We can crack down on crime – and we have. But punishment is not prevention – nor an armed camp a place of peace.

We can spend money on the problems – and we have. But the answer is one we've always known, though sometimes have forgotten – money by itself is no answer.

Programs which are misguided accomplish nothing.

Program passing, after all, is not problem solving.

In fact, laws and government programs are only part of the answer.

The solution lies in reconnecting the communities of the southeast with City Hall and the rest of San Francisco.

It’s time for an order of magnitude change.

It is our task to connect hope with opportunity, to replace despair with jobs, and connect potential with solutions.

Just yesterday, I announced the Communities of Opportunity Initiative, an unprecedented effort that responds to the needs of our most neglected and disadvantaged neighborhoods.

This initiative will focus on reforming the way we deliver services, building better housing, and job creation.

As part of that initiative, I am today announcing the creation of a local Hope VI program that will replace failed public housing developments with vibrant communities.

These communities will blend new housing, mixed income and commercial development.
No longer will our public housing be isolated from the rest of the city.

And while we will work to provide people with decent homes, we know that everyone also needs good jobs and the financial tools to get out of poverty.

That’s why we created a local Earned Income Tax Credit, the Working Families Credit that will put money directly into the hands of the working poor.

The Federal Earned Income Tax Credit is one of the most successful anti-poverty programs in our country’s history, just after social security.

We hope to provide up to $6 million dollars to San Francisco’s working families, allowing them to keep more of what they earn.

The city has already committed $3 million dollars over the next 2 years for the Working Families Credit.

Today, I challenge San Francisco’s corporate and philanthropic communities to match that contribution.

In addition, we must also improve the way our government connects with its people by reforming our relationship with community based organizations.

There is not a problem or a program which hundreds of service providers and bureaucrats are not earnestly at work. But does that represent in each case a solution to our problems?

Manifestly, it does not.

The truth is while many service providers do great work, many others are not accountable for outcomes and results.

Over the next year we will double the number of performance audits of city contracts and finally bring more accountability to the way services are delivered.

In every neighborhood and every community in our city, we are advancing our core values – improving our quality of life by helping others.
In June, my office of Community Development launched Project Connect.

Its mission: to ask the people of San Francisco how we as a city can do better. We asked what works, what doesn’t work, what should be discarded and what should be fixed.

Some 867 volunteers and city workers, including Supervisor Sophie Maxwell, knocked on 10,333 doors in some of the most underserved communities in our city including Visitacion Valley, Bayview Hunters Point, the Western Addition, the Tenderloin, the Mission, Chinatown and Potrero Hill.

Just yesterday we announced the results of Project Connect. And I’m sure the findings will come as no surprise:

While people have new job skills – they lack the jobs to go with them.

People want and need housing that’s safe, clean and affordable.

They need safer streets.

And they want the opportunity to build businesses and grow their own community’s economy.

Today, I stand before you to say, we heard you. And we are responding.

Today, I am announcing that Project Connect will become San Francisco Connect, connecting San Franciscans to business, arts, education, parks, housing, health care, job training and job placement, and the entire array of services that we provide.

This unprecedented initiative, which we are making permanent, will not only connect San Franciscans with services, it will connect San Franciscans with one another. It is an opportunity for our residents to give back to the city which has given so much to all of us.

Today, I call upon every resident to become part of San Francisco Connect. To volunteer your time and join this effort in changing the way we live and the way we view one another.
As we connect our most vulnerable residents with the services they need, we are also working to improve the quality of life for every San Franciscan by cleaning our streets, planting new trees, and creating even more open space.

I am proud to report that while we are the most densely populated American city, we achieved a 63% recycling rate; compare that with New York, the second most densely populated American city, which recycles at just 20%.

We are softening the edges of our urban landscape to make our streets more friendly and more welcoming.

We are greening the median strips along Van Ness Avenue and Sloat Boulevard – a project championed by Supervisor Sean Elsbernd. And in the coming year, we will do the same for Lombard Street, Geary Boulevard and Junipero Serra Boulevard.

We are committed to leaving our environment healthier and stronger than we found it.

As evidenced in our ongoing efforts to increase solar power, adopt green building technologies, to improve air quality, to reduce harmful toxics, and implement a comprehensive urban forestry plan.

We are also the only city in the country that has adopted a precautionary principle. It is better to be safe than sorry.

When it comes to the environment, we are leading this country by example. That’s why the United Nations picked San Francisco to host World Environment Day in June 2005.

Mayors from all around the world and UN Secretary Kofi Annan are coming to this city to learn from us and to share best practices.

Our commitment to the environment and a higher quality of life is complemented by our long-term strategy to grow the economy and create the jobs of the future.

Many of these jobs are in conservation and clean energy. And San Francisco is committed to leading the way in these new industries.
We are also making headway in bridging the Digital Divide.

Recently, we made free wireless internet available in Union Square.

Today, I’m announcing that we will bring WiFi to our Civic Center, to Portsmouth Square and to Ferry Plaza.

And we will not stop until every San Franciscan has access to free wireless internet service.

We are also developing plans to bring wireless technologies and free computers to our affordable housing developments and community centers throughout San Francisco.

These technologies will connect our residents to the skills and the jobs of this new economy. No San Franciscan should be without a computer and a broadband connection.

I believe that we cannot be for jobs, if we are against business. The private sector is the engine of our economic growth and the fuel for a better tomorrow.

Indeed, without the growth of the private sector, none of the goals we have outlined for the next 3 years can be achieved.

That’s why in the last 100 days, we have met with over 100 CEOs of the biggest and fastest growing companies in San Francisco, to hear from them about what is working and what is not.

In the coming months, our Office of Economic and Workforce Development will unveil a series of initiatives based on these meetings, to bring together the public and private sectors in new and innovative ways.

I am committed to making San Francisco a more business friendly city.

One of the great opportunities for San Francisco in our economic future is in life sciences, nano-tech and bio-tech industries.
San Francisco is the birthplace of over 70 bio-tech companies yet none of these companies are currently located in the city. These companies are supporting 85,000 jobs in the Bay Area but only 30 here at home.

Recognizing the problem and resolving it are altogether different.

That’s why I was proud to work with the Board of Supervisors, particularly Supervisor Michela Alioto-Pier, to sign into law a bio-tech tax credit, to encourage these companies to return to their birthplace.

And to make sure every resident benefits from these new economic opportunities, we are working with City College to create bio-tech job training programs.

It is also time to revitalize and clean up our neighborhoods.

We will begin by turning the mid-market area into a world-class arts and culture district.

Today, I am announcing the long-overdue renovation of UN and Halidie Plazas, which will be complete by May of next year.

We will create Community Benefits Districts in Noe Valley, the Tenderloin, Polk, Fillmore, Third Streets, as well as San Bruno, Ocean and Leland Avenues.

Committing merchants and property owners to invest in their areas by planting trees and flowers, placing benches, cleaning sidewalks, graffiti removal, and so much more.

And most notably, we expect to break ground on the Hunters Point Shipyard by spring of next year.

After 30 years of promises, we are finally taking action.

When completed this project will provide 1,600 housing units, 1/3 of which will be affordable, and 34 acres of open space, parks, community facilities, job training as well as jobs.

This is the moment the southeast has been waiting for since 1974.
By every measure, we are making progress in San Francisco:

Unemployment is down. Hotel occupancy is up.

Everything that should be up – is up, and everything that should be down – is down.

Including cruise ship activity, up 43% over last year.

Retail and residential construction is on the rise.

Travel to the city is up.

Airlines, including United, Air New Zealand and Icelandair are expanding service to San Francisco.

And Virgin Airlines is making SFO their home.

And business investment is up. Since January, over a dozen businesses have made San Francisco their home, including, Gymboree; Cathay Pacific; H&M; the Body Shop; Primitive Logic; and Design Within Reach.

While we are moving in the right direction, challenges remain.

When I took office we faced an unprecedented budget deficit.

It challenged us to ask ourselves: Do we care more about clean parks and safe streets than we do about health care and after school programs?

Or do we care more about housing the homeless than we do about providing a first-rate education for our kids?

Our answer was clear: Unlike the state and federal governments, we will not pass our problems on to others.

We will not borrow from tomorrow to pay for today.

We will not sacrifice this generation for the next.
We have made tough choices.

In the last 8 months we have eliminated 955 city positions.

We have consolidated 5 departments and streamlined redundant services.

We have achieved an historic agreement with city workers, securing $138 million dollars in savings.

I’d like to thank the city’s workers and labor leaders.

But if we are to continue to advance as a city and as a community, we must come together this November to pass Propositions J and K.

This is not an easy choice. Taxes never are. But neither are budget cuts.

The plain truth is: without passage of these measures, we will have to cut $97 million dollars from our budget over the next 18 months.

Make no mistake, this would have a devastating impact on our city – and the services we provide and the people we serve.

Passage of Props J and K will allow us to continue rethinking the scope and purpose of City Hall. And will allow us to continue connecting the city with its people.

As we continue to work through this unprecedented budget deficit, we must take every precaution, as well, against future downturns.

That’s why I am proposing a Charter Amendment to require a ten-year capital plan, a two-year budget cycle and stronger fiscal safeguards.

We can and we must do a better job planning for today and tomorrow.

I pledge to you that if you do your part – City Hall will do its part as well.

On April 14, this year, my administration launched San Francisco Stat, a powerful performance management program that will improve services and make government work better.
Rather than responding to an audit every few years, department heads now report monthly, with REAL data about budgets, overtime, absenteeism, contracts, and customer service.

How many potholes has DPW filled this month, and how does that compare to last month?

How many false alarms did the Fire Department respond to, and how can we reduce them?

How many homeless San Franciscans have gotten into housing?

We’re asking the tough questions and departments are responding with real answers – supported by real data.

But we’re not stopping there.

It’s time to make city government more accessible and more accountable.

In 18 months, we will have in place a single telephone number for accessing all City services.

Right now there are hundreds of phone numbers for accessing City government. It’s no wonder that over 50% of all the calls going to 9-1-1 are for non-emergencies.

But at least somebody answers the phone.

We’re going to replace those numbers with ONE: 3-1-1.

If you need graffiti removed from your property, to report a stolen wallet, to get a Muni schedule, to find out where to get a flu shot or a marriage license, you will be able to dial one simple phone number.

You’ll get a human being on the phone 24-hours a day, 7 days a week, 365 days a year. No longer will you get a busy signal, or a voicemail or a phone tree.
Everywhere you look in San Francisco, there are signs of renewed optimism, prosperity and hope…

You can see it in the new Third Street Light Rail that will begin running next year.

Along the new Octavia Boulevard, which is a model for what streetscapes, transit-oriented development and community-based planning is all about.

In the new housing opportunities at Mission Bay and Treasure Island.

At the Transbay Terminal, which is an historic partnership with state and federal agencies to provide high speed rail and a hub for Bay Area transit.

You can see it in the myriad of new cultural opportunities that will soon be available to every San Franciscan, like the new De Young Museum, African Diaspora Museum, Jewish Museum, Mexican Museum and the new Academy of Sciences.

Today, I stand before you as someone who has never been more proud to be a San Franciscan.

In the face of great challenges, we have remained true to our values.

We have begun a revolution of solutions.

And though, as Thomas Jefferson wrote, “the generation that commences a revolution rarely completes it,” I am not discouraged.

Because we are a city that dares to ask “What if…”

What if we offer permanent supportive housing to the homeless?

What if we clean up the playgrounds and streets across this city?

What if we make it possible for average San Franciscans to own their own home?

What if we make universal health care a reality?
What if we offered job training tied to actual jobs?

What if we replaced substandard housing developments with safe and healthy communities?

What if we made every San Francisco neighborhood safer, healthier and stronger…

**What if we try what’s never been tried before?**

Over the next three years, that’s exactly what this city is going to do.

I am confident that we will continue to move forward, continue to find solutions that bring San Franciscans together...

Solutions that advance our goal of building one city, one community, comprised of diverse people, living and advancing across every conceivable difference…

But connected always by hope and the conviction that together we can make a better tomorrow.

Thank you.

###