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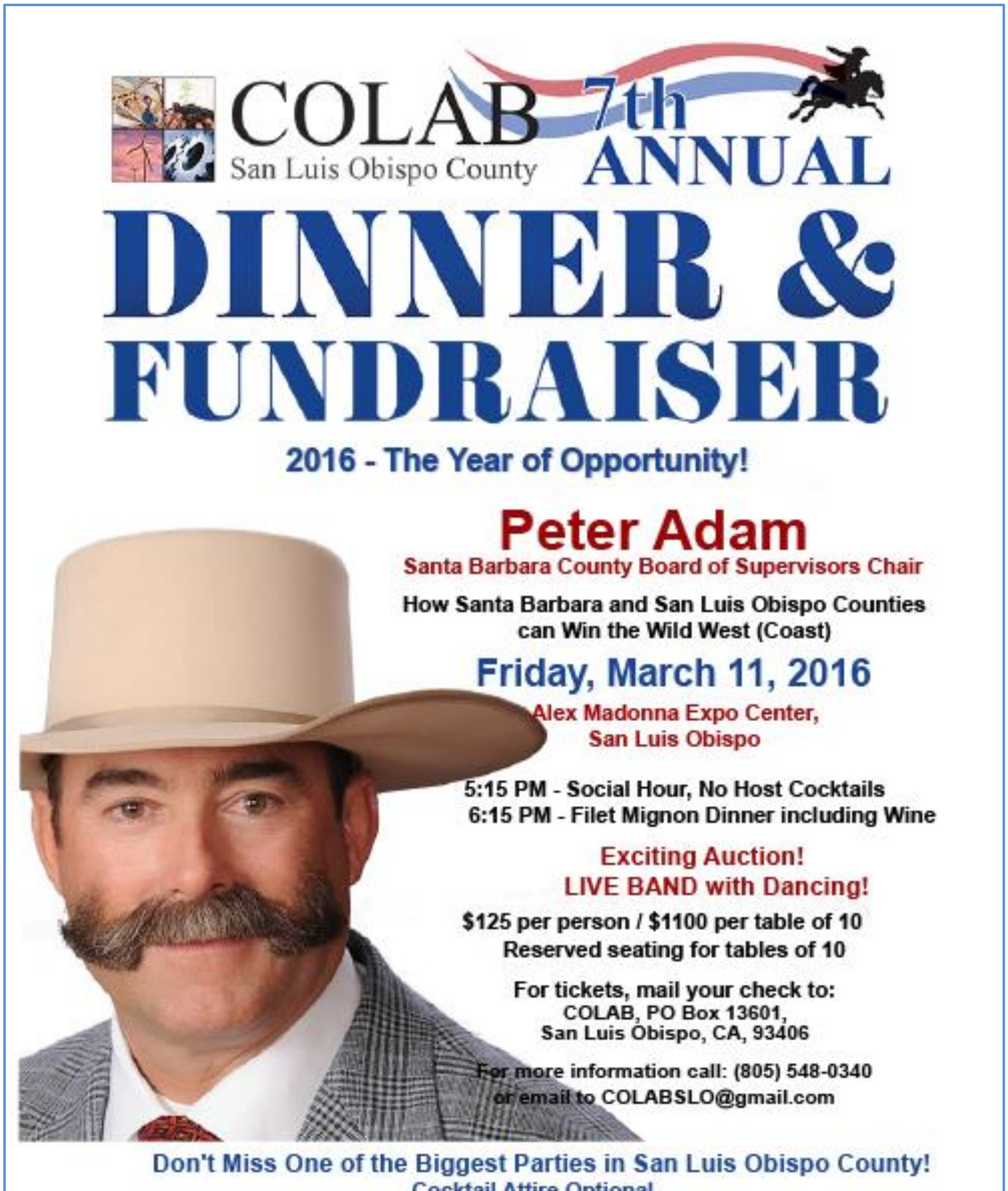
COLAB SAN LUIS OBISPO COUNTY

WEEK OF FEBRUARY 28 - MARCH 5, 2016



THIS WEEK

NO SUPERVISORS MEETING THIS WEEK

SLOCOG MEETING WEDNESDAY MARCH 2ND

(Laying Groundwork For A Sales Tax Increase Locally)

LAST WEEK

PHILLIPS 66 EMPLOYEES ,UNIONS AND FAMILIES ADDRESS PLANNING COMMISSION ON JOBS, SAFETY, AND FAIRNESS

(OPPONENTS REMAIN UNMOVED)

DOUBLE STANDARD?
LOPEZ & SOUTH COUNTY COMMUNITIES COULD RUN OUT OF WATER BY MARCH 2017

REAL THREAT TO PUBLIC HEALTH, SAFETY, AND WELFARE
BUT
NO WATER AND DEVELOPMENT MORATORIUM LIKE PASO

SLO COLAB IN DEPTH

(SEE PAGE 10)

How CalPERS has Created a Ticking Time Bomb

State's big housing dilemma

THIS WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, March 1, 2016 (Not Scheduled)

For whatever reason no meeting was included in the annual master schedule.

San Luis Obispo County Council of Governments Meeting of Wednesday, March 2, 2016 8:30 AM (Scheduled)

In General: This is a special meeting because as the gasoline tax declines due to price reductions for gasoline and other State formulaic issues, grants from the State Highway Improvement Program to SLOCOG are being reduced and SLOCOG must revise the program (already reduced) that it had adopted in December.

The purpose of this report is to respond to the direction provided by the California Transportation Commission (CTC) after the CTC modified the 2016 State Transportation Improvement Program (STIP) Fund Estimate on January 21st. The revised Fund Estimate reduces the STIP by $800M, or approximately 30% of the five year capital improvement program. The CTC has requested all Regional Transportation Planning Agencies (RTPAs) modify the funding transmittals made in December by each respective RTPA. SLOCOG's pro-rata share of the 2016 STIP reduction is $7.3m .

Depending on the CTC's action, it is likely that either planned improvements at the Highway 101/46 ramps in Paso or the Brisco Road/101 intersection south of Arroyo Grande will be de-programmed.

The most interesting part of this item relates to certain sections of text in letters which SLOCOG will send to Senator Monning and Assemblyman Achadjian regarding the situation. In part the text reads:

How We Got to This Point
The problem is with the structure of transportation funding. The downward revision to the STIP Fund Estimate is due to the estimated decrease in the price-based portion of the State gasoline tax that is currently the only fund source for the STIP. This is a volatile source of funding, since it is subject to adjustments based on fluctuations in the price of gasoline. The rate (established as part of the "fuel tax swap" enacted in 2010) is set annually by the Board of Equalization at a level that generates the same amount of revenue as would have been received if the sales tax on gasoline had remained in effect. The current rate was decreased from 18 cents to 12 cents as of July 1, 2015. Due to the price of gasoline in the past year, the Board of Equalization is expected to reduce the tax further to 10 cents at their next meeting this Spring. As such the CTC adopted a Fund Estimate at their January meeting that must factor the reduction in the price based tax for the five year STIP period starting in Fiscal Year 16/17 through FY 20/21.

This decrease of $754 million is leading to the current predicament of needing to delete the same amount in projects

How to Fix It
We urge the Legislature to take action to restore the STIP. Three current proposals provide a partial solution. Proposals by the Governor (proposed 2016-17 budget), Assembly Member Frazier (AB 1591), and Senator Beall (SB 1X-1) all propose removing the fuel swap mechanism that has required the downward forecasts and restoring the price based excise tax to the 18 cent (or 17.3 cent) mark. All three proposals would also allow the excise tax rate to adjust for inflation every three years. The main difference is that the funds from the inflation adjustment remain in the STIP under the Frazier and Beall proposals, but are swept into a different Road Maintenance and Rehabilitation Account under the Governor's proposal.

A Sales Tax Increase: This and other reductions will serve as fodder for SLOCOG to promote a countywide November ballot measure for transportation (not just roads, but buses, bike ways, etc.) It is likely to be a ½ cent for 20 or 30 years.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, February 23, 2016 (Completed)

In General: Supervisor Gibson was absent. We don't know why. There was a large National Association of Counties (NACo) conference in Washington, but we don't know if the Supervisor went. He may have been in Sacramento, positioning the County on some issue ahead of the rest of the Supervisors or begging more money for the Los Osos sewer project. As for the NACo Conference, its website states in part:

The NACo Legislative Conference is held on an annual basis in Washington, DC. This meeting brings over 2,000 elected and appointed county officials from across the country to focus on legislative issues facing county government. Attendees hear from key Administration officials and members of Congress and are offered a myriad of additional educational opportunities addressing current and hot topic issues. A day of lobbying on Capitol Hill the last day rounds out an information-packed conference. - See more at: http://www.naco.org/events/naco-legislative-conference#sthash.ZnoanWjG.dpuf

Meeting in Washington, D.C. gives you access to key decision makers that no other city can provide. The NACo Legislative Conference focuses on timely and pressing federal policy issues that have an impact on America's county governments. Attendees *help shape NACo's policy priorities and positions, advancing our message to key federal decision makers, and receive training on the latest information and tools.*

As the song says: *The Party Goes on Forever.*

Item 7 - Request to consider the Paso Robles Basin Water District formation election ballot for County-owned real property located within the proposed Paso Robles Water District boundary. We didn't expect that this item would provoke much furor, but in the end there was quite a discussion and public comment. First of all, Supervisor Arnold stated that the Board should be forthright and cast its vote against the district. This proposal did not attract a 2nd. Proponents and opponents of the Paso Water District made dueling comments.

Relatedly the *San Luis Obispo Tribune* published an article in which the reporter sequentially and separately asked each member of the Board of Supervisors what they would do if the water district vote fails. Hill and Gibson said the County should request that the State take over management of the basin. Mecham correctly said that if the voters turn the district down, it's a new situation and the board will need to consider options in that light. Some folks feel that the *Tribune* reporter lured the Board members into some sort of illegal serial meeting. It is not known if the reporter actually told the Board members that he was asking each of them the same policy question. Moreover, it appears from the article that he did not circle back and obtain comments in response to the first round of comments. It's probably not a Brown Act violation because there is no question (other than theoretically) pending before the Board on what they would do if the district vote fails.

Separately, there are property owners in the basin who are working on the creation of a simple irrigation district that would omit all the draconian regulatory provisions and costs of the currently proposed district. In turn such a district could become a member of the joint powers authority, which will be necessary to conform each jurisdiction's plans for SGMA compliance into an approvable and dovetailed whole. Of course the quiet title/adjudication group will also be a major player and will exercise their confirmed primary water rights. The municipal appropriators and the landowners who did not join the quiet title action will bear the main burden of thrashing out among themselves the solution for bringing the basin into balance.

The idea that the State will have to come in to run things is simply scare-propaganda to attempt to swing the vote. The district board candidates haven't said how they will protect overliers' primary water rights or actually what their plan is to bring the basin into SGMA compliance. Remember, most of these individuals have been involved on technical committees for years and have intimate knowledge of the problem and the broad range of potential remedies.

For example, the basin is currently about 2,500 acre feet per year out of balance. The County's own studies forecast that this imbalance will grow to 26,000 acre feet per year over 30 years, assuming one-percent growth per year in Ag and residential development in the basin.

The safe yield figures are in dispute because the County used a metric of 1.8 acre-ft. per year per acre for grape water use. It turns out that it is more like 1 acre-ft. per year. Since there are 46,000 acres of grapes in the Paso basin, the difference is 36,800-acre ft. per year on the plus side. The issue will be litigated as a step in the adjudication process. County officials will have to go to the proverbial black board and do some explaining – under oath. As the Judge has already said, this is a court of law, not some politicized Board of Supervisors meeting. The public record shows that staff and the Board brushed off public submissions in writing and in public sessions in regard to this issue. Any County employee who knows the truth should come clean now and save him/herself from the ultimate prosecution for hiding this fact. We will be glad to arrange for the production of the witnessed and notarized affidavit(s). Such an employee or employees are protected under whistle blower provisions

Candidates for the water district board of directors should be providing voters with a clear concept plan of how they would resolve this issue.

They may try to evade the issue by asserting that they need to spend the $1 million/per year for 5-years water district budget to find out. They also need to be honest about whether they support continuation of the current moratorium indefinitely as part of their plan. Instead they are making vague promises about local control and state takeover. Why isn't the *Tribune* reporter (and other media outlets for that matter) asking them these fundamental questions? Of course, the *Tribune* has already supported the water district, so it obviously isn't going to do the basic job of an objective, free, and independent press.

Background: All owners of property in the Paso Basin are to receive ballots for the elections related to the approval or rejection of the proposed water management district. The County owns a few lots, and consequently the staff is asking the Board if it wishes to vote. The Board letter recommended they stay out of it.

As the owner or holder of title of twenty nine (29) acres of land within the proposed Water District, the County is considered a small landowner and, like all other landowners regardless of category, may cast one vote on the formation of the Water District. Staff is recommending that the County take no formal action on voting yes or no on the question of whether the Water District should be formed. As a small landowner, the County also has the statutory authority to cast votes for the two small landowner seats. However, given that the election by small landowners is uncontested, with only two candidates running, the ballot does not have an option to vote for these candidates. Additionally, since the County is not a registered voter, it did not receive a ballot for the special tax.

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Item 27 - Study Session for Extended Drought Emergency Water Supply Options for Zone 3 of the Flood Control and Water Conservation District. The Zone 3 Water System includes Avila Beach, Pismo Beach, Arroyo Grande, Grover Beach, Oceano, and fairly extensive rural residential and agricultural areas per the map on page eight (8). The Board received a presentation about what has been done to forestall the zone from running out of water as well as what further measures might be taken.

The report was actually pretty scary. If the drought continues as currently trending, the Lopez Reservoir will run out of water in March 2017. It appears that agriculture will be entirely cut off from Zone 3 water if this happens. The residential and commercial users would limp along as well as possible on supplemental state water (if available) and some well water. The longer range fixes, such as use of Diablo Plant desal water and recharge of the basin with tertiary sewer water, will take several years at best to get in place, even if everyone can agree, the permits are processed, and the funding can be supported.

Water everywhere but not a drop to drink

Wonder what the realtors are saying when potential buyers ask about the water situation in any of the effected communities? (See map below.) Imagine the couple from Oshkosh who buy the beautiful ocean view estate house for $2.8 million and find out later that they are going to be on restricted amounts of water and then only on Tuesdays, Thursdays, and Saturday (like some 3rd world poverty neighborhood.

Table 3. Initial Emergency Water Supply Option Scoring and Ranking[1]

Emergency Water Supply Option	Average of Supply Benefit (Quantity Available)	Average of Time Frame to Implement	Average of Infrastructure Requirements	Average of Feasibility	Average of Long Term Sustainability	Average of Cost Effectiveness	Average of Total Score
Enhanced Conservation	1.83	2.83	3.00	2.67	2.33	3.00	**15.57**
Land Fallowing	1.60	2.80	3.00	2.60	1.60	2.20	**13.83**
Cloud Seeding	1.40	2.00	3.00	2.40	1.60	2.60	**13.33**
SWP Maximization	2.20	2.17	2.67	2.17	2.00	1.83	**12.67**
Nacimiento/CMC Intertie	2.17	1.50	1.50	2.00	2.67	1.67	**11.50**
Emergency Desal	2.80	1.40	1.20	2.00	2.80	1.20	**11.40**
Lopez Reservoir Minimum Pool	1.60	2.40	2.00	2.20	1.20	2.00	**11.40**
Water Market Purchases	1.75	2.00	3.00	2.00	1.50	1.33	**11.25**
Emergency IPR	2.00	1.20	1.40	2.20	3.00	1.40	**11.20**
Diablo Desal	1.75	1.50	1.75	1.75	3.00	1.50	**11.20**
Upper Lopez Wells	1.25	1.75	2.00	1.75	2.25	2.00	**11.00**
Unsubscribed Nacimiento	2.00	1.83	1.67	1.83	2.17	1.33	**10.83**
Morro Bay Desal	1.40	2.20	2.40	1.60	1.60	1.40	**10.50**
Price Canyon Produced Water	1.80	1.00	1.20	1.40	3.00	1.40	**10.00**

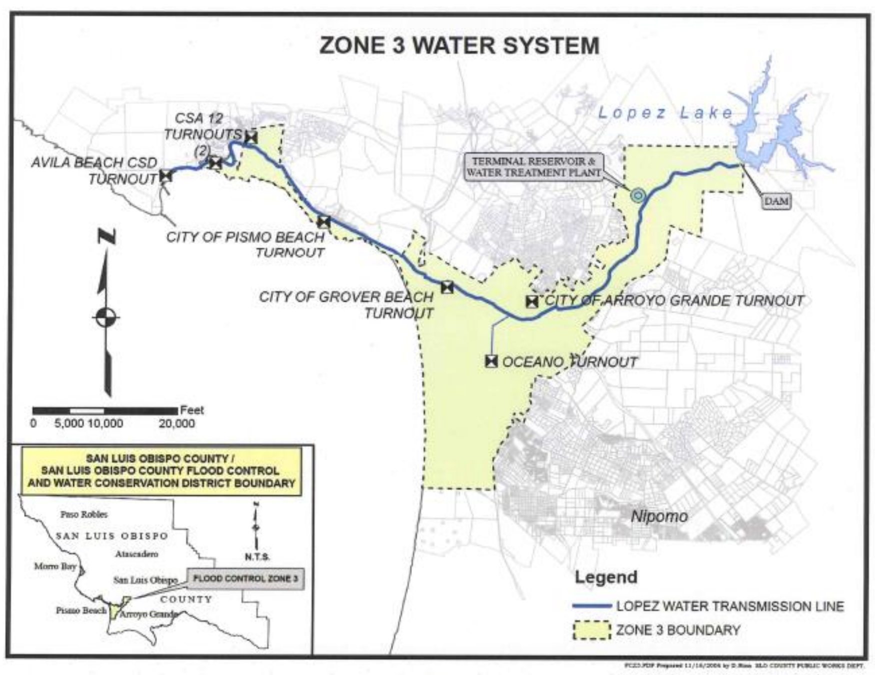
Note that neither the County nor any of the municipalities impacted by this situation have passed urgency ordinances declaring a moratorium and citing a state of imminent threat to public health, safety, and welfare. From the standpoint of having a real wet water emergency for the general population, this situation looks a lot worse than a few dry wells (out of 8,000 totals) in the Paso Basin. No one has even mentioned a moratorium for the south county. Oh well, the people in the north live in the colonies. What would you expect?

Background - More North County Water Moving South: One interesting paragraph in the staff report suggests that once the Naci water system member jurisdictions take their full allotments (a process moving down a separate parallel policy path), they will be able to sell water that they don't need to Zone 3 members. Theoretically, this option could be implemented fairly fast because the water exists in Lake Nacimiento and the conveyance system (perhaps with the addition of an intertie) essentially exists.

NWP Full Allocation
The District and participants in the Nacimiento Water Project are pursuing full allocation of 6,095 annual acre feet of unallocated "reserve" water in that project. Full allocation will allow the project participants to work through a water market approach to make that water available to other users (within the County) at affordable prices, rather than the current high costs required by the water supply contracts.

The raging irony is that the County has placed the entire unincorporated Paso basin under a water and development moratorium and has certified that there is an imminent threat to public health, safety, and welfare. Would the County as Water Agency consider using this water first to recharge the Paso Basin, given its draconian policy? There may be large agricultural users who would gladly pay for some of the water to qualify for offsets. This could also be true of home builders and even individuals seeking permits for a house. The County has already set up a system of water credit banking. Why can't it facilitate the purchase and use of wet water?

On the other hand, if the water is all contracted in the south county, the option will be foreclosed.



Planning Commission of Thursday, February 25, 2016 (Completed)

Continued Hearing on the Phillips 66 Rail Spur Application. The hearing which had been recessed on February 5, 2016 resumed at 9:00 AM. There were at least 140 new speaker slips. As of 5PM, when the hearing recessed, there were still some remaining or deferred (the people had gone home). The hearing was continued to Friday, March 11, 2016 at 9:00 AM. There were over 100 Phillips employees in attendance, both from the local refinery and from around the State. Various unions were well represented and had members speak in favor of the project. Also a number of affiliated companies appeared in support. Similarly, the anti-rail spur Nipomo group was out in force. The two groups provided quite a contrast. The pro-Phillips speakers were primarily blue collar and at least half were Hispanic. There was also a good representation by African Americans. The Nipomo group appears to be largely composed of white retirement age professionals (at least many cited their professional experience in making their presentations) who claim to not oppose Phillips but just the project.

The large group of professional agitators ,enviro-radicals, and leftist officials which had been bused in to the prior hearing, were largely absent. One notable exception was the Ken Hough of the Santa Barbara Action Network (SBCAN), who showed up and vigorously opposed the project.

The San Luis Obispo County business community was noticeably absent. We did not hear any representatives from chambers of commerce, the Economic Vitality Corporation, Workforce Investment Board, or trade associations.

The Future of Mass Transit

UBER is introducing motorcycle service -- cheaper, faster, more fun, and door to door. SLOCOG should become a leader to promote this private sector, no public capital investment , no public operating cost, no tax, high tech public transportation alternative.

Wall Street Journal Photo

Motor bikes are smaller than cars. This system can alleviate congestion, uses much less fuel than cars and busses, and reduces the need for expensive public parking facilities.

SLO COLAB IN DEPTH

In fighting the troublesome, local day-to-day assaults on our freedom and property, it is also important to keep in mind the larger underlying ideological, political, and economic causes and forces.

How CalPERS has Created a Ticking Time Bomb

November 30, 2015, Research Studies /by Ken Churchill

During the Stockton bankruptcy Judge Klein called CalPERS the “bully with a glass jaw.” Klein meant that CalPERS, as a servicing company, has no standing in the bankruptcy because the pension obligation is between the public agency and their employees and retirees.
That means as opposed to lobbying for increased benefits as they have beginning in 1999 when they convinced the state legislature to increase the pensions of safety employees from 2% to 3% per year of service retroactively, and threatening litigation if Vallejo or Stockton cut benefits, the role of CalPERS is to simply (1) determine the required employer and employee contributions necessary to responsibility fund each pension plan they manage, (2) invest the contributions, and (3) send retirees checks for their promised monthly benefits.

So how well is CalPERS doing its job as a servicing company?

With the new on line website PensionTracker.org recently developed by the Stanford University Institute for Public Research we can view objective data regarding CalPERS’ performance, along with all of California’s other state and local retirement systems. Combined, the total unfunded pension liabilities for all state and local government workers in California hit $281 billion at the end of the 2013 fiscal year (6/30/2013), the last year data is available for.

Unfunded liabilities for each system are estimated as:

CalPERS public agencies (the Public Employee Retirement Fund, Judges’ Retirement Funds I and II, and the Legislators’ Retirement Fund): $116.7 billion.

Independent county, city and special district systems: $88.2 billion.

California State Teachers' Retirement System (CalSTRS) agencies: $56.5 billion.

The University of California Retirement System (UCRS): $12.0 billion.

Pension Obligation Bonds issued: $8.1 billion.

These numbers, however, are based on a 7.5% discount rate on the liability. That is, the estimated value of all future payments to current and eventual retirees was discounted to a present value based on a 7.5% rate of return. For a retirement system to be 100% funded, the total invested assets in the fund have to be equal to this discounted future liability, based on the assumption that these invested assets will earn 7.5% annual returns, on average, over the next several decades. And because some of California's government employers have borrowed money to make their annual pension fund contributions, these "Pension Obligation Bonds" also have to be taken into account when calculating the unfunded liability. PensionTracker.org calculates California's pension system's aggregate unfunded liability as follows:

"Total Unfunded Liabilities reflects the aggregate liabilities for the California Public Employees' Retirement System (CalPERS), the California State Teachers' Retirement System (CalSTRS), independent pension systems, the University of California Retirement System (UCRS), plus Pension Obligation Bond (POB) balances, minus the aggregate Market Value of Assets (MVA)."

While the formula to calculate a pension system's unfunded liability is fairly straightforward, the assumptions that are made are not straightforward at all. The result is extremely sensitive to what annual rate-of return assumption is used. When the Institute applied a lower discount rate of 3.7%, the rate that CalPERS uses if an agency wants to exit their system, the unfunded liability tripled to $946 billion, an astonishing $75,000 worth of debt for every household in California. If this rate of return is so preposterously low, why is it the rate that CalPERS uses if an agency wants to exit their system?

But these numbers, as unaffordable as they seem, do not include unfunded retiree healthcare liabilities. A 2014 study of the 20 independent county pension systems by the California Public Policy Center, "Evaluating Total Unfunded Public Employee Retirement Liabilities in 20 California Counties," indicates when bond debt and unfunded retiree healthcare benefits were added to the county systems, the total unfunded liability for retiree benefits in those counties almost doubled from $37 billion to $72 billion.

To create this mountain of debt CalPERS has been and continues to use several accounting gimmicks.

Smoothing of Investment Returns

Up until 2006 CalPERS smoothed its investment gains and losses over 4 years. Then in 2006 they went to a 15 year smoothing and beginning in 2015 they are moving to a 30 year smoothing. Extending smoothing significantly lowers unfunded liabilities and therefore employer and employee contributions, and passes the costs onto future generations.

Smoothing also masks CalPERS poor investment performances. CalPERS has been one of the worst performing pension funds in the nation with their investments returning only 5% from 2003 to 2013 and last year only 2.5%.

Here is how smoothing works. If the pension fund were to lose $100 million in investment assets in a year using the market value of assets the pension fund would show a $100 million loss from the previous year. But by using a 4 year smoothing the actuarial loss for that year would be $25 million carried forward 3 more years. Using 15 year smoothing the actuarial loss would drop to $6.6 million carried forward 14 more years. Using the new 30 year smoothing the $100 million loss would drop to $3.3 million carried forward 29 more years. Essentially using a 30 year smoothing takes investment returns out of the pension calculation formula. In other words, this is no way to reduce risk and a good way to increase unfunded liabilities.

Beginning in 2015/2016 CalPERS is dropping smoothing of stock market gains and losses and will move from a rolling to fixed amortization of the unfunded liabilities with the intent to pay off all the current unfunded liabilities over the next 30 years. This is still a long period of time to pay off the debts. Under federal ERISA rules for private pensions unfunded liabilities are paid off over 7 years.

Extending Debt Payments on the Unfunded Liabilities

As bad as 15 to 30 year smoothing is, there is more. Following the 2008 stock market crash and the loss of 30% of its assets, instead of amortizing the unfunded pension liabilities and paying them back over 9 years as they were doing, CalPERS went to a 30 year amortization.

This is similar to the difference between what you would pay monthly and over time on a 9 or 30 year mortgage, though a more appropriate comparison would be taking 30 years to pay off a credit card balance, since there is no asset with a useful life being purchased. With a 9 year mortgage your monthly payments are much higher than with a 30 year mortgage but the total cost over time with interest is significantly less over time. Worst of all, by doing these CalPERS is passing a mountain of debt, higher taxes and fewer services onto our children and grandchildren.

Using an Overly Optimistic Discount Rate

Pension funds use a discount rate on liabilities based upon the assumption that their investments are going to return an amount similar to the discount rate. Currently, most agencies use a 7.5% discount rate. However, that rate today is too high for 3 reasons; (1) fixed income investments are currently returning 4%, (2) stocks are projected to return under 7%, and (3) with a 75% funding ratio the pension fund does not have 100% of their liabilities in assets earning income. Taking into account these factors most experts would probably recommend CalPERS to use a 3.7% discount rate. They won’t, however, because as the Stanford study has shown it would triple unfunded liabilities, drastically increase annual pension payments by the employer, and show everyone that the current benefit levels are simply unaffordable. Adequately funding pensions under these assumptions would also push hundreds of California cities and counties into balance sheet insolvency and if more cash was required to be injected into the system as private pensions are required to do with their 90% funding level requirement, into bankruptcy.

CalPERS and Pension Reform

Recently CalPERS has been rushing to play up its good government bona fides just as talk of pension reform next year has been heating up. Earlier this month, former San Jose mayor Chuck Reed and former San Diego City Councilman Carl DeMaio filed two new initiative proposals for next year's state ballot. CalPERS are right to be concerned, since polling numbers continue to show strong public support for pension reform.

The Reed DeMaio plans are not perfect reform since they only impact new hires, but they have the advantage of being put together by former officials who grasp the depth of the crisis. The CalPERS plan seems like an attempt to coopt pension reform. Given the skyrocketing costs they're already facing, Californians need to be told the truth about the pension debt they and their children and grandchildren will be paying off for decades.

We need real pension reform now, but it's not going to happen if public employee unions continue to oppose reform efforts and CalPERS continues to use accounting gimmicks to hide the enormous unfunded liabilities from taxpayers and government employees and retirees who have been promised unsustainable pensions the tax base simply can't afford to pay.

* * *

About the author: Ken Churchill is the author of numerous studies on the pension crisis in California and is also the Director of New Sonoma, a pension reform group.

State's big housing dilemma

By Dan Walters

It's time once again for some fun with numbers, in this case the data on California's serious – and worsening – housing crisis.

Since 2010, the state's population has risen by 1.8 million to 39 million human beings who live – most of them, anyway – in 14 million units of housing of all types.

That translates into an average of 2.78 persons per dwelling, implying that since 2010, we've needed about 650,000 new units to keep pace with population growth, or about 130,000 a year.

However, the Great Recession clobbered housing construction, which fell to as low as 44,000 units in 2010 and has averaged only 70,000 a year during the decade so far, half the demand.

Housing production has since climbed to 100,000 a year, but even at that level, it’s just three-quarters of what’s needed – not counting the backlog shortage of 300,000-plus units just since 2010.

The result is a severe squeeze, particularly acute in major metropolitan areas, that has pushed housing costs sky-high, especially rents and especially in the Los Angeles and San Francisco Bay Area metropolitan regions.

Zumper’s national rent survey in December found four of the nation’s 10 highest rental markets in California, topped by San Francisco’s average of $3,500 for a one-bedroom apartment.

Housing costs are, according to the Census Bureau and the Public Policy Institute of California, the major factor in the state having the nation’s highest level of functional poverty.

Nearly a quarter of Californians – 9 million people – are living in poverty by the Census Bureau’s alternative measure. PPIC studies have found high poverty rates even in high-income communities because of astronomical housing costs.

Politicians profess to be concerned about California’s housing squeeze, but their proposals tend to be symbolic at best, adding perhaps a few thousand units to deal with a problem that’s exponentially more severe.

The market is evidently there, and private developers, it would seem, are ready to fill it, at least for those in the moderate-to-high income brackets. The impediments are largely political.

NIMBYism – not-in-my-backyard – is rampant in California, sometimes erupting extemporaneously in response to development proposals, sometimes driven by misguided environmentalism. It affects even high-density “infill” projects that environmentalists support in principle, but often oppose in practice.

An example is the Neighborhood Integrity Initiative in Los Angeles that, if enacted, would make it almost impossible to build large-scale housing projects in a huge city already experiencing mass homelessness and immensely burdensome housing costs, as Mayor Eric Garcetti points out in his criticism of the measure.

The pivot point for many housing clashes is the California Environmental Quality Act, which project opponents often invoke. The state Supreme Court has been busy lately interpreting CEQA’s effect on specific housing cases – which implies its central role in the issue.

Were politicians willing to seriously address California’s housing crisis, rather than make token gestures, they’d reform CEQA and take other steps to encourage supply.

Gov. Jerry Brown once declared CEQA reform to be “the Lord’s work,” but he and the Legislature have done almost nothing on the issue.

This column first appeared in the January 16, 2016 Sacramento Bee.

COLAB DINNER/DANCE MARCH 11TH-- 5:15 PM – MADONNA EXPO CENTER

A stay in a small family oriented high Sierra resort, with lake view cabins, is one of the auction items available during the COLAB SLO Dinner/Dance on March 11, 2016. This place is at a pristine 7,200 ft. altitude alpine lake. There are beaches, canoes, boats, water toys, a store, a laundry, and a very nice restaurant on the property. This is a great venue for a summer family rendezvous. The view is from one of the cabins. It's only 45 minutes to Tahoe South Shore casinos and shows. Support COLAB, come to the dinner, and take a shot at a treasured and memorable vacation! Call 805 548-0340 or email us at COLABSLO@gmail.com to reserve tables for 10 or individual tickets for the event. There are other great auction items as well.

Coalition of Labor, Agriculture and Business
San Luis Obispo County
"Your Property – Your Taxes – Our Future"
PO Box 13601 – San Luis Obispo, CA 93406 / Phone: 805.548-0340
Email: colabslo@gmail.com / Website: colabslo.org

MEMBERSHIP APPLICATION

MEMBERSHIP OPTIONS:

General Member: $100 – $249 q $ ______ Voting Member: $250 - $5,000 q $ ______

Sustaining Member: $5,000 + q $ ______

(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)

General members will receive all COLAB updates and newsletters. Voting privileges are limited to Voting Members and Sustainable Members with one vote per membership.

MEMBER INFORMATION:

Name: ______

Company: ______

Address: ______

City: ______ State: ______ Zip: ______

Phone: ______ Fax: ______ Email: ______

How Did You Hear About COLAB?
Radio q Internet q Public Hearing q Friend q

COLAB Member(s) /Sponsor(s): ______

NON MEMBER DONATION/CONTRIBUTION OPTION:

For those who choose not to join as a member but would like to support COLAB via a contribution/donation.
I would like to contribute $ ______ to COLAB and my check or credit card information is enclosed/provided.

Donations/Contributions do not require membership though it is encouraged in order to provide updates and information.
Memberships and donation will be kept confidential if that is your preference.
Confidential Donation/Contribution/Membership q

PAYMENT METHOD:

Check q Visa q MasterCard q Discover q Amex NOT accepted.

Cardholder Name: ______ Signature: ______

Card Number: ______ Expiration Date: ______ Billing Zip Code: ______

TODAY'S DATE: ______