

Mayor Kevin L. Faulconer's 2017 State of the City Address Prepared Remarks

Thank you.

Tonight is a night to come together...

Reflect on our progress...

And look forward to what is coming next.

When I first addressed you two years ago, I pledged to work every day to rebuild our city, grow our economy, and bring together our communities.

By paving roads, repairing neighborhoods and balancing our budgets...

We are fulfilling that commitment – and laying the foundation for a better future.

And by investing in communities that hadn't received their fair share...

We're now giving our neighborhoods the attention they so rightfully deserve.

I've worked to build bipartisanship at City Hall so the voice of the public can be heard loud and clear.

You know, it's a privilege to serve as your mayor.

As I begin my second term, I want to thank you for your support.

I'm honored to stand with you.

Every day I'm inspired by you.

And I will never stop working for you.

Thank you, San Diego.

Before we go any further, I want to say one thing about today's news.

At the end of the day, Dean Spanos was never willing to work with us on a stadium solution and demanded a lot more money than we could have ever agreed to.

We live in a great city and we will move forward.

San Diego didn't lose the Chargers.

The Chargers just lost San Diego.

But we have a lot of other civic priorities that we are going to discuss tonight.

We have a lot of work to do in the year ahead.

There are new challenges that we must overcome.

But I know that we can do it.

Because turning our greatest challenges into our greatest strengths is something San Diego has always done.

A century ago, San Diegans transformed our city from a tiny seaside outpost...

To a home base for the military forces...that changed the course of history.

Only in San Diego, a place detached from the nation's traditional centers of power...
Could innovators have conceived the technologies that changed the entire planet.

This is who we are.

And the year ahead will decide who we become.

We live in a period of great change.

America's political, racial and economic divides threaten to separate neighbor from neighbor.

But we can't let that happen here.

We won't.

Because while there may be strife on the national level, I firmly believe that now is

San Diego's time.

Because time and again, our city has shown a unique ability to work together and rise above obstacles.

I've made it a priority to make sure that San Diego's historically underserved areas receive historic levels of public investment.

The first economic opportunity district my administration established – was in Southeastern San Diego.

When the first branch library in a decade opened – it was in Skyline.

The city's largest active road repair project right now – is in San Ysidro.

And last year San Diego was designated as a federal Promise Zone...

An initiative that will help some of our most disadvantaged neighborhoods become more competitive for major funding to address poverty and inequality.

We are now three years into this journey – and I'm proud to say that we are working together to fulfill the promise of providing quality services to every San Diegan.

And I'm going to keep working until we are no longer a city divided by race, class or zip code.

Our work will not be done until we are in spirit, in practice, and in reality...

One...Unified...San Diego.

I've made neighborhoods the priority since taking office.

Working with the entire City Council, we restored community services that were decimated during the Great Recession.

We ensured that revenue from our growing economy went toward keeping our libraries and recreation centers open longer.

And we helped youth get ahead with a new after-school tutoring program that has been used by students nearly sixty thousands times.

We are making government digital, more accessible and more transparent...

So you can get business done, request pothole repair and track City spending from the palm of your hand.

And I am proud that we have set records for road and infrastructure upgrades.

At the height of the pension scandal, the City was repairing 25 miles of roads each year.

In just three years, we have fixed more than 640 miles of streets.

You wanted City Hall to pave your streets – and we're doing it!

Last year San Diego was designated a U.S. Coast Guard City –

A testament to our strong commitment to the men and women who serve our nation.

Many active duty and retired military are here tonight.

Please join me in thanking members of our military community.

Protecting our communities will always be my top priority as mayor.

From top to bottom, we are continuing to work to revitalize our public safety services.

We have hired more than forty 9-1-1 dispatchers since last January and completely overhauled our broken dispatch system...

In just seven months, the City of San Diego met – and surpassed – the national standard for emergency call wait times...

With more than 90 percent of calls answered in under 10 seconds.

Our broken dispatch system was a big problem.

But we took decisive action – and we fixed it.

This means our fire fighters, lifeguards and police officers can serve you better – and make a difference in life or death situations.

Please join me in acknowledging all of our brave first responders who are here with us tonight.

This past year we re-established a citizens' advisory board with Council President Myrtle Cole to create a new channel of communication between police and our neighbors.

We broke ground on three new fire stations.

And we enhanced trust and accountability by deploying more body worn cameras to our police force – making San Diego a nationwide leader in this new technology.

It's a fact that law enforcement is only as good as the heroes who choose to serve

Heroes like Officers Jonathan J.D. DeGuzman and Wade Irwin...

Who were trained, like all San Diego police officers, to be ready at a moment's notice to place themselves between us and harm's way.

Tragically, a few months ago Officer DeGuzman was killed in the line of duty and Officer Irwin was severely injured...

Simply because of the uniform they wore.

It was a senseless act of violence.

And a reminder that we can never – ever – take our officers for granted.

But San Diego's police don't do it alone.

Behind every badge is a family.

We are honored to be joined tonight by Officer Irwin, his wife, Taryn, and their two-year-old daughter, Taylor.

Wade...Taryn...and Taylor...

We thank you.

We are also honored to have with us tonight, Officer DeGuzman's wife, Jane...

And their children, Jonathan and Amira...

Who did an amazing job with the Pledge of Allegiance tonight.

Deguzman family...I want each of you to know that J.D. will forever be known as a San Diego hero.

He never stopped serving us.

On behalf of a grateful city...

Let me say that our community will never stop serving you.

Thank you.

I want to take a moment to talk about something that makes our region exceptional.

When some people look at the U.S.-Mexico border, they see division.

But here in San Diego we view it much differently.

Rather than allowing the border to divide us, we're building bridges that connect us.

We share so much in common.

A cross-border culture.

A cross-border economy.

And a cross-border spirit of cooperation that has my complete and unwavering support!

I want to welcome the entire Baja California delegation here tonight – including Tijuana's new mayor Juan Manuel Gastélum.

I'd like to take a moment to speak to our Spanish speaking audience.

A mis amigos de Baja California, gracias por estar aquí esta noche.

We can focus on strengthening our international ties because we've kept the city's financial house in order.

The City Council has joined me in approving City employee contracts that lock in voter-approved pension reform.

We are also improving our credit ratings and paying down debt –

A move that is saving taxpayers and the City hundreds of millions of dollars.

City Hall is now living within its financial means.

But we cannot afford to loosen the reins of fiscal responsibility.

Cities across California are grappling with skyrocketing pension payments...

That crowd out funding for neighborhood services and public safety.

But here in San Diego, we have taken extra steps to protect taxpayers.

The City Council has funded my pension rainy day reserve...

Creating a safety net to help buffer neighborhood services from soaring pension costs.

And it we did it in the nick of time.

This year's pension payment will – for the first time ever – surpass three hundred million dollars...

At least one hundred million of which was caused by the deliberate underfunding of the pension system.

A hundred. Million. Dollars.

Think about that.

Think of the roads that could be paved.

The fire stations that could be built.

The homeless that could be helped.

But instead that money is spent paying for the mistakes of the past.

Here's the truth about next year's budget:

San Diego's economy is growing.

Sales tax revenue, property tax revenue, and tourism revenue are all up.

But all of this revenue growth – and more – will be entirely consumed by this year's increased pension payment.

It's a stark reminder that political negligence from the past continues to haunt us.

So to the City Council, I say this:

It's going to be a lean budget year.

And we cannot kick tough decisions down the road.

Tonight I urge each Councilmember to join me in responsibly balancing this year's budget.

We need results, not rhetoric – and the public will be watching.

Because we've gone through too much – and come too far.

I am not going to let us turn back now!

When we balance our budgets, we can focus on the things that matter most to San Diego families.

In November voters overwhelmingly approved my plan to invest up to one point five billion dollars for our parks over the next generation...

By using revenue paid by hotels and commercial activity in Mission Bay.

Now we can invest in new playgrounds and park upgrades...

Fund more coastal environmental protections in Mission Bay Park...

And finally – finally! – Start to reverse the decay of our beloved Balboa Park!

In fact, Balboa Park is going to get a lot of love this year.

Because at long last...

We will see unsightly asphalt give way to acres of beautiful plazas...

Promenades...

And reflecting pools...

For family picnics, community gatherings and outdoor concerts.

As someone who's gone from a first-term Councilmember...

To a second-term mayor...

In the time it's taken to get the Plaza de Panama project approved...

I think I speak for everyone when I say "It's about time!"

San Diegans have many people to thank...

Including former Mayor Jerry Sanders and Dr. Irwin Jacobs – two great San Diego leaders.

We are not going to let a handful of obstructionists stop the progress that our families and children need.

We are going to break ground on this project – and begin the grand restoration that the park so richly deserves!

Creating a greener community is going to be a common theme in the years ahead.

Clean and renewable sources now make up more than 40 percent of San Diego Gas and Electric's grid.

It's a big boost on our way to powering San Diego with 100 percent renewable energy...

And slashing greenhouse gas emissions in half by 2035.

Last year, a bipartisan City Council approved my budget to enact the climate action plan...

Making it clear that San Diego is a place where Democrats and Republicans actually agree!

That our air, our water and our environment –

Are worth protecting!

My goal is for San Diego to be known for science and technology, as much as it's known for beaches and bays.

The good news is that our innovation economy continues to grow.

And now, we're taking our show on the road.

Last month I opened San Diego's first satellite office for startups in the Bay Area.

With seed funding from my administration and management by the San Diego Venture Group...

San Diego startups will have direct access to more than 400 venture funds worth tens of billions of dollars.

The goal is simple.

We're making it easier for San Diego entrepreneurs to get out-of-town funding...

While keeping their businesses here and creating local jobs.

San Diego has the lifestyle.

San Diego has the talent.

Watch out Silicon Valley –

We're coming for your money!

This year, we have a new opportunity to capitalize on our skilled workforce.

At a recent event hosted by our largest tech company, Qualcomm, the U.S. Secretary of Commerce described San Diego as a leader in phones, drones and genomes. It's high recognition that San Diego has long-standing roots in the aerospace industry.

In fact, our biggest regional manufacturing employers – General Atomics and Northrup Grumman – are worldwide leaders in unmanned systems.

Since taking office, I've worked with local universities, business and civic leaders...

To double down on these technologies.

Innovations developed in San Diego power robots that conduct everything from aerial search and rescue missions to oceanic research.

Now, autonomous, self-driving vehicles hold the opportunity to supplement our existing transit network...

And make getting around safer and more efficient.

My kids are going to get their driver's licenses soon.

And if you've ever been in the passenger seat with a fifteen year-old behind the wheel – you'd be excited about self-driving cars too.

Regulators want to slow-play these advancements.

But I couldn't disagree more.

So together with the San Diego Association of Governments...

We have officially requested that the U.S. Department of Transportation designate the San Diego region as an official Autonomous Vehicle Pilot location.

Let's bet on the future.

Let's unlock this technology's potential for reducing accidents, lowering fuel consumption and revolutionizing our quality of life.

San Diego is already a leader in the Internet of Things and unmanned systems –

Let's make San Diego a nationwide leader in self-driving car technology.

San Diego's diverse job market offers a bright future to many.

I'm proud to say that since I launched an initiative last year to help close the skills gap...

Working together with the Chamber of Commerce, Economic Development Corporation and Workforce Partnership...

Thousands of San Diego youth – many from our lowest income neighborhoods – have found the keys to a brighter future in our innovation economy.

In just one year, we have trained or hired more than five thousand San Diego youth.

We are seeing major participation from Barrio Logan, Skyline, Mid-City, the College Area and City Heights.

Take Andrea Villanueva.

Not only was she the first in her family to graduate high school...

She recently became the first to attend college.

Andrea enrolled in the CONNECT2Careers program and secured a lab internship at UCSD.

What's amazing...

Is that she didn't just learn new things –

She taught a thing or two herself.

Andrea developed a 3D model to help understand how light could be used to treat cancer.

Amazingly, her insights have now become a key component of a UCSD medical study.

Stories like Andrea's...are why it's important to create opportunity for all our kids.

In the past, San Diego mayors haven't spent a lot of time on education.

But I'm going to keep doing it for kids like Andrea – who is with us tonight.

Her success matters to me and everyone in this room.

Because it represents San Diego at its best.

It should give all of us hope that there's no challenge too big for us to overcome.

Because if we can give thousands of San Diegans like Andrea opportunity to move into the middle class...

We can – and we will – make housing affordable for the middle class.

One of the biggest issues affecting us in California is the state's housing shortage...

And the unaffordable housing market it has spawned.

An alarmingly large slice of our paychecks isn't going toward savings accounts or higher education.

It's going toward skyrocketing rent and mortgage costs.

More than 70 percent of San Diegans cannot currently afford a median priced home.

And San Diego renters spend a bigger part of their income on housing than those in Boston, San Francisco and New York City.

We have to change that.

We want our kids to be able to start their own family here.

We want our parents to be able to watch their grandkids grow up.

We want seniors to be able to retire with dignity.

People who love San Diego and want to live in San Diego should not be priced out of San Diego.

I'm going to say something that mayors have traditionally been afraid to say:

We need to build more housing!

We've enacted reforms in our building department, but we have do to more.

Tonight I'm calling on the City Council to approve a housing package to add housing, lower costs, and promote smart growth.

My plan will increase supply by encouraging market-rate homes...

While providing incentives for builders to create middle-class, low-income and green housing.

It simply costs too much and takes too long to build homes in California.

So under my proposal, we're going to slash permitting times and allow more market-rate units to be built – when homebuilders also construct entry-level homes in transit-friendly areas.

This will be a first comprehensive program to offer market-rate development incentives in exchange for middle-class homes.

And by promoting growth near employment centers...

San Diegans can live closer to where they work – shortening commute times, reducing pollution, and supporting the goals of our Climate Action Plan.

We'll make the process even faster for homes built for low-income San Diegans.

City planners will now be able to approve these permits – a change that can reduce the process from years to months.

And to encourage green development, projects that exceed state sustainability requirements will qualify for a fast track as well.

I've also made it a priority to modernize our community plans – eleven have been completed and adopted by the Council since I took office.

They provide updated blueprints of where we want growth – and just as importantly, where we don't.

Projects that follow these plans will still get their permits faster than any other approach.

We are in a housing crisis.

We cannot ignore it.

So I urge the City Council to approve this package.

We have quite enough homes for the wealthiest in our city.

It's about time we encourage builders to make homes for all of us.

It's about time we stop talking about the high cost of housing – and do something about it.

It's about time we show other cities how it's done – and start a housing affordability movement right here in San Diego!

The housing affordability crisis has directly contributed to our state's homeless crisis.

There are more than one hundred eighteen thousand people affected by homelessness in California –

Twenty one percent of the nationwide total.

And sweeping changes made by the State over the past few years...

Have gutted the funding that cities have relied on to help the poor.

The consequences for California cities can be seen in our shelters – and on our streets.

This homeless crisis did not start overnight...and it will not be solved overnight.

But there is more that our region can do – and will do.

This is an unprecedented problem that demands an unprecedented level of cooperation.

We need San Diego's business community, care organizations, the City and the County to all come to the table.

We must channel the fundamental decency of San Diego's people into compassionate and collective action.

We must lift up the neediest among us, and carry their burdens as if they were our own.

We must make reducing homelessness our region's number one social service priority!

Solving homelessness is complicated...

Because it's often the symptom of a much deeper problem.

Tackling homelessness means tackling mental illness.

It means tackling addiction.

It means tackling poverty.

It means tackling some of the most vexing and deeply personal issues that a person will ever face.

Over the last year the City, Housing Commission, Chamber of Commerce and landlords have specifically focused on helping homeless veterans.

Despite a historically tight rental market, I'm proud to say that seven hundred and fifty veterans have received housing vouchers so far.

That's hundreds of people who – just a year ago – had nowhere else to turn...

And are now getting off the streets and into safe, dignified, and permanent housing.

It's proof that when we work together, get creative, and break down bureaucratic silos, we can make progress.

We need to replicate this on a much larger scale.

There are dozens of nonprofits, faith-based organizations and government agencies that care for San Diego's homeless.

They are wonderful groups united by a common goal.

But this crisis has revealed that our current network of social service programs...

Is simply not built to handle this many people on our streets.

So tonight I am announcing that my administration is going to work with our partners...

To get people into permanent supportive housing...

By finally linking together all of our homeless service providers.

With the support of the City Council, we laid the groundwork for this in my first budget.

We funded the first regional database for homeless services –

A move that will bring transparency and accountability to homeless agencies that receive City-funding.

This year, we are taking that system live.

Finally, we will know – in real-time – which beds are available each night.

And the City is partnering with the 2-1-1 information system...

To establish a 24/7 hotline in the next few months that will make this information available to the public – especially those who need shelter.

We need more mental health resources too.

I am working with the County Board of Supervisors to expand the availability of psychiatric health clinicians...

So we have more professionals hitting the street to help homeless individuals struggling with mental illness.

This needs to be a regional effort.

And I want to thank the entire County Board of Supervisors for joining the City in addressing this crisis head on.

Thank you.

Being homeless is not a crime.

But drug use, theft and other quality of life crimes cannot – and will not – be tolerated.

That's why we're working to expand a program that former City Attorney Jan Goldsmith, City Attorney Mara Elliott and I launched last month.

The SMART program offers homeless persons who repeatedly commit misdemeanor crimes...

A chance for housing, substance abuse and recovery programs.

It's an off-ramp where folks can choose to accept life-changing social services – as an alternative to the criminal justice system.

We will always seek to offer care as the first resort, not the last.

We will also enforce the law because we must protect all our citizens...

Especially the unsheltered men, women and children who are often the most susceptible to crime.

The streets belong to all of us.

And for the welfare of both the homeless and the general public...

We should not...

We cannot...

And we will not...

Hesitate to keep them safe!

Finally, we are going to streamline services by creating San Diego's first integrated assessment system...

And next month I'm going to formally ask homeless service providers for their proposals to make it a reality.

It's about creating central hub...

Where any man or woman on the street can go to start the path to a better life...

And be directed to one of our region's service providers, which will give them care that's tailored to their unique situation.

It's a totally new approach that will take time to build.

So in the meantime, we are working with tourism officials to dramatically expand the Downtown San Diego Partnership's successful family reunification program...

To help homeless individuals reconnect with family and permanent housing.

The City will also be taking action to add hundreds of emergency beds.

My office is working to identify a new facility to meet this immediate need and shelter those on the streets.

The vision I just described will give us the infrastructure this emergency demands.

And we will need new partners along the way.

So I'm calling on San Diego's business community – and every Mayor from across the County – to support and expand upon these efforts.

On our own, we can do much – but not everything.

But together, we can do more – and accomplish anything.

San Diego, we can do this.

Let's be the city that takes collective and compassionate action.

Let's be the city that puts hope back into the hearts of our fellow man.

Let's be the city that brings safety – and dignity – back to our streets!

I have one more thing I'd like to discuss tonight.

Something I've been looking forward to talking about for some time.

Together, we've gotten San Diego back on track.

We have turned our city's finances around over the last several years.

But the pension crisis took more than \$1 billion from taxpayers over the past decade –

Syphoning money away from priorities like housing, road repair, and completing major civic projects such as expanding the convention center.

Too many times City Hall has swept problems under the rug, because it was easy.

Or asked for a blank check from taxpayers, because it was convenient.

I've stood with San Diegans to reject these approaches.

We need action and accountability.

San Diego, it's time to get it done.

This year I will propose a ballot measure to finance the expansion of the San Diego convention center!

I will ask voters to increase lodging revenue from tourists so we can finally fund the waterfront expansion.

This is the only legitimate plan that guarantees we can move forward with this critical project.

Adding space directly next to the convention center will help Comic-Con grow in San Diego...

And will keep us competitive so we can attract more large conventions for decades to come.

The project will create thousands of jobs and bring in tens of millions of dollars to our economy.

But we have even more on our to-do list.

We are also going to use tourism revenue – and the economic growth generated by the expanded convention center – to address two more of San Diego's biggest issues.

This ballot measure will also provide funding to help fix our streets –

And give the City its first dedicated revenue stream to help the homeless!

We have more than doubled the funding for road repair since I took office...

But the streets deficit is so deep, and was ignored for so long, that there are still hundreds of miles left to fix.

We San Diegans want road repairs.

But the fact is that the millions of tourists that come here every year use our streets too.

So we are going to use tourism revenue to fix them.

The measure will create a roads fund dedicated to repairing streets in every single San Diego neighborhood...

Devoting millions to street repair each year.

And this amount will grow over time – to ensure we properly maintain our roads once they are fixed.

San Diego, let's once and for all reverse the disgraceful decline of San Diego's streets.

We will also tap San Diego's thriving tourism industry to support our new homeless care ecosystem – without hurting our economy.

Sacramento took away San Diego's number one funding source for affordable housing – more than one hundred eighty million dollars and counting – when the State killed our redevelopment program to balance the budget.

Meanwhile, the State has not yet given a penny of the millions of dollars promised from Prop 47 for drug rehabilitation and mental healthcare.

My plan will start restoring the homeless funding we've lost – and put more revenue behind our efforts to house San Diego's homeless.

Experts agree that this type of investment will save taxpayers money.

In just one year, taxpayers and hospitals spent \$4.3 million caring for just 25 homeless individuals.

But when that money was instead invested in housing and preventative care, it reduced costs and saved the public millions.

This is not only the fiscally responsible thing to do – it's the right thing to do.

This is going to be good for our tourism economy, good for our infrastructure and good for our city.

I will present the measure to the City Council this year so they can place it on the ballot.

Together, we will invest in helping the homeless – and save taxpayers money.

Together, we will pave our roads.

And together, we will finally expand San Diego's convention center!

In conclusion, this year we must challenge ourselves to do more than simply accept the world of today.

We must take action to create the city that we want for tomorrow.

The contours of our city are shaped every time we choose to defy limitations...

And rise above our expectations.

We did it when we transformed ourselves from a small seaside destination – into a capital of scientific innovation.

We did it when we created new water supplies in this urban desert we call home.

We do it so our children can inherit a life that's better than today.

Here in San Diego, we have never let the world define us.

We define it.

It's time to do it again.

Let's harness our creativity to drive breakthroughs in technology.

Let's make our region stronger by helping the neediest among us find a path to a better life.

Let's give our children opportunity, our seniors security, and our economy new vitality by spurring housing affordability.

Let's overcome San Diego's most enduring challenges – by voting to expand the convention center, house our homeless and pave our roads.

Let's celebrate that the state of our city is strong – and vow not to rest until it is even stronger.

It's a new day in San Diego.

Let's make it count – and let's make it ours.

Thank you.

