



COLAB SAN LUIS OBISPO WEEK OF FEB. 26 - MARCH 4, 2017



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San Luis Obispo County

8th
ANNUAL



DINNER & FUNDRAISER

CELEBRATE SUCCESS - REINFORCE REFORM

Thursday, March 30, 2017



Lynn Compton
District 4 Supervisor
San Luis Obispo County



John Peschong
District 1 Supervisor
San Luis Obispo County



Debbie Arnold
District 5 Supervisor
San Luis Obispo County



Jordan Cunningham
Assemblyman
CA 35th Assembly District

Alex Madonna Expo Center, San Luis Obispo

5:15 PM - Social Hour, No Host Cocktails

6:15 PM - Filet Mignon Dinner including Wine

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or email to COLABSLO@gmail.com

THIS WEEK

BOS TO ENDORSE CARBAJAL OIL BAN BILL?
DRAFT MARIJUANA REGULATORY ORDINANCE
FUTURE OF DAIRY CREEK GOLF COURSE
2ND QUARTER FINANCIAL REPORT

LAST WEEK

**HILL SLANDERS PLANNING COMMISSIONER
DAN DEL CAMPO AS “HATE MONGER”**
BOS DIRECTS STAFF TO PRIORITIZE ROADS
BOS REVIEWS PENSION DEBT
**BOS REVIEWS ROAD AND BUILDING MAINTENANCE
DEFICITS**
**BOS QUESTIONS PLANNING DEPARTMENT POLICY
PROJECTS/AXES SEVERAL PROJECTS**
HILL AND GIBSON OPPOSE BOARD MAJORITY REFORMS
**PLANNING COMMISSION APPROVES OAK TREE
REGULATIONS AND AG POND REGULATIONS AND
FORWARDS TO BOS WITH RECOMMENDATION FOR
ADOPTION**

SLO COLAB IN DEPTH

(SEE PAGE 16)

WE CAN BUILD OUR WAY OUT OF THE HOUSING CRISIS

BY STEVEN GREENHUT

DEEP STATE VS. FREE STATE

We essentially have two federal governments: representatives and bureaucrats

BY ARNOLD ALHERT

THIS WEEK'S HIGHLIGHTS

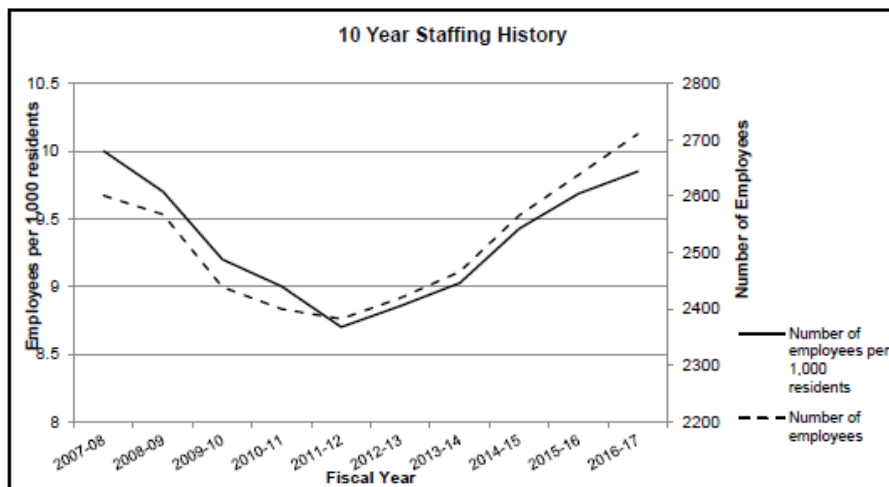
Item 7 - Fiscal Year 2016-17 Second Quarter Financial Report. There is nothing of particular note here. Staff expects the County to finish the year within legal budget appropriations.

Subsidiary information included in the Report demonstrates that the size of the County staff continues to grow and that the employee vacancy rate continues to grow. Both of these trends present opportunities for the Board to implement savings as part of its annual budget review and adoption process.

SUMMARY OF POSITION ALLOCATION CHANGES

FY 16-17	Q1	Q2	Q3	Q4
Quarter Start	2,710.50	2,738.75		
FTE Additions	48.25	17.50		
FTE Deletions	20.00	12.00		
Quarter End	2,738.75	2,744.25		
Net Change	+28.25	+5.50		
% Change	+1.04%	+0.20%		

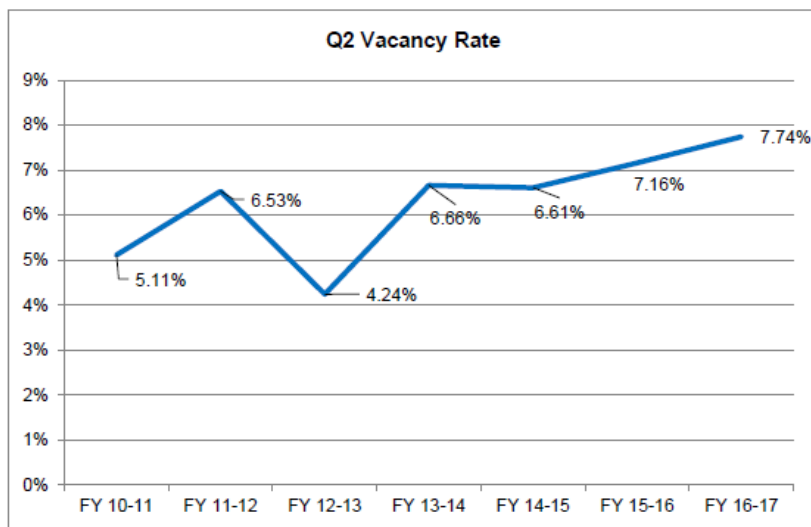
Other data suggests that the County actually runs the equivalent of about 2,900 FTE'S when temporary, part time, and overtime are counted. It is not clear if the table above is based only on approved permanent positions.



Staff justifies much of the increase in terms of jobs-added, related to Obama Care and the State requirement that counties take over more sentenced prisoners and more probationers.

The write-up states in part:

The County employee vacancy rate at the end of the second quarter was 7.74%. This equates to 212.50 vacant positions. There has been an increase in the number of non-retirement voluntary separations due to the improved economy and more outside opportunities becoming available that compete for County jobs. Human Resources is tracking this trend.



What if the Board gave the CEO authority to move positions around as they were actually needed and fillable, and at the same time reduced the allocation by half of the vacancies (106 FTE)? If the average position value (the average annual cost of an employee with salary and benefits) is \$101,000, the savings would be \$10,728,521. Even if only 1/3 of this amount (\$3,576,173) is general fund (not revenue controlled by the Feds and State), it could be applied to the \$5.8 million estimated unfunded annual deficit needed to maintain the roads at Pavement Condition Index of 65 (out of 100).

Item 25 - County Federal Legislative Program Update/Carbajal Offshore Oil Ban. The County's Washington lobbyist (Ferguson Group, LLC) will present an update on the County's requests for Federal funding assistance in a number of areas. The write-up suggests, somewhat euphemistically, that nothing much was achieved:

As noted in our October 16, 2016 memorandum, the County's 2016 federal agenda efforts and outcomes were undistinguished when compared to prior successful years due to several factors including the congressional stalemate and the Presidential election.

Some of the County's priorities for Federal assistance include:

- ☐ *Salinas Dam. We briefed key offices on Salinas Dam regarding water storage capacity and explored regulatory and funding assistance, including funding for seismic retrofit.*
- ☐ *Arroyo Grande. We briefed the congressional delegation and the Corps of Engineers regarding the need for the federal government to move forward expeditiously on the project.*
- ☐ *Desalination. TFG continued advocating for increased desalination funding.*
- ☐ *Diablo Canyon. PG&E's decommissioning announcement has not affected the priority of Diablo Canyon as a facility of concern but, clearly, goals and objectives at the federal level have changed dramatically. TFG has gone through a preliminary review of the situation with County staff leading to new agenda priorities and action items, including focusing on nuclear waste disposal and economic adjustment opportunities.*
- Los Osos Assistance. We continued our work with USDA to provide funding for on lot costs associated with the wastewater project.*
- ☐ *Sustainable Groundwater Management Act. We emphasized the difficulties presented by funding necessary to comply with SGMA and sought assistance, including specific assistance from the Bureau of Reclamation to ensure on time delivery of their pending basin study.*
- ☐ *Rail Safety. We noted the County's ongoing interest in rail safety legislation currently under consideration in Congress, including hazardous materials transportation via rail. We continue to monitor federal action in this area.*

Carbajal Off Shore Oil Ban: Congressman Carbajal’s first submitted piece of legislation (HR 731) would permanently ban offshore oil and gas leasing off the coast of California. The key text states:

“(1) IN GENERAL.—Notwithstanding any other provision of this Act or any other law and except as provided in paragraph (2), beginning on the date of enactment of this subsection, the conduct of oil and gas preleasing, leasing, and related activities is prohibited in areas of the outer Continental Shelf located off the coast of the State of California.

“(2) EFFECT.—Nothing in this subsection affects any rights under leases issued under this Act before the date of enactment of this subsection.”.

○

The question of County endorsement of the Bill arose in the context of the Board’s debate on whether to oppose the establishment of a Federal marine sanctuary off the coast of the County. The issue will be used to pressure Supervisors Arnold, Compton, and Peschong, who voted to oppose the sanctuary. Readers may remember that sanctuary proponents spun the false logic that being an opponent of the sanctuary means that one is supportive of off-shore oil drilling.

According to the write-up, the bill has been sent to the House Natural Resources Committee, which has not indicated that it will even consider it. The Bill has not attracted a single co-sponsor. The proposed letter supporting the Bill is reproduced below:

February 28, 2017

The Honorable Salud Carbajal

212 Cannon House Office Building

Washington DC 20515

RE: HR 731 Prohibition of Oil and Gas Leasing in areas off the coast of California -- SUPPORT

Dear Representative Carbajal:

On behalf of the County of San Luis Obispo Board of Supervisors, I am writing to express our support of HR 731 which would prohibit any oil and gas preleasing, leasing, and related

activities off the coast of California. As you know, the County has approximately 80 miles of pristine coastline. We have a great interest in preserving the coast and associated marine environment for current and future generations.

The residents of this county strongly support coastal protection and demonstrated their support by authorizing Measure A in 1985, which prohibits “any permit, entitlement, lease or other authorization” that would allow the “development, construction, installation, or expansion of any onshore support facility for offshore oil and gas activity” without the approval of, by a majority vote, of the registered voters in the County.

For these reasons, and on behalf of the residents of San Luis Obispo County, we are in support of HR 731. Your leadership on this issue is appreciated and thank you for making this issue a priority as you begin your career representing the 24th Congressional District.

Sincerely,

ADAM HILL

Vice Chair, Board of Supervisors

Item 39 - Dairy Creek Golf Course – Status of Planning Process. This item is an update about work of the Dairy Creek Golf Course Advisory Committee and the results of several public meetings related to the future of the course. Although there are a number of citizens who wish to maintain the course as a full 18-hole facility, the problems of declining play, declining popularity of golf, and heretofore inadequate water for irrigation of the course create a dilemma for the Board. The Board had previously prohibited the use of potable water on the course. The Board letter is strangely silent on current post-drought conditions during which additional water supply may be available.

Matters After 1:30 PM

Item 45 - Marijuana. The Board will receive a draft proposed 33-page ordinance for the regulation of marijuana. As a result of the legalization of marijuana per the voter approval of State Proposition 64 last November, the County may determine to what degree it wishes to regulate the cultivation, refining, transportation, storage, and sale.

One interesting aspect is that the ordinance, as proposed, will limit the total number of marijuana farming locations in the County to 100 at any time. There are probably 500 in existence today, of which perhaps 430 have registered under the interim ordinance. How will it be decided who actual receives a permit?

Similarly, the actual square footage of a particular farm is limited to from 500 sq. feet to 22,000 sq. feet, depending on whether operation is indoors or outdoors and its location. There are already some operations with 8 acres (320,000 sq. feet.) of plants within a single greenhouse. What happens to these existing businesses, which became legal under the medicinal marijuana law?

Reportedly some sections of the County are climatologically very favorable for growing the plants. SLO County therefore may have competitive advantage over many places. It also has an existing infrastructure of large existing greenhouses. If the County is going to permit commercial growing for recreational use under the State voter approved enabling legislation, why would it arbitrarily limit the amount of acreage? It doesn't limit the acreage for wine grapes or strawberries.

If, on the other hand, the intent is to limit the number of farms and the acreage because of concerns about the social, health, and cultural aspect on society, why would the Board contemplate permitting it at all?

It's kind of like the old days when beer, wine, and liquor could not be sold on Sunday or after a certain hour. Connecticut used to ban the sale of alcoholic beverages on Good Friday. None of these laws actually did anything to reduce the use of alcohol or enhance the public health and safety.

Given the economic potential, including saving failing agricultural operations, providing jobs, and otherwise benefitting the public, which voted overwhelmingly for legalization, why would the Board of Supervisors inject itself by imposing a complex and expensive regulatory scheme?

The County staff (including the Health Department and the Behavioral Health Department) have not presented any data to the Board that marijuana is harmful or that it deserves some sort of special regulation.

The Board may tweak the ordinance and then send staff out for several months to collect public comment. It might then be further adjusted and submitted for formal action by the Planning Commission and ultimate review and adoption by the Board. It is estimated that this process will take until September.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, February 21, 2017 (Completed)

Item 1 - Appointment of Dan Del Campo to the Planning Commission. Supervisor Peschong submitted Del Campo's nomination for appointment as the District 1 Commissioner. Supervisor. Hill opposed the appointment on the alleged grounds that Del Campo is unsuitable because of his political beliefs. Hill was quoted in the San Luis Obispo New Times calling Del Campo a "hate monger" for comments he had made as a former radio show host on radio station KPRL. Hill does not like Del Campo's alleged criticisms of the environmental movement and socialism. Gibson also stated that he didn't think Del Campo should be appointed, but he voted for him stating that it was in the name of supervisorial courtesy and that Del Campo's performance would have to be assessed as he went along. In the end Del Campo was appointed on a 4/1 vote with Hill dissenting.

Item 6 - Request to receive and file a presentation on the County of San Luis Obispo's Retirement Plan by Pension Trust. The Board received a presentation on the County retirement system. Much of the report consisted of basic facts about the structure and operations of the system.

The important parts pertained to unfunded liability and current and future County costs. For example, the chart below shows that with an interest return rate assumption of 7.125% year-in and year-out over the long haul, the system has an unfunded long-term liability of \$501 million dollars. Supervisor Peschong asked where staff thought the unfunded liability would peak. He was told \$650 million in 2022. The Board seemed unfazed.

Perfect, Diablo closes in 2024 and there is an unfunded liability eating away at County services. The \$650 million number assumes that there will be no recession between now and 2022 and that the system will continue to earn an average of 7.125 percent each year between now and then.

Actuarial	Accrued Liability	\$1,749 million	A measure of the total liabilities of the Plan.
Assets	Actuarial Value	\$1,248 million	A "smoothed" measure of assets
	Market Value	\$1,136 million	Market Value on 12/31/15
Unfunded	Actuarial Accrued Liability	\$501 million	The amount being amortized into pension cost over a set period (24 years remaining) to bring the Plan to fully funded status.
Funded Ratio	Actuarial Value	71.4%	Targeted funding is 100% as the UAAL is amortized into costs.
	Market Value	64.9%	
Earnings Assumption (discount rate)		7.125%	Lowered in 2016 from 7.25%. Expected long term rate of return that used to discount liabilities.

It's important to analyze the data. For example, the chart below comes with little interpretation:

Classification	Misc.	Probation	Safety	TOTAL
Normal Cost	13.32%	16.50%	16.43%	13.88%
EE paid *	<u>7.16%</u>	<u>5.86%</u>	<u>9.61%</u>	<u>7.47%</u>
ER paid	20.48%	22.36%	26.04%	21.35%
Total NC				
UAAL Amort.	16.65%	16.20%	23.28%	17.55%
Annual Req. Contribution (ARC)	37.13%	38.56%	49.32%	38.90%
+ Pension Obligation Bond Debt Service				5.59%

The County issued pension obligation bonds in 2003 that temporarily reduced the unfunded accumulated actuarial liability (UAAL) from \$125.9 million to \$14.4 million. It bet on the come that it would pay 4.5% interest on the debt and receive 7.5% interest in the pension fund. As the chart above shows, the UAAL has grown to \$501 million. Plus, there is still around \$120 million in pension obligation bond debt.

Item 7 - Submittal of the Fiscal Year 2017-18 County and State Budget update. The significant action in regard to this item was that the new Board majority voted (Hill and Gibson dissenting) to add roads (maintenance and improvement) to the list of the County's highest budget priorities. This is a first step in the right direction, given that past Boards were relatively inert with respect to examining and revising budget policy, which has essentially been in place for 10 years.

The overall adopted priorities established by prior Boards are:

1. Priority Driven - One of the starting points of the budget process is to identify Board priorities so staff can craft budget proposals that align with these priorities. The Board's current priorities are as follows (in order):

1. Meet legal mandates

2. Meet debt service requirements

3. Public Safety- defined as:

i. Sheriff-Coroner (fund center 136)

ii. District Attorney (fund center 13201)

iii. Probation (fund center 139)

iv. County Fire (fund center 140)

Background: Essentially and barring significant policy direction from the Supervisors, the staff will generally control the budget and hence the overall policy direction of the County. Current

policy is essentially a year-to-year incremental ritual based on the amount of revenue available. It is often stated that in matters of public policy, it is the one who frames the issue who most often controls the outcome. At this point and as demonstrated by this item, the staff is recommending business as usual. During the fall, when the proposed 2017-18 Budget preparation process was on the agenda, no significant direction to staff was given. In effect the Board said: Everything is great.

Accordingly, the Board letter states the de facto policy:

As noted above, FY 2016-17 Status Quo submittals from departments are still being evaluated. A Status Quo budget is defined as one that takes current year staffing and program levels and costs them out for the next year with no material changes (i.e. inflationary increase only, no increases or decreases to staffing levels, and no new or expanded services levels). In total, 111 requests to augment programs and services were submitted. The requests total \$22.3 million, \$9.6 million of which is requested to be funded with General Fund.

Item 9 - Adoption of the Five-Year Infrastructure Plan. The Board received the extensive report on capital projects, including construction of new buildings, the Los Osos Sewage Treatment Plant, parks, roads, and repairs. There is a plethora of data (about 64 pages in the main report, which is an attachment to the agenda item). They did not seem to have any objections, and the actual capital improvement portion is likely to be adopted in June.

Among other recommendations, the staff presents a Five-Year Capital Improvement Plan, which shows the facilities that will be likely to be constructed and which are funded. This is fine and a good practice. The problem is the plan shows only what is funded, not what is needed and unfunded, which is one of the most essential pieces of policy information needed to assess the County's true financial condition.

For example, with respect to the road maintenance the write-up states:

Infrastructure Deferred Maintenance: The County road system comprises over 1300 miles and 190 bridges. Overall condition of the road system is rated on a 0 to 100 scale referred to as the Pavement Condition Index (PCI). The desired goal is to maintain the overall system at a PCI rating no less than 65, as this is a level which indicates that the key roadways of the system are in good repair and that preventative maintenance can be done with cost effective techniques on the remaining system. Once a PCI for the system falls into the mid-50, repairs and maintenance require much more expensive techniques. Currently, the system has, as of summer of 2016, attained our target goal of 65 and a deferred maintenance value has decreased to \$164 million in order to bring the full system to an overall good rating (PCI of 80). The Department of Public Works continues to identify and determine strategies to address these conditions. The overall Road Fund, for both routine and preventative road maintenance, has been averaging about \$18 million annually. In order to prevent deferred maintenance values from increasing, an additional \$5.8 million would be required each year.

The obfuscating sentence highlighted in yellow seems to say that an additional \$5.8 million per year is needed to keep the system from declining from the existing mediocre PCI of 65.

Item 10 - Report on Department of Planning and Building Priorities. The new Board majority questioned some of the proposed projects such as updating the Agricultural Cluster Subdivision Ordinance. Gibson would like to gut it or do away with it altogether. The Board majority also reinforced its commitment to work on a variety ideas to make it easier to build homes.

Item	Timing	Status
Matrix – ministerial vs discretionary	Near	Initiated by staff
First Time Homebuyer Program	Intermediate	Initiated by staff
Golden State Finance Authority	Intermediate	Research by staff
Fee deferral and/or waiver and scaled to unit size	Intermediate	Research by staff – Initiation soon
Farmworker Housing – Ordinance Amendment	Long	Initiated by staff (budget request)
Accessory Dwellings in more zones (Phase I – clean up / Phase II – Ordinance Amendment	Long	Initiated by staff (budget request)
Designate more land for residential uses – County Constraints Mapping	Long	Initiated by staff (budget request)

Gibson was especially critical of the idea of expanding the amount of land zoned for housing. He stated that the “housing unaffordability problem cannot not be solved on the supply side.” In the big picture, and were he right, we would all still be living in caves. See the article in the COLAB IN DEPTH section on page 16 in rejoinder to Gibson’s assertion. He also again voiced his support of stack-and-pack housing in Nipomo, Oceano, Templeton, and San Miguel.

The new Board majority also exhorted staff to get going on CEQA streamlining, a previously approved process improvement project which has not even started. Staff is too busy figuring out how to amp up regulation of oak trees, ag ponds, marijuana, water, short-term vacation rentals, special events, and anything else that the regressive left can conjure up.

Planning Commission Meeting of Thursday, February 23, 2017 (Completed)

Item 7 - A request by the COUNTY OF SAN LUIS OBISPO to amend the County Land Use Ordinance (Title 22) of the County Code, by adopting an Oak Woodland Ordinance that would prohibit clear-cutting and conversion of healthy oak woodland. The Commission approved the ordinance and has sent in on to the Board of Supervisors with a recommendation for adoption.

Background: An ordinance is not actually necessary, but County policy makers trapped themselves into adopting something. After a subsidiary of the billionaire Resnick’s agricultural corporation destructively clear-cut 350 acres, the public was outraged. The politicians made all

sorts of statements supporting adoption of new regulation. No one actually studied the matter or presented any data about the extent of reduction of oak woodland in the county currently and over time. Nevertheless, the Board directed the staff to prepare a regulatory ordinance.

Item 8 - Hearing to consider a request by the COUNTY OF SAN LUIS OBISPO to amend the County Land Use Ordinance, Title 22 of the County Code, to modify permitting procedures, application content requirements, and development standards related to agricultural ponds, reservoirs, and basins. The Commission approved the draft ordinance prepared by the staff and is forwarding it to the Board of Supervisors with a Resolution recommending adoption.

Like the oak tree ordinance, the call for an AG pond ordinance was generated as a result of the Resnick clear-cutting and construction of a large AG pond in an area with fragile water supply. The geology of the area where the problem occurred is characterized by fractured rock aquifers and a fragile water supply. It indeed could use a regulatory ordinance controlling large AG ponds.

Background: One problem is that the proposed ordinance pertains to large areas of the county which have different conditions. Moreover and again, there has been no advance study to determine if AG ponds are negatively impacting aquifers or neighbors. Is an ordinance actually needed?

The write-up does not indicate if there are any County verified cases where any of the ponds that have actually been built have had an adverse impact on neighbors' wells. Again and notwithstanding the emotions triggered by the Resnick debacle, the County has launched yet another effort to expand regulation without a clear statistical and verified impact of the supposed problem.

Key oppressive and costly provisions of the proposed ordinance are quoted below:

Noticing. *A notice of intent to adopt a negative declaration or mitigated negative declaration shall be mailed for agricultural ponds, reservoirs, and basins to all landowners within 1,000 feet of the project site's parcel boundaries, in addition to all other legal noticing requirements.*

b. A hydrogeologic analysis prepared by a certified hydrologist, including:

i. A description of the agricultural use to be supported by the proposed reservoir, pond, or basin. If the proposed reservoir, pond, or basin is in support of a future agricultural use, then the application shall include a planting plan showing the location of the future crops.

ii. Information regarding the property's historic use of water and proposed use of water after construction of the proposed reservoir, pond, or basin.

iii. *Estimated evaporative water loss from the surface of the reservoir, pond, or basin, based on site specific conditions.*

iv. *A well interference and draw-down analysis, which evaluates how increased pumping would affect neighboring wells. This analysis shall take into consideration site specific variables such as the number and spacing of wells onsite, pumping rates, properties of the aquifer, and the duration over which pumping has and will occur.*

5. Peer Review. *The water supply impact study required in this section shall be subject to peer review, at the applicant's expense, by a qualified hydrogeologist.*

6. Design Standards. *Groundwater filled reservoirs, ponds, and basins shall incorporate all feasible design measures to minimize evaporative water loss. This could include using a smaller surface area and/or an evaporation barrier.*

7. Water Offsets - Projects in an LOS III Groundwater Basin. *New agricultural reservoirs, ponds, and basins that would be filled using wells overlying an LOS III Groundwater Basin shall propose measures to offset the estimated evaporative water loss at a ratio of at least 1:1. Compliance with this standard may be achieved through removal or fallowing of onsite irrigated agriculture in existence at the time of Application Acceptance or through other means proposed by the applicant and approved by the Director of Planning and Building. If offsets are proposed through the removal or fallowing of crops, the applicant shall record a covenant and agreement prohibiting irrigation of the identified areas. The covenant shall remain in effect until the LOS for the ground water basin is adjusted by the County Board of Supervisors to an LOS of II or lower. Projects in the Paso Robles Groundwater Basin may achieve compliance with this standard by obtaining an Offset Clearance pursuant to the Agricultural Water Offset Program for that basin.*

The question then arises: What is the County attempting to achieve? Part of the answer appears to be to prevent the loss of water to the groundwater basins through evaporation from the ponds. The County does not seem to have rigorous analysis of how much water is lost per acre per year by evaporation in the north county. Instead it casually states:

One thing known for certain is that ponds result in water loss to evaporation. One water study on two ponds in the North County totaling a capacity of 84 acre-feet calculated that as much as 24 acre-feet (about 8 million gallons) of water could be lost each year to evaporation.

This would be about 29% lost through evaporation. If this were generally true, then with the existing ponds and those currently in process (590.3 acre-feet), 171.2 acre-feet will be lost through evaporation. Is this significant enough to justify the ordinance? How many new acre-feet of recharge did the basin receive this past weekend?

As noted above there is a potential of 590.3 acre-feet of ponds existing and in permitting today. Since the current ordinance was established in 2010, this means an average of 98.4 acre-feet of capacity per year have either been approved or are in permitting. Note that not all of the approved ponds have been built. If requests for future ponds were received at this average rate over the years, there would be 984 acre-feet worth of new pond space potentially approved over the next decade. At the staff's 29% evaporation estimate, a net neutral evaporation requirement (1:1 offset) would be saving a maximum 285 acre-feet per year by the 10th year of the life of the ordinance. Note that not all ponds may be in a Level of Severity III moratorium zone. From a public policy standpoint is this worth the effort?

Questions which were never asked or answered during the Commission consideration included:

1. How much staff time and how many dollars are being expended on this?
2. How much will the new permits cost in County fees?
3. How much will the applicant have to expend on expert consultants and permitting facilitators to get their application through?
4. Does the amount of water saved justify these costs and the potential impacts on agriculture?
5. Without a defined and proven methodology to calculate the impact of the ponds on neighboring wells (and as noted above, no statistically significant data has been presented that the existing ponds have impacted neighboring wells), is the 1000 ft. neighbor notification provision justified?
6. Is the amount of annual savings of water and cost justified? Separately, both the Paso Robles Wine Country Alliance and the San Luis County Farm Bureau have provided information on the importance of agricultural ponds for their members' survival.

The Planning Commission should direct staff to provide verified statistical evidence of ANY problem that is broad enough to demand substantial increased countywide regulation before considering this matter.

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.

WE CAN BUILD OUR WAY OUT OF THE HOUSING CRISIS

BY STEVEN GREENHUT

In 1998, I left a small city in Ohio for Southern California, trading one of the nation's lowest-priced housing markets for one of its highest. The trade-off was worth it, but I recall my wife's admonition. She would OK the move if we could buy a single-family house. It didn't have to be fancy, but she wasn't raising our kids without a yard.

The first place we saw was in the heart of a trash-strewn, gang-infested area. My wife cried. After difficult searching, we found a handyman's special. We still laugh at the time she asked a neighbor where the "bad" areas were in our new city. "You're in it, honey," was the retort. It turned out to be a great place to live.

Our experience goes to the heart of the ongoing problems in the Southern California housing market. Young families want to own a home. They want to put down roots. But prices have been escalating. Much is made of the state's difficult business climate. That's clearly a problem, but surveys show people mainly flee because of home prices.

The situation has gotten far worse since my family arrived in California. I checked with Zillow, and the home we bought (we've long since moved away) is valued at nearly three and a half times what we paid for it, so someone in my position these days would probably just stay in Ohio. The primary reason for the hike is that building just hasn't kept up with population growth.

We all know how supply and demand works. But Southern California governments have made it costly and cumbersome to build new homes, which should be obvious to the many people who remain perplexed as to why there's an affordability crisis.

The Southern California Association of Governments, the planning agency for most of the Southland, just released a new report (and hosted a summit) addressing this "challenge." SCAG does a fabulous job identifying the core issues, even though some of its policy prescriptions would make things worse.

"The SCAG region median home price is \$507,886, an increase of over 58 percent over the past 20 years," according to the executive summary. "The median rental price in the SCAG region is \$1,321, an increase of over 20 percent over the past 20 years." Over the same period, the report explains, "the median household income has actually decreased over 5 percent."

"In comparison to the last few decades, housing building has significantly decreased," the report added. "There are several factors contributing to the high cost of housing. The costs from the entitlement and permit approval process can represent up to 19 percent and government regulatory costs can add up to 7 percent." The report calls on local officials to say "yes" to housing. That's exactly right.

SCAG details the obvious results of insufficient building. High costs strain families. This leads to a “brain drain,” as highly skilled people flee to other states. It creates an enormous burden on working-class and poor people, who often must spend more than half their income on housing. And it means people in small towns that have been devastated by job loss can’t move to where the jobs actually are. According to the U.S. Census Bureau’s cost-of-living-adjusted poverty measure, California leads the country in poverty rates, largely because of high housing costs.

The report might even understate the role of government in driving up prices. The direct regulatory costs are astonishing, but all the NIMBYism (not in my back yard) and resulting growth controls drive up prices of developable, vacant land. Because the price of entry is so high, builders focus on high-priced mini-mansions and luxury condos. If government regulations add, say, \$200,000 to the cost of a home, then a builder might as well build something fancy and profitable.

SCAG gets the main point right: “We need to increase housing supply and promote affordability in our own communities,” according to its president, Michele Martinez. But some “local strategies” detailed in the report are wrongheaded. For instance, SCAG describes rent control and rent stabilization — when government puts a cap on the prices landlords can charge — as policies “that are especially helpful for people with limited ability to adjust to sudden rent increases.”

Well, yes, such caps ostensibly help some people. But those cities that embrace them create a huge disincentive to housing construction. San Francisco, for instance, has the most pronounced housing crisis in California (and probably the country) in large part because of a draconian rent-control law. The report touts “inclusionary zoning,” which escalates costs by forcing builders to include a percentage of below-market units.

The report also points to a lack of public dollars for subsidized housing, but it’s impossible to spend our way out of this problem. Most people are like my wife and I were in 1998; they don’t want government-subsidized condos. They want a home with a yard. There’s one simple solution: Build more of them. Build them in the city, suburbs and rural areas. Build, build, build. Fortunately, SCAG is pushing local officials to embrace that obvious solution.

Steven Greenhut was the San Diego Union-Tribune’s California columnist. He is western region director for the R Street Institute. He appears on the Andy Caldwell Radio Show and at various COLAB of Santa Barbara County events. He is based in Sacramento. This article first appeared in the October 22, 2016 California Political Review.

DEEP STATE VS. FREE STATE

We essentially have two federal governments: representatives and bureaucrats

BY ARNOLD ALBERT

“Who rules the United States?” - Matthew Continetti, Washington Free Beacon

Continetti's question is the most pressing one currently facing the nation. That's because we essentially have two federal governments: the one elected by the people, the other a conglomeration of *unelected* bureaucrats referred to as the "deep state," "permanent bureaucracy," or "shadow government."

There is every indication the latter group is determined to thwart the results of the election. Why? "Occasionally the real force behind a political ideology is the subconsciously held desire that a certain group of people should not be allowed to rise in relative status," writes George Mason University professor Tyler Cowen.

In other words, Americans dismissed as irredeemable "deplorables" managed to rise in relative status by successfully electing the biggest deplorable of all. And those who see themselves as what University of Tennessee law professor Glenn Reynolds describes as "the educated meritocrats who ran America," the ones who "were always the insiders, the elite, the winners, regardless of which team came out ahead in the elections" are determined to stop that rise — by any means necessary.

Thus, as columnist Victor Davis Hanson explains "the political and media opponents of Donald Trump are seeking to subvert his presidency in a manner unprecedented in the recent history of American politics."

This subversion is taking place in a number of arenas. At the EPA, following a Trump directive mandating all of that agency's research be subjected to "political review" before release elicited tweets by anonymous employees from over dozen federal agencies insisting Trump is trying to censor them. People in the intelligence community have likely committed felonies to take out former national security advisor Michael Flynn, when they're not busy leaking transcripts of private conversations between Trump and the leaders of Mexico and Australia. Courts are defying unambiguous statutes that give the president the power to keep inadmissible aliens out of nation, while lawyers from the ACLU and Mexico plot to overwhelm the immigration court system until it breaks down. Secretary of State Rex Tillerson's effort to oust State Department officials inimical to Trump's agenda is deemed a bloodbath, with Former Assistant Secretary for Non-Proliferation Tom Countryman declaring it is "irresponsible to let qualified, nonpartisan, experienced people go before you have any idea of their replacement. You can't do foreign policy by sitting in the White House, just out of your back pocket."

Really? The "front pocket" machinations of the State Department has left the Middle East in complete turmoil, Iran on a path to nuclear weapons, China and Russia exploiting Obama administration-created power vacuums, and our Libyan ambassador murdered — a murder followed by a State Department disinformation campaign thoroughly discredited by Judicial Watch *again* last week.

Nevertheless, Countryman's attitude is indicative. It doesn't matter that supposedly qualified, nonpartisan, experienced people made a complete mess of things. All that matters is that they're apparently facing the consequences of doing so before suitable replacements can be found.

Suitable to whom? The sometimes arrogant elitist Bill Kristol gives the game away in a single tweet: "Obviously strongly prefer normal democratic and constitutional politics," he writes. "But if it comes to it, prefer the deep state to the Trump state."

Kristol is not alone. “On the morning of November 9, 2016, America’s elite — its talking and deciding classes — woke up to a country they did not know,” explains Commentary’s Nicholas Eberstadt. “To most privileged and well-educated Americans, especially those living in its bicoastal bastions, the election of Donald Trump had been a thing almost impossible even to imagine.”

Why should they? When these so-called Best and Brightest brought our financial system to the brink of Armageddon in 2008, they got bailed out with \$700 billion in taxpayer funds without a single resignation demanded in return. The term “too big to fail” became part of the American lexicon. Far worse, those deemed fail-proof began to believe their insulation from the trials and tribulations of “bitter clingers” amounted to manifest destiny.

Manifest destiny borne of self-professed “superior” wisdom.

“Donald Trump did not cause the divergence between government of, by, and for the people and government, of, by, and for the residents of Cleveland Park and Arlington and Montgomery and Fairfax counties,” Continetti explains, the latter group representative of the shadow government. “But he did exacerbate it. He forced the winners of the global economy and the members of the D.C. establishment to reckon with the fact that they are resented, envied, opposed, and despised by about half the country.”

Yet far more ominous is the reality this reckoning “did not humble the entrenched incumbents of the administrative state,” Continetti adds. “It radicalized them to the point where they are readily accepting, even cheering on, the existence of a ‘deep state’ beyond the control of the people and elected officials.”

It’s worse than that. As columnist Michael Walsh reveals, an outgoing Obama administration gave the National Security Agency (NSA) expanded powers to share globally intercepted personal communications with the federal government’s 16 other intelligence agencies prior to applying privacy protections. As the New York Times concludes, this increases the risk officials “will see private information about innocent people.”

PJ Media columnist Richard Fernandez likens this Obama administration effort to the laying of “political Claymores,” as in mines planted to blow the minute the Trump administration tries to upset the Status Quo. Michael Flynn was their first victim, but as columnist John Podhoretz explains, “if they can do it to Mike Flynn, they can do it to you.”

As Fernandez aptly notes, such machinations are driven by a “suicidal factionalism” that has destroyed other nations and is quite capable of destroying ours. “If Trump is overthrown by the Deep State in a year, he’s unlikely to be the last,” Fernandez warns. “If neither faction will suffer itself to be governed by the other, whoever succeeds Trump can expect his term to be short.”

Sadly, it appears the American Left, the media, and a number self-professed “principled” Never-Trumpers would countenance what amounts to a constitutional crisis at best — or second civil war at worst — as a “reasonable” tradeoff to rid the nation of someone so antithetical to the *default understanding* of their own status, power, wealth and privilege, they would even question his sanity.

What is left unsaid is that, by extension, they question the sanity of everyone who voted for Trump as well. Such arrogance, epitomized by the thousands of mental health professionals who signed a Change.org petition declaring Trump “is mentally ill and must be removed,” reveals the

raw hatred and overwhelming hypocrisy of people whose professed commitment to tolerance, diversity — and the Constitution — only mattered when they were getting their way.

So, who rules us? “The simple and terrible answer is we do not know,” Continetti warns. “But we are about to find out.”

Not exactly. Many Americans found out long ago, and they’ve attempted to put a stop to it. Trump is their flawed champion representing “the only shield, available now, against the ruling class’s unconstrained expansion,” as Boston University professor Angelo Codevilla puts it.

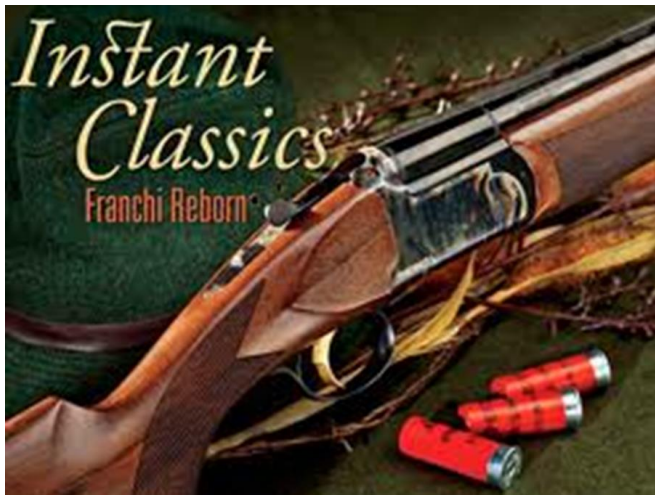
Only time will tell if Trump is the *last* shield against it.

Arnold Ahlert is a former NY Post op-ed columnist currently contributing to JewishWorldReview.com, HumanEvents.com and CanadaFreePress.com. This article first appeared in the Hoover Institution of Stanford University’s Daily Report for February 24, 2017



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