
California State Assembly



Proceedings in Joint Convention

STATE OF THE STATE

Address by

THE HONORABLE GAVIN NEWSOM
40th Governor of the State of California

Assembly Chamber
February 19, 2020

ASSEMBLY JOURNAL

UNANIMOUS CONSENT GRANTED

Without objection, the 2020 State of the State Address by the Honorable Gavin Newsom, 40th Governor of the State of California, delivered on Wednesday, February 19, 2020 (Assembly Journal, page 4076), and remarks presented therein, were ordered printed in the following Appendix to the Assembly Journal.

IN JOINT CONVENTION

STATE OF THE STATE

Address by

THE HONORABLE GAVIN NEWSOM
40th Governor of the State of California

Assembly Chamber, State Capitol
Sacramento, California
February 19, 2020

At 10:28 a.m., the Senate and Assembly met in Joint Convention.
Hon. Anthony Rendon, Speaker of the Assembly, presiding.

APPOINTMENT OF JOINT COMMITTEE ON ESCORT

Speaker Rendon appointed Assembly Members Calderon, Bauer-Kahan, Berman, Chu, Megan Dahle, and Kamlager, and Senators Hueso, Wiener, Lena Gonzalez, Bates, Mitchell, and Wieckowski as a Joint Committee on Escort to escort the Honorable Gavin Newsom, 40th Governor of the State of California, to the Joint Convention.

INTRODUCTION OF FIRST PARTNER OF CALIFORNIA

Speaker Rendon introduced the First Partner of California, Jennifer Siebel Newsom, to the Joint Convention.

INTRODUCTION OF CONSTITUTIONAL OFFICERS

Speaker Rendon introduced Hon. Eleni Kounalakis, Lieutenant Governor; Hon. Alex Padilla, Secretary of State; Hon. Xavier Becerra, Attorney General; Hon. Fiona Ma, State Treasurer; Hon. Betty T. Yee, Controller; Hon. Tony Thurmond, Superintendent of Public Instruction; and Hon. Ricardo Lara, Insurance Commissioner; and Board of Equalization Members: Hon. Ted Gaines (District 1); Hon. Malia Cohen (District 2); Hon. Tony Vazquez (District 3); and Hon. Mike Schaefer (District 4).

INTRODUCTION OF SUPREME COURT JUSTICES

Speaker Rendon introduced Hon. Tani G. Cantil-Sakauye, Chief Justice of California; and Associate Justices: Hon. Ming W. Chin, Hon. Carol A. Corrigan, Hon. Leondra R. Kruger, and Hon. Joshua Groban.

**PRESENTATION OF CALIFORNIA DIPLOMATIC AND CONSULAR CORPS
AND SPECIAL GUESTS**

Speaker Rendon welcomed the California Diplomatic and Consular Corps, distinguished public officials, and special guests seated in the Gallery.

PRESENTATION OF PRESIDENT PRO TEMPORE OF THE SENATE

Speaker Rendon then presented the Honorable Toni G. Atkins, President pro Tempore of the Senate, whereupon she addressed the assemblage.

PRESENTATION OF LIEUTENANT GOVERNOR

President pro Tempore Atkins then presented the Honorable Eleni Kounalakis, Lieutenant Governor and President of the Senate, whereupon she addressed the assemblage.

PRESENTATION OF GOVERNOR

Lieutenant Governor Kounalakis then presented the Honorable Gavin Newsom, 40th Governor of the State of California, to the Joint Convention.

STATE OF THE STATE ADDRESS

**Remarks as Prepared for Delivery by
California Governor Gavin Newsom**

Thank you, Madame Lieutenant Governor. Thank you, Mr. Speaker, for welcoming Jen and me to your House.

Madame Pro Tem, Members of this Legislature, fellow Californians.

Thank you once again for the privilege of this podium.

Traditionally, this is when Governors stand before you and report, with practiced grandiosity, that the “state of our state is strong and getting stronger.”

And, largely, that is still true.

And yes, Eleni, California is still, proudly, America’s coming attraction.

By any standard measure, by nearly every recognizable metric, the State of California is not just thriving but, in many instances, leading the country, inventing the future, and inspiring the nation.

We remain the fifth-largest economy in the world—enjoying 118 consecutive months of net job growth, some 3.4 million jobs created since the Great Recession and nearly 4 million small businesses call California their home.

More than half of all U.S. venture capital still flows to California companies.

We’ve averaged 3.8 percent GDP growth over five years—compared, respectfully, to 2.5 percent national growth.

Yes, California today is an enterprising, modernizing, pluralizing, unionizing, nation-state of opportunity.

Just consider this fact: 1 in 7 new jobs created by the U.S. economy since 2010 has been created right here in California.

So when you hear the boasts, bleats, and tweets of Washington politicians tripping over themselves to take credit for the economy, remember the real VIPs of America’s GDP—the millions of California workers, investors and entrepreneurs who are actually producing their own California Dreams.

We’ve built a record reserve, including the largest rainy-day fund in state history. We’ve achieved the highest credit rating in nearly two decades.

And we’ve disappeared the infamous wall of debt, following the prudent principle of never spending more than we have.

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California is the rocket fuel powering America's resurgence, that—let me be clear—was put into motion by President Barack Obama.

Even so, California never stands still and never rests on its laurels.

Last year, we worked in historic partnership to achieve historic progress.

Together, we addressed some of our most stubborn issues and built brighter futures for millions of Californians.

Those achievements cannot be fully appreciated as line items in a budget or bill numbers across a desk.

We see it in the faces of dreamers and doers across our remarkable state.

In the patients who have new, affordable access to primary care, provided by doctors who look like them, know their culture, speak their language, and understand their story.

In the first responders—putting badges on uniforms and their lives on the line—knowing that now California has the best and best-resourced wildfire programs.

In the working parent with more money in her pocket, thanks to expanded paid family leave, a thousand dollar Working Families tax credit and lower costs due to tax-free diapers and tampons.

In the high school student planning a more promising future with two free years of community college.

In the college athletes who will finally have the opportunity to be justly compensated for their own name, image, and likeness.

With one bill, California changed the rules of the game nationwide.

In the Central Valley finally getting the economic attention it deserves.

In the communities finally getting safe and clean drinking water and neighborhoods breathing a little easier, thanks to California's landmark partnership with leading automakers.

And, if the voters approve it, we may soon see more school buildings newly free of lead and toxic mold, thanks to a bipartisan statewide school bond.

In city after city, household after household, the hard work of this legislature is making dreams more real for more Californians than ever before.

When Justice Brandeis wrote in 1932 that “a single courageous state may . . . serve as a laboratory” of democracy, he could easily have been referencing California today.

Because, unlike the Washington plutocracy, California isn’t satisfied serving a powerful few on one side of the velvet rope.

The California Dream is for all.

To that end, there are 1.6 million fewer Californians living in poverty today than in 2011—a full quarter of the nation’s decrease.

But no amount of progress can camouflage the most pernicious crisis in our midst, the ultimate manifestation of poverty, screaming for our attention: homelessness.

That’s why I’m devoting today’s remarks to this crisis.

Let’s call it what it is, a disgrace, that the richest state in the richest nation—succeeding across so many sectors—is failing to properly house, heal, and humanely treat so many of its own people.

Every day, the California Dream is dimmed by the wrenching reality of families, children and seniors living unfed on a concrete bed.

Military veterans who wore the uniform of our country in a foreign land, abandoned here at home.

LGBTQ youth fleeing abuse and rejection from their families and communities.

Faces of despair. Failed by our country's leaders and our nation's institutions.

As Californians, we pride ourselves on our unwavering sense of compassion and justice for humankind—but there's nothing compassionate about allowing fellow Californians to live on the streets, huddled in cars or makeshift encampments.

And there's nothing just about sidewalks and street corners that aren't safe and clean for everybody.

The problem has persisted for decades—caused by massive failures in our mental health system and disinvestment in our social safety net—exacerbated by widening income inequality and California's housing shortage.

The hard truth is we ignored the problem.

We turned away when it wasn't our sister, our brother, our neighbor, our friend.

And when it was a loved one, help wasn't there.

Most of us experienced homelessness as a pang of guilt, not a call to action.

Back in 2005, when we started our point-in-time counts, there were over 188,000 homeless people in California—35,000 more than we have today. Even at that peak, the state didn't treat it with the urgency required.

It became normalized.

Concentrated in skid rows and tent cities in big urban centers.

Now it's no longer isolated.

In fact, some of the most troubling increases have occurred in rural areas, in small towns, and remote parts of our state.

No place is immune.

No person untouched.

And too often no one wants to take responsibility.

I've even heard local officials proclaim in public: it's not my problem.

Servants of the public too busy pointing fingers to step up and help? That's shameful.

After all, every homeless Californian, living on a boulevard of broken dreams, is a casualty of institutional failures—a person who's fallen through every possible hole in the safety net.

Homelessness impacts everyone, but not equally. Some communities have been hit much harder.

Urban renewal and gentrification broke up communities of color and throttled their abilities to move into the middle class.

These are systemic issues rooted in poverty and racial discrimination.

Black Californians comprise 8 percent of Los Angeles County's population—but 42% of its homeless.

And a recent poll found that nearly half of Latinos in the state are afraid that they or a family member could become homeless.

The State of California can no longer treat homelessness and housing insecurity as someone else's problem, buried below other priorities which are easier to win or better suited for soundbites.

It is our responsibility.

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And it must be at the top of our agenda.

This crisis was not created overnight and it will not be solved overnight—or even in one year.

But as a State, we must do everything we can to ensure no Californian is homeless.

We must replace California's scattershot approach with a coordinated crisis-level response.

To meet this moment with the commitment it demands, we will advance a new framework.

We will reduce street homelessness quickly and humanely through emergency actions.

We will be laser-focused on getting the mentally ill out of tents and into treatment.

We will provide stable funding to get sustainable results.

We will tackle the underproduction of affordable housing in California.

And we will do all of this with real accountability and consequences.

First, we've started with emergency actions to do everything we can now, to make an immediate, tangible impact.

After decades of neglect and inadequate responses, we are putting our entire state government on notice to respond with urgency.

Last month, I issued an Executive Order deploying emergency mobile housing trailers and services for homeless families and seniors.

The first trailers have been deployed to Oakland and Los Angeles County.

The next, I'm pleased to announce today, are headed to Santa Clara, Riverside, Contra Costa, and Sonoma Counties, as well as the City of Stockton.

That same Executive Order builds on our work last year to identify all excess state land.

Today, we are making available 286 state properties—vacant lots, fairgrounds, armories and other state buildings—to be used by local governments, for free, for homelessness solutions.

We have lease templates ready to go—and we're ready for partnership.

We have also directed Caltrans to make better use of other unoccupied spaces to get homeless housing up as fast as possible.

We have great examples under development in San Francisco, Oakland, San Jose, and Los Angeles.

We're able to move faster than ever before on things like leases and land because we established a Strike Team across many agencies, including Health & Human Services, Caltrans, and the CHP—all with one goal: to break through bureaucratic barriers.

As the state moves fast, we must also move together with cities and counties who are critical allies in addressing this emergency.

Two months ago, we issued a 100-day challenge to our local partners: to focus on one part of their homeless population and address it with intentionality.

Dozens of communities across our state are stepping up.

But as we continue with these emergency actions, we must eliminate roadblocks to housing and shelter.

Last year, because of your leadership, I was proud to sign two important bills.

One streamlined the permitting process for navigation centers statewide.

The second exempted all shelters and homeless housing from environmental review in Los Angeles.

This year, let's expand that law and extend it to all homeless shelters and supportive housing statewide.

We need more housing, not more delays.

We are also pushing for new models of homeless housing—like hotel/motel conversions and pre-fab and tiny homes—and as we do, we'll cut the red tape to get to "yes" on these innovative approaches.

While we take emergency measures to increase shelter and services, we must also comprehensively address the hardest part of this problem.

The chronically homeless—those out on the streets for more than a year, with complex behavioral health needs.

For centuries, the default "treatment" was confinement in asylums, where people deteriorated out of sight.

In the 1940's and 50's, our nation began the trend toward "deinstitutionalization." Not a single policy, but a series of policies.

Outrage over conditions in institutions—as well as the creation of new medications to treat mental illness—sparked a movement to treat people in their communities, rather than locking them away.

California passed the Short-Doyle Act in 1957 to fund community mental health services.

The federal government, too, pursued this worthy goal.

President Kennedy envisioned a system in which, in his words, "the reliance on the cold mercy of custodial isolation will be supplanted by the open warmth of community concern."

State mental hospitals were closed. But the promise of community mental health was never fully realized.

The states were burdened with the responsibility but provided little in the way of support.

Laws were changed that made it harder to compel mental health treatment. Governor Ronald Reagan signed the Lanterman-Petris-Short Act in 1967, designed to end the inappropriate lifetime commitment of people with mental illness.

And critically, in 1975, a U.S. Supreme Court decision, *O'Connor v. Donaldson*, ruled that "mental illness alone cannot justify a state locking a person up against his will."

All of these changes, coincided with safety net cuts, block grants, and tightened eligibility standards of the 80's and 90's, along with wholesale razing of skid rows and SROs—which for so many was the only housing option.

The cumulative impact made county jails the de facto mental health institutions.

Patients and their families were left with inadequate options to get the mental health care they needed.

In a politically polarized world, liberals and conservatives blame one another for these failures.

Historically speaking, both are right.

It's time to stop pointing fingers and join hands in a transformational solution.

This year, we have proposed CalAIM, a once-in-a-generation reform of our Medi-Cal system, based on the obvious, but long-ignored principle, that physical health and brain health are inextricably linked.

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After all, 10 million Californians—1 in 4—suffer from some type of behavioral health condition. It's not a narrow issue, nor a new one.

The deeper truth is that our healthcare system has been designed to treat *some* of our parts, not the *sum* of our parts. That must change.

This landmark proposal calls for leveraging Medi-Cal as a tool to help California's most vulnerable residents: the homeless, our children, and people cycling in and out of the criminal justice system.

This is about integrating care. Targeting social determinants of health and expanding our Whole Person Care pilots statewide.

Health care and housing can no longer be divorced. After all, what's more fundamental to a person's well-being than a roof over their head?

Doctors should be able to write prescriptions for housing the same way they do for insulin or antibiotics.

That's the aim of CalAIM, transforming Medi-Cal as we know it, backed by a \$695 million budget request to make this real.

Of course, the effectiveness of all of this hinges on an individual being capable of accepting help, to get off the streets and into treatment in the first place.

Some, tragically, are not.

That's why we need better legal tools, ones that allow local governments, health providers, and law enforcement to more effectively help people access the treatment they need.

California's behavioral health laws may have been ahead of their time, but today, call out for reform.

We must tailor these policies to reflect the realities of street homelessness today, which are so different than they were 50 or even 15 years ago when these laws were enacted.

And while we made progress on limited and general conservatorships last year, further improvements are warranted.

All within the bounds of deep respect for civil liberties and personal freedoms—but with an equal emphasis on helping people into the life-saving treatment that they need at the precise moment they need it.

Clearly, it's time to respond to the concerns of experts who argue that thresholds for conservatorships are too high and should be revisited.

Take Laura's Law, which allows loved ones and service providers to ask courts to compel those who need treatment into community-based outpatient care.

The problem is, it's too hard to use.

We need to remove some of the conditions imposed on counties trying to implement the law, so we can expand who benefits.

And with Housing Conservatorships, we should authorize counties throughout the state to establish these programs, like the one recently developed in San Francisco.

That said, we know that the most urgent issue is not the legal inability to conserve people but the unavailability of housing and care for those who most need it.

Policy is an empty promise without creating more placements.

One clear opportunity to do this is by reforming Proposition 63, the Mental Health Services Act.

As written, its resources too often don't reach the people who need it the most.

We are not proposing changing the funding formula for how much each county gets.

Rather, reform must focus funding on street homeless, at-risk and foster youth, and those involved in the criminal justice system.

We must also expand the kinds of services it can pay for, specifically addiction treatment; we need to stop tolerating open drug use on our streets.

Additionally, we should compel counties to spend more of what they've got by lowering the 33 percent reserve threshold they are allowed to hold back.

Even with the current threshold, 40 of our 58 counties are above that line.

That is over \$160 million unspent that could help people get off the streets and into treatment.

My message is this: spend your mental health dollars by June 30th, or we'll make sure they get spent for you.

Because it's all about accountability. Matching resources to results.

For too long, there were no requirements for progress—it was always voluntary.

I want to thank my Council of Homelessness Advisors for bringing consequences to the forefront of the discussion.

It's time to match our big-hearted empathy with tight-fisted accountability.

In the past two years, \$1.5 billion has been allocated to help local governments solve homelessness.

This includes \$650 million in Emergency Homelessness Aid we recently approved.

Up until now, state aid has been block granted to local governments by formula.

Spending decisions have been relatively unrestricted and locally driven. But the problem has gotten worse.

The results speak for themselves.

We need a new approach.

In the budget I just submitted, I proposed a new California Access to Housing Fund, and, with it, a whole new way of investing in homeless solutions.

We have a clear purpose for this Fund: paying for what works.

Gap financing for innovative housing models like hotel/motel conversions and securing vacant units wherever we can find them.

Stabilizing and expanding board and care homes.

And preventing homelessness in the first place through rent subsidies and rapid rehousing to help people one job loss, one illness, away from homelessness.

With this first-in-the-nation statewide housing fund, we can braid together state and philanthropic dollars, as well as health care, mental health, and social services—paying for housing, not overhead, by capping all administrative costs at 10%.

Nimble and flexible to evolve from best practices to next practices.

With deep regional coordination.

And clear metrics.

Number of new leases signed.

Number of new housing units converted or built.

Number of people stabilized with rent subsidies.

Number of people moved off the streets.

To get us started with urgency, I am calling on this Legislature to invest an essential and unprecedeted \$750 million into this fund.

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Based on the severity of the crisis, we need early legislative action to set up the legal authorities to enter into contracts with service providers now—not waiting until months from now—because we don’t have months.

The public has lost patience, you have all lost patience, and so have I.

To reverse decades of neglect, and turn around a crisis this deep-rooted, we need more than one-time funding.

We need significant sustainable revenue.

So in the coming months, I pledge to work closely with you to identify this ongoing revenue to provide the safer, cleaner streets our communities deserve.

It’s time to muster the political will to meet this moment.

The people of California are demanding bold, permanent solutions. Anything less won’t get the job done.

We’ll match this with a new legal obligation to address this crisis head-on.

Requiring that our new funding isn’t replacing existing spending but creating new solutions.

Some have recommended a legal “Right to Shelter.”

It’s a provocative idea which forced the State to explore the limits of what local governments can be compelled to do.

But right now, our imperative must be bringing governments together as working partners, not sparring partners in a court of law.

So instead we are proposing strict accountability, comprehensive audits and a “do-it-or-lose-it” policy to hold local governments responsible for results.

Take action or lose access to this new funding.

To track progress, the state will establish a unified homelessness data system to capture accurate, local information.

Because you can’t manage what you don’t measure.

It’s time for the failed policy of “not my problem” to be replaced with one of shared responsibility across every sector and every community.

Look: not one city, not one county, not even one state can shoulder this responsibility alone. This is a national crisis.

Federal decision-making contributed to this moment and our federal government has an obligation to match its rhetoric with specific, constructive, and deliverable results.

California has and will continue to extend its hand of partnership to Washington, seeking to jointly address this issue.

Honestly, this partnership should be a given.

But empty words and symbolic gestures won’t mask a 15% across-the-board cut to HUD’s budget.

I’m old enough to remember when HUD was in the housing business. And I’m hopeful it will be again.

After all, homelessness isn’t a blue or a red issue. It’s an everyone issue—a blight on the soul of America.

Of course, the fundamental building block of California’s solution has to be more housing.

A comprehensive response to our collective failure to build enough of it.

When we don’t build housing for people at all income levels, we worsen the homeless crisis.

It’s a vicious cycle and we own it.

And the only sustainable way out of it is to massively increase housing production.

Let's match our courage on homelessness with courage on housing supply.

Last year, we made a new, historic \$1.75 billion investment to boost production—as part of a \$7 billion affordable housing package.

We secured new judicial penalties against cities that don't plan and zone for their fair share of housing.

We protected tenants like never before—finally outlawing discrimination against people with housing vouchers, creating a permanent fund to provide legal assistance to at-risk tenants, and we worked together to crack down on rent spikes and unjust evictions, passing the nation's strongest statewide renter protections.

Thanks to your leadership, last year, I signed 18 bills to boost housing production.

But time and time again, bigger, bolder reform hasn't happened—in part because of some legitimate concerns.

Many of our lowest-income residents understandably worry about being pushed out of their own communities because of gentrification.

Middle-class homeowners worry that their single-family home could lose its value—a scary prospect given a house is often a family's biggest asset.

These real concerns should not be brushed aside.

At the same time, we also know the status quo is simply unacceptable—we aren't building enough housing.

Look, I get cities need to meet their housing goals in a way that matches their community but doing nothing is no longer an option.

I respect local control but not at the cost of creating a two-class California.

Not at the cost of imperiling the California Dream.

We must grow our communities so people can live, work, and thrive—spending more time with their family, less in traffic.

This means a commitment—right now, this year—to major reform that will eliminate red tape, and delays for building critically needed housing—like affordable, multifamily homes—especially near transit and downtowns.

I am committed to working with leaders in both the Senate and Assembly to craft and pass needed reforms.

Our objectives are clear: to increase density in a way that promotes equity, affordability, and inclusion; to increase certainty that “units planned” become “units built” in a way that respects environmental and labor protections; and to hold local governments accountable for both of these pillars—more density and more certainty.

It's time for California to say yes to housing. We cannot wait.

So this is the challenge before us and those are the tough choices we must make.

Overcoming adversity and tackling intractable problems are as ingrained in California's character as our sun-kissed coast and our bread-basket valley.

With homelessness, I know it can be done because I've seen successes along the way.

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15 years ago, when I was Mayor of San Francisco, in the face of long odds and stiff opposition, we established Project Homeless Connect to bring local government services directly to people. It has been wildly successful and adopted in 250 other cities.

Last year, I went back to Homeless Connect and spoke with a man named Richard Oliva.

Four years ago, Richard was homeless, drug addicted and seeking medical help, at one of Connect's neighborhood fairs.

Thanks to this program, Richard got clean, obtained disability support and ultimately moved into subsidized permanent housing.

This time, he was back—but as a volunteer.

For three years now, he has been passing out free reading glasses to people in need.

While I was there, Richard hugged me with tears in his eyes and said, “thanks to this program, I have a home of my own.”

Richard's story reminds us that there are no lost causes in our California community.

It's an enduring California value that every Californian has value.

So when critics tell you homelessness can't be solved, introduce them to Richard, and the thousands of others like him who are a living testament.

I don't think homelessness can be solved.

I know homelessness can be solved.

This is our cause. This is our calling.

Let us rise to the challenge and make California stand as an exemplar of what true courage and compassion can achieve.

Let's get to work.

ADJOURNMENT OF JOINT CONVENTION

At 11:29 a.m., there being no further business, Speaker Rendon declared the Joint Convention adjourned *sine die*.

