

Looking Back

A year ago, I stood before you and humbly accepted the honor of serving as your interim mayor.

It was a historic day in so many ways, a time of transition for our City, and a proud day, certainly for the Chinese community in San Francisco. When then-Mayor Newsom, members of the Board and others asked me to step up, there could be no other answer and no greater honor than serving my City in this capacity.

I stood before you then as a different kind of public official. I was somebody who'd never run for office, somebody who'd been in the trenches of government for many years – and before that, an activist who worked from the outside to change government, fighting for the rights of tenants and immigrants and working to make government more fair and accessible for everyone.

I came in determined to apply what I'd learned during all of those years. I came in determined to bring a new level of civility to City Hall. And despite a few rough patches (it was an election year after all) for the most part, we worked in an atmosphere of mutual respect and civility. We actually managed to agree on a lot and get a lot done.

And when we disagreed, we worked through it, and didn't get bogged down in acrimony. And I want to thank every member of the Board of Supervisors for your hard work and dedication to our City this past year. Heck, we even met once a month in your Chambers to exchange questions and answers. I know some folks found those substantive, mutually respectful sessions a little boring – but that's okay. As long as we're getting things done, I don't mind being called boring.

I came in determined to make San Francisco work for the people of San Francisco. Of course, I started with the benefit of a great team in place working with me in the Mayor's Office, across our City Departments and with our City Commissions. And let me stop for a moment, to acknowledge the tremendous legacy of our Lieutenant Governor, and former Mayor, Gavin Newsom, and all that he did for our City, that allowed me to hit the ground running and build on his accomplishments.

So together we set out to achieve five goals in that first year in office:

- Hire a great police chief;
- Put San Franciscans back to work with new jobs and a new Local Hire program;
- Chart a stable course for the 34th America's Cup;
- Balance our budget despite steep deficits; and
- Tackle pension reform, one of the most vexing challenges every city in America has faced.

And you know what? We got 'em all done. Today, one year later, I stand before you even more honored, even more humbled by the responsibility you have placed in me. And whether you voted for me first, second, third or not at all I want to thank all the people of this City for giving me this historic opportunity to serve you as your elected Mayor.

THANK YOU – XIE XIE – DU JIE – SALAMAT PO – GRACIAS, San Francisco! And as proud as I am of what we accomplished together in the last year, I'm here today to talk about the future of our City, and our roadmap ahead.

As some of you know, in the Chinese calendar, we are about to begin the Year of the Dragon. The Dragon is the most powerful of all the animals in the Chinese zodiac, and therefore the year of the dragon is a time for confronting challenges, taking risks and embracing innovation. My fellow San Franciscans, I can think of no better time than this Year of the Dragon to take on the challenges we face together. Together, we will realize the unlimited promise and potential of our people.

The Innovation Capital of the World

But let's not kid ourselves – these are challenging times. The news out of Sacramento and Washington, D.C. every day, reinforces a reality we've known for some time. Local governments will have to continue to do more, with less. As is so often the case in our history – from the Gold Rush to the Great Earthquake, to the deepest recession we have seen in a generation – San Franciscans must once again look to each other to lift us up and forge a path forward.

And we will find that path forward because this is the place where great thinkers and innovators from all over the world and across the country have come. Irish, Chinese, Italian, African American, Latin American, gay, lesbian, transgendered people, hippies, techies, biophysicists – you name it! They all came to San Francisco. They came from a thousand different places, speak more than a hundred different languages, and bring different perspectives. Together they all, we all, built a City like no other on earth...and made *San Francisco the Innovation Capital of the World*.

And today, more than ever, San Francisco is uniquely poised to innovate and invent the future right here, right now, by capitalizing on our greatest resource – *our people*.

And innovation isn't just about technology – it's about a different way of thinking and approaching our problems. It is through innovative approaches to crime fighting and community involvement that San Francisco remains one of the safest big cities in America. Last year, violent crime was down again by 6% and remains at historic lows not seen since the 1960's.

Pension reform is another prime example of what I'm talking about: the San Francisco way. The innovative way - the key to meeting the challenges of our future. Across the country, pension reform was a wedge issue; it shutdown governments, it divided people. But here in San Francisco, we once again showed that we are the city that knows how. We brought everyone to the table, put in the long hours, had the tough negotiations and produced a pension reform measure with business, government, and labor standing side by side. And we did it in a way that respected our hardworking city employees. Where else have you seen that?

And while we're on the subject of pension reform, let us take a moment to remember

Warren Hellman. Warren was at the center of pension reform, as he was with so many great causes. *Warren, it wouldn't have happened without you. We will always remember your immeasurable contributions to our City, and we miss you.*

Pension reform reminded us that we can solve big problems, if we just set aside small differences and focus on what we agree on, roll up our sleeves, get down to work, and get it done. And that's the spirit of innovation we must embrace to meet the challenges we face today and down the road.

Embracing Innovation in Government

And let me tell you where a little innovation can go a long way - your City Government. In 2011, we saw the power of innovation and new technology and, most importantly, the power of people, united to unleash revolutions around the world. Today those same technologies – many of which were developed right here in the San Francisco Bay Area – are changing how we communicate, interact and share information with each other, whether across town or around the world. And we in government must not be afraid of this innovation - this disruption even. In fact we must embrace it.

A year ago, when I first took office, I didn't even have a Twitter account. Today, I'm going to tweet my first "infographic". [Mayor Tweets: Tweeting during my inaugural address! Couldn't wait to share great job numbers & improving unemployment rate in SF! <http://bit.ly/w3hDFR>] How about that?! So that's a little disruption...

But it shows how important I think innovation and technology are to reforming our government and building our future. I believe some of the smartest people on the planet live right here in San Francisco. And they love this City too.

That's why just last Friday I joined the team at Code for America to form a new partnership to bring a "hack culture" into City government. For the first time ever, you will see hackathons at City Hall, where we will engage some of the world's most energetic minds to tackle vexing problems in government. From transit, to permitting, to better service delivery for our residents, we must innovate our way to solutions.

And in so doing, we must always make sure we innovate for everyone, whether you speak English or Chinese or Spanish, or all three, whether you're young or old or have a disability. This is San Francisco, and true technological innovation must leave no one behind.

Redevelopment

And the need to innovate and take responsibility for our own fate is nowhere more evident than in the challenges we face with the elimination of our Redevelopment Agencies by the State. Let's be candid, the legacy of redevelopment in other parts of the State – and even in our own City – is far from perfect. But, in recent years, we have leveraged the powers of redevelopment to build more than 11,000 units of affordable housing, create a growing biotech hub, a new UCSF Hospital and a new salesforce.com campus at Mission Bay. We have world class convention facilities and museums around

Yerba Buena Garden and we are on the verge of 10,000 new housing units and acres of new parks and commercial space at the renewed Hunter's Point Shipyard.

To so many in the community who have worked hard for so many years on these projects and to our investors, you have my unwavering commitment that we will make good on our promises from Hunters Point to Mission Bay to Central Market. So on Tuesday, I will introduce legislation to the Board of Supervisors to protect these projects and the thousands of jobs they will create for our future.

Jobs, Jobs, Jobs

There, I know, I said it again: **Jobs**. You're tired of hearing me talk about it. Some of you in the media have made fun of me for it. Well, I can live with that. Because jobs and smart economic development for our City and for all of our neighborhoods *are my top priority, and will be every day I am your Mayor*. And because of that, unemployment is on a steady decrease, while investment and job creation are on a steady increase.

In my first year in office, unemployment in San Francisco went down dramatically: from 9.5% when I stood before you last January, to 7.8% in November. Ladies and gentlemen, that means 17,000 San Franciscans went back to work last year!

But while we can be proud of that, it is little comfort to the single parent, or the recent graduate, or the returning veteran who still finds him or herself out of work. We must do better. And we will do better by continuing to attract and retain good businesses and jobs. If we can take on issues like pension reform, then surely we can reform our business tax structure to incentivize job creation – not discourage it. We must reform it, and now is the time to finally get it done.

Small business is the backbone of our local economy and the foundation of our vibrant neighborhoods – and we can do more to help them. We will strengthen our Office of Small Business and dramatically increase our support for new small businesses with loans, a neighborhood-focused Job Squad, and targeted investments in our commercial corridors.

And at the same time we are recruiting those high tech, biotech, and clean tech companies to San Francisco, we need to make sure that our young people – as well as those in the middle of their career who are out of work or looking for a change – can get the skills and training they need to take the jobs these companies are creating right here at home. And, we can do it by working with people like Mark Pincus and great companies like Zynga, to establish innovative new job training partnerships with non-profits, the School District, and City College.

Through the diversity of our people and our geographic location on the Pacific, San Francisco is uniquely positioned to be the pre-eminent gateway for goods and visitors from the growing markets of Asia and Latin America and beyond. Growing our international trade and tourism generates jobs for San Franciscans at home and opportunities for local companies and businesses abroad.

And with organizations like SFMADE that promote local manufacturing – from bike messenger bags, to artisan chocolates, to ceramic tiles -- a new market is being created around the world for local goods made right here in San Francisco.

Clearly, I could go on and on about jobs - and I will. ***Jobs will remain the top priority of the Lee administration.*** Because if you care about homelessness, like I do, you should care about jobs, our economy and innovation. If you care about MUNI, like I do, you should care about jobs, our economy and innovation. And whether its parks, health care, the arts, public safety, the environment or schools – our ability to make progress is directly connected to giving every family the dignity of a paycheck and our willingness to embrace innovation.

And through all of this, we're partnering with a new generation of community-oriented businesspeople joining longtime neighborhood and community activists to help San Francisco realize its goals.

21st Century Partners

Whether it's the great New Economy folks – like Ron and Gayle Conway or Mark and Lynne Benioff – who are leading a new 21st century philanthropy movement, or neighborhood and community leaders like Rose Pak in Chinatown, Mary and Al Harris in the Excelsior,

Eric Arguello in the Mission or Dr. Joe Marshall in the Bayview...San Franciscans from across our City are working together to find new and exciting ways to address social problems. And they are bringing legions of committed people to the table with them.

Because we all want a City where a kid from any neighborhood can grow up safely, play at his local park and go to a good public school. We all want a City where our kids can go to college and get the education they need to get a job, whether in a lab at Mission Bay, installing solar panels on homes in Hunters Point, or opening a small business in the Outer Sunset.

At its best, San Francisco is a City for everyone. We are a City for the 100%. And we will only realize our true promise and potential when we serve the needs and aspirations of each and every one.

Housing for Everyone

And I'll tell you one of the ways we can do that. We need to create a permanent source of revenue to fund the production of housing in San Francisco, so that we remain a viable place to live and work for everyone, at every level of the economic spectrum. Not just low-income housing, but workforce housing as well for middle class families we need to keep in our City.

And we must never let up on our efforts to fight homelessness, move people off our streets and into supportive housing. We must continue to embrace innovative approaches to helping families and individuals find a permanent home.

So this week, I will direct the Mayor's Office of Housing to convene a broad working group of housing advocates, city officials, developers, and community leaders to develop a measure that we can place on the November ballot to create a permanent Housing Trust Fund. San Francisco must remain a place where everyone of us can call home. Let's roll up our sleeves, get to work and get it done.

In Closing

I am aware, that this isn't just government; sometimes it's politics. And some will be tempted to derail the process, or play it for their own political advantage, or even look to demonize one group or another. I'm telling you now, as your Mayor, we have no time for that. We were all elected by the same boss – the people of San Francisco – and they expect us to get things done.

You may not always agree with me. But every day I will make one pledge – that every decision I make is what I think is best for this City and for all the people of San Francisco – that is my standard.

San Francisco is the greatest City in the world ...and because of our people, and because we are the *Innovation Capital of the World*. I have no doubts that we will confront and overcome each of our challenges. Let us take up the call. Let us make this City work for everyone. Together, let us get it done.

Thank you.