

# WEEKLY UPDATE APRIL 7 - 13, 2019

## THIS WEEK

## PUBLIC SAFETY LABOR CONTRACTS AND THE NEED FOR FUTURE FUNDING

# SGMA PLANNING SEEMS ON TRACK BUT ARE FOLKS READY TO ACCEPT THEIR WATER REDUCTIONS OR TIERED RATES?

&

DID WE NEED TO SPEND MILLIONS ON THE OBVIOUS?

**ARE BIG SGMA CONSULTANT CONTRACTS BID?** 

### COUNTY PRETTY HEALTHY BUT NOT CLEAR HOW EXPENDITURES IMPACT THE OUTCOMES most people in slo die of cancer, cardio stuff, and strokes

&

COUNTY ADDED 16,000 CLIENTS UNDER OBAMA CARE – WHAT IF IT ENDS?

**CANNABIS APPEALS STACKING UP** 

**PLANNING COMMISSION QUESTION:** IS SIPPING WINE AT A WINE EVENT DIFFERENT THAN AT A WEDDING?

### LAST WEEK

### **NO BOARD OF SUPERVISORS MEETING**

## SLOCOG HEARING ON TRANSPORTATION PLAN AND HOUSING DENSITY WAS NON-EVENT -SLOUCHING TOWARDS QUEENS NY LIVING-

#### MORE CANNABIS APPEALS i need my weed but not in my back yard i need my gasoline – let it come from abilene

#### COLAB IN DEPTH SEE PAGE 16

### GRAND BARGAINS TO MAKE CALIFORNIA AFFORDABLE

**BY EDWARD RING** 

California's political elites are at odds with history and the natural preferences of

millions of Californians

### THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, April 9, 2019 (Scheduled)

Item 14 - New 3 Year labor Contract with the Sworn Deputy Sheriff's Association (SDSA).

The Board will be ratifying a new 3-year contract with the SDSA. The old contract expired on December 31, 2018 and is replaced by a new 3-year contract. The stated salary raise is 1.5%, but other increases in compensation are provided by means of increasing the County offset to the employees' costs for health insurance, pension contribution, educational attainment payment, assignment to special squads (such as detectives, dog handler, dive team, standby pay, etc.). Another provision is that the 5-step salary range is expanded to contain a 6<sup>th</sup> step. Employees normally advance one step per year. Each step is worth a 5% increase in salary. The costs are summarized in the table below.

Item	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22
				and Annual Ongoing
Wages	\$0	\$188,840	\$646,820	\$1,293,640
Cafeteria Contribution Increases	\$35,050	\$206,175	\$206,175	\$206,175
Cash In-Lieu	\$0	\$0	-\$110,394 (savings)	-\$220,788 (savings)
Elimination				
HSA Contribution	\$0	\$0	\$750	\$1,500
Match				
Pension Equity	\$74,202	\$439,758	\$450,971	\$458,910
Adjustment				
Standby, Court On-Call,	\$5,550	\$32,648	\$32,648	\$32,648
and Court Call-Back				
Career Incentive	\$11,934	\$70,200	\$70,200	\$70,200
Assignment Pays	\$13,533	\$79,609	\$79,609	\$79,609
Total Costs	\$140,270	\$1,017,229	\$1,376,779	\$1,921,894

Table 1

BU C	Class	Title	Current	Current	2020	2020
	Class		Range	\$ Per Month	Range	\$ Per Month
BU 27	338	Deputy Sheriff	3936	\$6,822 - \$8,294	3995	\$6,925 - 8,417
BU 27	340	Sheriff's Senior Deputy	4342	\$7,526 - \$9,147	4407	\$7,639 - \$9,284

**Frontline Public Safety:** These employees constitute the very front line of public safety and often work alone in an ambiguous and dangerous environment and often outdoors. They must possess physical courage, mental alertness, and impeccable independent judgment day after day and night after night. They work rotating shifts, including nights, holidays, weekends, and during protracted emergencies. At the same time they must be physically and mentally sound, professionally groomed and dressed, and must possess a calm professional demeanor often under stressful conditions.

They have to deal with some of the most vicious, violent, and defective individuals and groups in society. They also have to assist or control and calm the insane, intoxicated, angry, stupid, bleeding, and dying people. Imagine having to subdue a drunken 230 pound physically fit wife beater in the dark at 2:30 AM alone in some remote part of the county.

Imagine doing this day in and day out for 25 years.

**Underlying Issue:** Again and as with other critical employee groups, the real issue underlying this item is how the County will grow its economy to compensate its patrol deputies, firefighters, probation officers, corrections deputies, mental health workers, and others in dangerous jobs so they can live here. State anti-growth laws, local NIMBYISM, anti-oil zealots, weakened criminal statutes, uncontrolled immigration, and value relativism, along with all the rest of the "progressive" package combine to make law enforcement a challenging and threatened profession.

Again, and when elected officials say they support public safety, ask what they did to retain Diablo (and what they are doing now to change the situation), how they voted on the expansion of Phillips 66, how they voted on expanding gravel quarries, how they voted on Walmart, and how they voted on industry killing ideas such as the so-called Chumash Marine Sanctuary.

How will they vote on the expansion of the Price Canyon oil field, the replacement of the Plains Pipeline, vacation rentals, Ag tourism, five-star destination resorts, and other opportunities?

Can they connect the logic dots?

Item 18 - Receive and file a report on the implementation of Sustainable Groundwater Management Act efforts in six local priority groundwater basins; and request authorization to pay invoices that reflect an additional cost allocation for the purpose of developing a Groundwater Sustainability Plan for the Paso Robles Sub basin. This item contains an overall report on the status of the progress of the preparation of the 6 required groundwater management plans (GSPs) required under the State Groundwater Management Act (SGMA). The subject water basins are displayed in the list below:

- Cuyama Valley Groundwater Basin ("Cuyama Basin"; Basin No. 3-13)
- Salinas Valley Paso Robles Area Subbasin ("Paso Basin"; Basin No. 3-4.06)
- Salinas Valley Atascadero Area Subbasin ("Atascadero Basin"; Basin No. 3-4.11)
- San Luis Obispo Valley Groundwater Basin ("SLO Basin"; Basin No. 3-09)
- Los Osos Valley Groundwater Basin ("Los Osos Basin"; Basin No. 3-8)
  - Los Osos Valley Los Osos Area Subbasin (Basin No. 3-8.1)
    - Los Osos Valley Warden Creek Subbasin (Basin No. 3-8.2)
- Santa Maria River Valley Groundwater Basin ("Santa Maria Basin"; Basin No. 3-12)
  - Santa Maria River Valley Santa Maria Subbasin (3-12.01)
  - Santa Maria River Valley Arroyo Grande Subbasin (3-12.02)

It appears that good progress is being made and that the required GSPs will be adopted and filed with the State (for approval or rejection) by the 2020 or 2022 deadlines. Some basins have a 2020 deadline and some a 2022 deadline.

In the big picture the impact of this overall project and its basin specific sub projects has been to:

1. Generate huge reports, massive appendences, interminable meetings, and anxiety all in the name of systematic exploitation of the obvious. The County and everyone else knew that certain steps had to be taken and has been talking about them for years.

2. Enrich a number of environmental and engineering consulting firms.

3. Divert the Board of Supervisors, staff, and citizens from real problems (and solutions).

The draft Paso Basin version is now far enough along to illustrate these points.

Aside from recalculating the basin decline and overdraft for the umpteenth time (with new expense each time), the report lists the following solutions:<sup>1</sup>

- Tiered groundwater pumping fee
- Progressive ramp down of the groundwater pumping
- Expanded use of recycled water.

No Criticism of County Staff: This article is in no way meant to criticize the County staff involved as they are the carrying out public policy. In this case the County staff has had to deal with divided Boards of Supervisors, an emotional and frightened public, powerful economic interests, and a convoluted set of complex mandates. To their credit they have organized and executed the project very well and appear to be on track to meet local nuances (one size does not fit all) and State requirements as to schedule and substance.

- Entering into either long-term or short-term contracts for excess surface water from the Nacimiento Reservoir that can offset groundwater pumping.
- Entering into long-term or short-term subcontracts for State Water Project water from the Coastal Branch Aqueduct.
- Developing storm water infiltration projects in appropriate areas of the Subbasin.
- A project to increase reservoir storage behind the Salinas Dam; and a cost analysis and marketability study of delivered water.
- Implementation of enhanced best management practices for crop irrigation, including irrigation system efficiency.

Virtually all these ideas could have been converted into projects years ago or even in 2013 when this issue was first politicized by some enviro advocates (well before the emergence of SGMA)

The basin annual overdraft is now expressed in the 2 tables below and summed up in the paragraph which appears below the  $2^{nd}$  table. Readers familiar with the issue will wonder why the magnitudes

<sup>&</sup>lt;sup>1</sup> We are using the term overdraft in its colloquial meaning. That is how much more water is pumped out of the basin than goes in. The state has never officially declared the basin in overdraft.

are smaller than prior reports. This is due to the separation of the Atascadero Basin from the Paso Basin for SGMA purposes.

#### Table 6-12. Projected Future Annual Groundwater Inflow to Subbasin

Groundwater Inflow Component	Average
Streamflow Percolation	28,800
Agricultural Irrigation Return Flow	14,500
Deep Percolation of Direct Precipitation	12,600
Subsurface Inflow into Subbasin	8,300
Wastewater Pond Leakage	3,500
Urban Irrigation Return Flow	1,800
Total	69,500
Note: All values in acre-feet (AF)	

Table 6-13. Projected Future Annual Groundwater Outflow from Subbasin

Groundwater Outflow Component	Average
Total Groundwater Pumping	74,800
Discharge to Streams and Rivers from Alluvial Aquifer	4,600
Groundwater Flow Out of Subbasin	2,100
Riparian Evapotranspiration	1,700
Tota	83,200

Note: All values in acre-feet (AF)

#### 6.5.3.3 Future Sustainable Yield

The projected future groundwater budget shows a long-term imbalance between inflows and outflows, with projected groundwater inflows of about 69,500 AFY and projected groundwater outflows of about 83,200 AFY. The projected future imbalance indicates an average annual decrease in groundwater in storage deficit of 13,700 AFY. The projected future sustainable yield of the Subbasin was estimated by subtracting the average groundwater storage deficit of 13,700 AFY from the total projected future average amount of groundwater pumping of 74,800 AFY. In this case, the future sustainable yield for the Subbasin period is estimated to be approximately 61,100 AFY. The estimated future sustainable yield is similar to the estimated sustainable yield for the historic base period. This similarity indicates that potential future changes in climate are not projected to have a substantial impact on the amount of groundwater that can be sustainably used compared to historical conditions.



In any case the basin overdraft is now characterized as about 13,700 acre feet (af) going forward. The Draft SGMA Paso Basin Report is a work in progress and thus does not yet contain per year schedules and assignment of specific acre feet targets to the solutions listed on the page above. This 20-year plan would phase in the various solutions over the 20-year period in which the basin is required to be brought into balance. It does not seem to contain provisions for beginning to restore basin levels beyond the level to which it has declined or will decline further before these measures begin to take effect.

One new feature of the plan is the idea that in addition to reducing and then stopping overall basin decline, there be a requirement goal that various wells always maintain a specific head of water, such as 25 ft. This would be a measure separate from the overall basin level.

**The Rubber Meets the Road:** Per the chart above total groundwater pumping for the plan period is estimated at 74,800 af. A required reduction of 13,700 af. could theoretically be achieved by the tiered rates. These could force some growers out. But would this fall most heavily on smaller and less heavily capitalized operations?

Has the study team considered that the owners who have achieved quiet title will be exempt, since it is all the appropriators including the municipalities and water districts which will be responsible for meeting these requirements?

**Was This Always About Commerce?** Stay tuned as the draft plans are finalized. The acid test is whether or not the impacted growers, citizens, cities, and special districts will agree to their proportionate reductions. Or will they insist on phased requirements, which the State Department of Water Resources will not approve? Perhaps the State Department of Water Resources will accept most plans since one of the real purposes of SGMA has already been met and will continue on into the future – hundreds of millions in consulting contracts statewide for various consultants and contractors who prepare the groundwater assessment, monitoring plans, wildlife plans, and economic impacts analyses; attend endless citizen stakeholder meetings; prepare the actual groundwater management plans; and then shepherd them through the adoption and approval process.

**Financial Status:** The County's share of the budget and expenditures to date are displayed in the table below:

		Current Fiscal Year Budget Status (1)								
Basin <sup>(2), (3)</sup>	GSP Development Phase Duration in Fiscal Years <sup>(4)</sup>	FY 2018-19 Budget	FY 2018-19 Costs to Date		Remaining FY 2018-19 Budget		Total SGMA Costs to Date (7/1/17 - Current)			
SGMA Program		3,875,626.00			S	3,875,626.00				
Cuyama Basin	FY 17/18-19/20	0	\$	47,651.01	S	(47,651.01)	S	59,874.71		
Los Osos Basin	FY 17/18-19/20		\$	50,294.00	S	(50,294.00)	S	65,930.61		
Paso Basin	FY 17/18-19/20	8	\$	610,247.12	S	(610,247,12)	\$	684,162.28		
San Luis Obispo Basin	FY 17/18-21/22		\$	24,557.19	S	(24,557.19)	S	81,138.14		
Santa Maria Basin	FY 17/18-21/22		s	8,333.47	S	(8,333.47)	\$	38,578.90		
Atascadero Basin	FY 17/18-21/22		\$	2,405.27	\$	(2,405.27)	\$	3,461.68		
County General Fund (	GF) Contribution Total	\$ 3,875,626.00	\$	743,488.06	\$	3,132,137.94	\$	933,146.32		
Flood Control Zone General (F	CZ) Contribution Total		\$	541,190.35			\$	1,648,119.47		
SGMA Program		\$	1,284,678.41			\$	2,581,265.79			

Item 19 - Request to approve a professional consultant services contract with Water Systems Consulting, Inc., in an amount not to exceed \$1,457,208, to develop a groundwater sustainability plan for the San Luis Obispo Valley Groundwater Basin. The staff is recommending that the Board award a contract to a local firm to prepare the groundwater sustainability plan (for the San Luis Obispo - Edna Valley Groundwater Basin. Both the County and the City of San Luis Obispo are leads on this package.

It is not clear from the write-up if the process included competitive bidding or a competitive request for proposals, and if so, what other companies bid and what were their prices. Or was this simply negotiated without a basis?

**Item 25 - Submittal of a report on the San Luis Obispo County Community Health Assessment and Community Health Improvement Plan.** This is an extensive set of reports which focus on historical and current trends with respect to material and child health, chronic disease, infectious disease, nutrition, access to health care, housing impact on health care, smoking, alcohol, etc. A separate report focuses on what the County and about 100 allied agencies, not-for-profits, hospitals, and others do to make improvements.

The large killers are cancer, cardiac disease, and stroke. It is not clear from the data if these are heavily age related. In other words you can be old and have all sorts of problems which weaken you, but it's a stroke or your heart stops and that's what goes on the death certificate. It doesn't say the guy smoked 3 packs of Camels and drank a quart of scotch every day for 20 years.

All in, it's interesting but does not link budget cost centers to various types of performance measures and outcomes, so it's more a PR document than a management report. In other words if smoking leads to cancer and cardio vascular disease, which County program cost center is trying to reduce this, how many FTE's are involved, at what cost? Then, what are the performance trends? In other words does it make any difference?

Separately, the County is very happy with the Affordable Care Act (Obama Care) per the highlighted "Good News Spotlight" below:



# MATTERS AFTER 1:30 PM – CANNABIS APPEALS IN NIPOMO

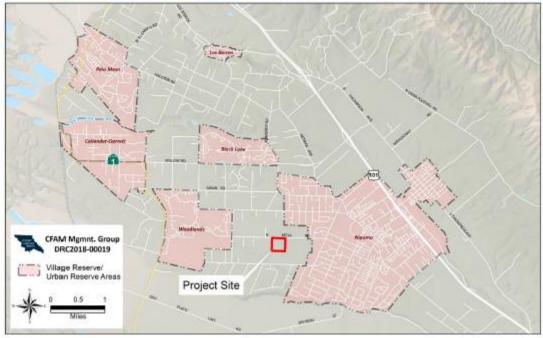
**In General: Items 32, 33,** and **34** below are all appeals by neighbors of Planning Commission approved cannabis operations in Nipomo. All 3 were approved in accordance with the County and State adopted regulatory provisions. The **Item 32** appeal has been superseded by the discovery by the State and County that there have been a number of violations which will probably result in the operation being shut down.

Item 32 - Hearing to consider 1) an appeal (APPL2018-00004) by Sally Dean, Pamela Kremza, Ron and Linda Ralphs and Judy Murphy of a request by CFAM Management Group, Inc. for a Conditional Use Permit (DRC2018-00019) to establish an indoor (mixed-light) cannabis cultivation and cannabis nursery operation within existing on-site greenhouses totaling 286,632 square feet on a 39.09-acre parcel located at 887 Mesa Road in Nipomo, within the South County Inland Sub Area of the South County Planning Area or 2) continuing this hearing to a date off calendar. This was a former flower greenhouse operation which then became a medicinal marijuana farm. It is now under enforcement actions for a variety of violations which supersede the appeal issues.

#### **ENFORCEMENT HISTORY**

Date	Issue	Description	Results
July, 2017	Exceedance of allowable number of flowering plants.		Re-inspection confirmed compliance.
March, 2018	Odors	Complaint received	N/A
January, 2019	Odors	Cannabis odors	Initial visit, no odors detected; follow-up visit, odors detected
February, 2019	Odors	Cannabis odors	
February, 2019	Odors	Cannabis odors	Odors detected
February, 2019	Odors	Cannabis odors	
March, 2019	Permit and Process Violation	Processing and manufacturing violations, unpermitted use of structures	Violation and abatement; Cannabis Hearing Officer (CHO) hearing process initiated; pending state investigation

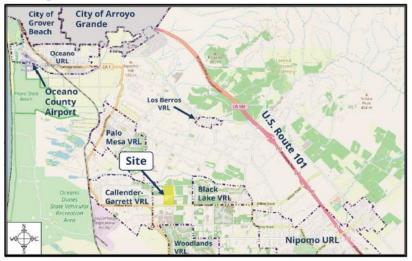
## **PROJECT LOCATION**



The staff recommends denial of the permit and upholding the appeal.

Item 33 - Hearing to consider 1) an appeal (APPL2018-00006) by Morgan Holland of a request by SLO Cultivation, Inc. for a Conditional Use Permit (DRC2017-00118) to establish an indoor (mixed-light) cannabis cultivation, indoor cannabis nursery, and a non-storefront dispensary located on three parcels totaling approximately 75 acres at the project site located at 1808 and 1810 Willow Road and 520 Albert Way, in the community of Nipomo, within the Inland Sub Area of the South County Planning Area and 2) the environmental determination that the project is categorically exempt under CEQA, pursuant to CEQA Guidelines Section 15061(b)(2). The staff recommends denial of the appeal and provides rebuttal to the appellant's assertions about water, traffic, visual issues, and odor.

#### **PROJECT LOCATION**



Item 34 - Hearing to consider 1) an appeal (APPL2019-00001) by Roy M. Holland of a request by Michael Dolny and Alabaster Inc. for a Minor Use Permit (DRC2018-00069) to establish an indoor cultivation of up to 22,000 square feet of cannabis on a portion of a 32-acre project site located at 502 Albert Way in the community of Nipomo, within the Inland Sub Area of the South County Planning Area and 2) adoption of the Environmental Document prepared for the item. The staff recommends denial of the appeal on a basis similar to Item 33 above.

# **PROJECT LOCATION**



Wonder how dunes dust impacts marijuana quality in this case?

#### **Big Picture Relative to All Three Appeals:**

It appears in many cases that citizens were okay with the concept of legalization of recreational cannabis but now have buyer's remorse when cultivation, manufacturing, distribution, etc., are proposed in their area. It is uncertain whether this trend will grow or abate over time.

If these appeals continue at the present or an increasing rate, it will be difficult for the Board to read all of the records from the Planning Commission and other related materials.

Planning Commission Meeting of Thursday, April 11, 2019 (Scheduled)

There are several permit requests for specific projects and one request for an extension under an existing permit.

One item of potential policy impact is **Item 10**, wherein the Niner Wine Estates requests relief from a condition under an existing permit. That permit allows them to host events per their original approval below:

The continuation of 18 special events per year in addition to industry wide events to include the following: one-event is limited to no more than 300 people, three-events are limited to no more than 200 people, four-events are limited to no more than 100 people, and tenevents are limited to no more than 75 people. Amplified music at events (from 10:00 a.m. to 5:00 p.m.) is permitted. Events shall be limited to wine and agricultural industry events only (e.g. no weddings, concerts, general parties, non-agricultural trade shows / conventions, etc.

They request an amendment to eliminate the underlined sentence. It appears that staff recommends approval of the request. Obviously there is little difference between people sipping wine at a wine event, wedding, or general party.

### LAST WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, April 2, 2019 (Not Scheduled)

San Luis Obispo County Council of Governments Meeting of Wednesday, April 3, 2019 (Completed)



## Slouching Towards Living in

Queens, New York: You can hear Archie fight with the Meat Head but you'll love the bus down at the corner. You take the bus to the subway, the subway to a hub in Manhattan, and then another bus to your job. How Depressing! Everyone who can, eventually flees to eastern Long Island sprawl: Levittown House \$9,000 in 1950;

\$600,000 today.

**In General: Item A-2** and **Item A-3** below are interrelated, as both pertain to the Regional Transportation Plan (RTP), which links housing, density requirements, urban land use spatial patterns, transportation funcing, and lifestyle. Essentially the State has mandated that cities and counties adopt stack-andpack housing and policies to force people out of their cars and



onto mass transit in exphange for road and other transportation funding.



**Item A-2** covered the RTP draft environmental impact report (DEIR). **Item A-3** covered the RTP document itself. The Board received a few comments, received the reports, and indicated that it would certify the EIR and approve the RTP on June 5, 2019.

**Background:** A number of city council members as well as Supervisors Hill and Gibson support the dense development/get-out-of-your-car policy. Those who don't are overwhelmed and outvoted on these matters and may hope that their jurisdiction can fudge it over the years as actual projects are proposed. As noted in excerpts from the item specific write-ups below, the SLOCOG will be promising the State that future residential development will be 30% large lot and 70% compact housing, per the recommended Alternative 3 below. County and city officials will have to adjust their planning and zoning to make it happen.

A-2 2019 Draft Program Environmental Impact Report (DEIR) (VOICE VOTE -CONTINUE TO RECEIVE PUBLIC COMMENTS ON THE 2019 DEIR; SCHEDULE PUBLIC HEARING ON JUNE 5<sup>TH</sup> TO REVIEW COMMENTS AND CONSIDER CERTIFICATION OF THE 2019 EIR). Morty Prisament and John DiNunzio

**Draft Environmental Impact Report (DEIR)** As required by Section 15126(d) of the State CEQA Guidelines, this EIR examines a range of reasonable alternatives to the proposed project that could feasibly achieve similar objectives. Since the primary objective of the RTP is to guide short- and long-range transportation improvements countywide, a discussion of alternative sites is not appropriate. Instead, the analysis of alternatives focuses on t the inclusion or exclusion of groups of projects envisioned under the RTP. Three alternate vest to the implementation of the entire RTP were evaluated, as follows:

• Alternative 1 – "NO PROJECT ALTERNATIVE" – Projects in the "Pipeline."

• Alternative 2 - MAX COMPACT HOUSING ALTERNATIVE" (RTP Scenario 4 - Future Year 2035 and 2045 20/80) – distributing 20% to Large Lot/80% to Compact Housing and using a jobshousing balance emphasis. The feasibility of this alternative is potentially limited because of potential policy conflicts. The alternative may also indirectly increase VMT, rather than lower it. Issue: Limited feasibility Potentially increases VMT.

• Alternative 3 – "ROAD LESS TRAVELED ALTERNATIVE" (Future Year 2035 and 2045 30/70) – As in the case of the proposed project (RTP Scenario 3), this alternative involves distributing 30% to Large Lot/70% to Compact Housing and using a jobs-housing balance emphasis. However, this alternative eliminates all roadway improvement projects and the associated environmental impacts.

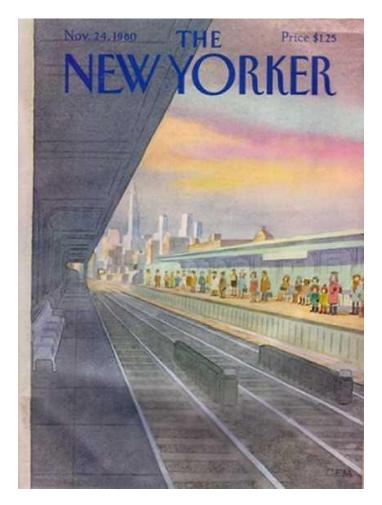
#### The proposed choice

A-3 Draft 2019 Regional Transportation Plan (RTP)- Public Draft Review (VOICE VOTE

 RECEIVE PUBLIC COMMENTS ON THE 2019 RTP;
 SCHEDULE PUBLIC HEARING ON JUNE 5<sup>TH</sup> TO REVIEW COMMENTS AND CONSIDER ADOPTION OF THE 2019 RTP). James Worthley

The RTP is a mandated long-range transportation plan that must be updated every four years in compliance with state and federal law. The 2019 RTP serves as a guide to invest \$3 billion over the next 25 years. This item was continuously agendized for the SLOCOG advisory committees, the 2019 RTP Stakeholder Group, and the SLOCOG Board to allow early input on various components of the plan as it proceeds toward its scheduled adoption in June 2019. The Administrative Draft was reviewed in February, final modifications were made, and the Public Review draft was posted on Feb. 14, 2019.

SLOCOG's draft 2019 RTP is out for public review and comment. The Executive Summary is attached. The document and associated materials may be accessed at: <u>https://slocog.org/2019RTP</u>



YOU OR SOMEONE IN YOUR PAST GOT AWAY FROM ALL THIS.

**Above - Morning in Late Fall in Queens on the #7 Subway Line - Flushing Local:** The train will be full when it gets here and you will stand all the way in. In August in the heat and humidity you will sweat and stink on the ride back – especially after a soaking rain. Then of course you have to

take a bus back home, go to the store, lug the groceries and stuff from the dry cleaners, and then cook dinner. It's not as if you're a tourist staying in a posh hotel and going to a nice restaurant.



The guy who held the pole just before you has god knows what bacteria.

# **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

## GRAND BARGAINS TO MAKE CALIFORNIA AFFORDABLE

#### **BY EDWARD RING**

California's political elites are at odds with history and the natural preferences

of millions of Californians

The good life in California is out of reach to ordinary people. The reason for that is simple: homes cost too much, energy costs too much, water costs too much, and transportation infrastructure is inadequate. In

each of these critical categories, however, grand bargains are possible that would bring California's cost of living back down to earth.

Unaffordable housing is the most obvious, talked about problem. The solutions being considered in Sacramento are either inadequate or flawed. The most significant proposal currently being considered in the state legislature is <u>SB 50</u>, which would require cities and counties to allow apartment building redevelopment in any place that is either within a half-mile of a rail transit station, within a quarter-mile of a "high-frequency bus stop," or within a "job-rich" neighborhood. SB 50 would also remove the requirement for developers to provide adequate parking.

It is possible that SB 50 will pass. When it does, developers will be able to purchase homes in qualifying residential neighborhoods, demolish them, and construct apartment buildings up to 55 feet in height.

There are a lot of things to criticize about SB 50, most notably the fact that it overrides local control of these zoning decisions. More to the point, there is the disruptive impact to residents who invested their lifetime earnings into paying off a mortgage to own a home in a spacious, quiet neighborhood, who will see that ambience destroyed. Not only should these residents be able to rely on the zoning laws that were in place when they purchased their homes, but it is likely they cannot afford to move. If they sell, they will have to pay taxes on any profit over \$500K, and once they've moved, they will no longer have California's property tax protections for long-time property owners. Fixed income retirees will be harmed the most by SB 50.

Not everything SB 50's opponents bring up is necessarily valid, however. The accusation that SB 50 will just cause <u>more gentrification</u> is based on cases where new high rise developments were made in the heart of downtown areas, on some of the most expensive real estate on earth. Of course those developments will only attract wealthy buyers. But whenever new housing units are put on the market, basic laws of supply and demand still apply. The wealthy buyers who choose these ultra expensive new units will not be purchasing the alternatives. Whenever more homes are built, then up and down the value chain, from exclusive penthouses to trailer parks, buyers have more choices.

The key factor in reducing housing prices in California depends on increasing the supply of homes. SB 50 recognizes this, but only addresses half the problem. SB 50 increases the density of cities, but it doesn't touch the other fundamental problem, which is the need to expand the footprint of cities. Because of this, it is unbalanced, and as such, it is going to cause far more havoc on existing neighborhoods than would otherwise be necessary. And it won't fix the problem. No realistic assessment of housing policies, or the history of urbanization, can fail to acknowledge that as populations increase, existing neighborhoods are disrupted. Increasing housing density in the urban core as more people arrive is inevitable. But at the same time, outlying suburbs must be allowed to expand.

#### There is Plenty of Land in California for New Homes

Here is where the fundamental assumptions of California's political elites are at odds with history and at odds with the natural preferences of millions of ordinary Californians. By forcing development into urban service boundaries, not only does it become far more difficult to create an adequate supply of new homes, but millions of people who want to raise families in detached single family dwellings with yards are denied that opportunity.

The justifications for denying urban expansion are not beyond debate. First of all, there is no shortage of land in California, which is only five percent, urbanized. Entire new cities can spring up along the I-5 and Highway 101 corridors, along vast stretches of mostly empty land stretching over 500 miles from north to south. Basic facts contradict the arguments for "smart growth."

Encompassing <u>164,000 square miles</u>, California is only 5 percent urbanized. According to the <u>American</u> <u>Farmland Trust</u>, California has 25,000 square miles of grazing land (15 percent), 28,000 square miles of non-irrigated cropland (17 percent), and 14,000 square miles of irrigated cropland (9 percent). The rest, 54 percent, is forest, oak woodland, desert, and other open space.

#### **Urban Density Scenarios**

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Dense	Normal	Low	
10	10	10	Total New Residents (millions)
3	3	3	Residents per Home
10	4	2	Homes per Acre
4	2	1	Area Ratio - Other Urban / Homes
2,604	3,906	5,208	Square Miles Additional Urban Area
1.6%	2.4%	3.2%	% of total land area
10%	16%	21%	% of grazing land
9%	14%	19%	% of unirrigated cropland
19%	28%	37%	% of irrigated cropland

Potential land use impact based on California's population increasing by ten million

The above chart depicts three urban growth scenarios, all of them assuming California experiences a net population increase of 10 million, and that all new residents on average live three people to a household

(the current average in California is <u>2.96 occupants</u> per household). For each scenario, the additional square miles of urban land are calculated.

As the chart shows, adding *10 million* new residents under the "low" density scenario would only use up 3.2 percent of California's land. There is no reason why any of this growth has to occur on irrigated cropland. For example, if *all* the growth were concentrated onto grazing land—much which is being taken out of production anyway, it would only consume 21 percent of it. If all the growth were to fall onto non-irrigated cropland, which is not prime agricultural land, it would only use up 19 percent of that. Much growth, of course, could be in the 58 percent of California not used either for farming or ranching.

The <u>grand bargain</u>? Streamline the process for reasonable urban densification but mitigate the impact (and enhance the benefit) by also streamlining the process for urban expansion onto open land.

#### **Competitive Development of Enabling Infrastructure**

Policymakers might also strike grand bargains in the areas of water, energy and transportation, all critical to making and keeping California affordable as the population grows. In all three areas, not only are policy solutions available, but the array of solutions increases every decade as new technologies become available.

#### Creating Abundant, Affordable Water

The following chart depicts several projects that could be funded through a combination of revenue bonds – to attract private financing, and general obligation bonds – to reduce costs to ratepayers. While these projects are expensive, they are well within the capacity of California's economy to support, and if constructed, they would guarantee consumers affordable water abundance for several decades, possibly forever. And it is important to note, these are *California* cost estimates. With appropriate reforms to provide relief from litigation and overregulation, these costs could be dramatically reduced. The capital costs for desalination plants in Israel, for example, per unit of capacity, came in at *one-sixth* what the costs were for the Carlsbad plant in San Diego.

#### Creating Water Abundance in California

Projects and estimated cost, MAF = million acre feet

MAF/yr	\$=B	Projects to Increase Supplies of Water
0.50	5.0	Build the Sites Reservoir
0.25	3.0	Build the Temperance Flat Reservoir
0.50	2.0	Raise the height of the Shasta Dam
1.00	7.5	So Cal water recycling plants to potable standards
1.00	15.0	So Cal desalination plants
0.50	7.5	Central and Northern California water recycling plants to potable standards
1.00	7.5	Desalination plants on Central and North coasts
0.75	5.0	Facilities to capture runoff for aquifer recharge
5.50	52.5	subtotal - water supply
		Projects to Increase Resiliency of Water Distribution Infrastructure
	5.0	Retrofit every dam in California to modern standards, including Oroville and San Luis
	7.5	Aquifer mitigation to eliminate toxins with focus on Los Angeles Basin
	5.0	Retrofit of existing aqueducts
	7.0	Seismic retrofits to levees statewide, with focus on the Delta
	24.5	subtotal - water resiliency
-	77.0	total - water supply and resiliency

For water, as with everything else that matters, compromise on a grand scale is necessary to negotiate a <u>grand bargain</u>. Environmentalists would have to accept a few more reservoirs and desalination plants in exchange for plentiful water allocations to threatened ecosystems. Farmers would have to pay more for water in exchange for undiminished quantities. While private financing and revenue bonds could cover much of the expense, taxpayers would bear the burden of some new debt – but in exchange for permanent access to affordable, secure, and most abundant water.

#### Creating Abundant, Affordable Energy

It is difficult to imagine how any state, or nation, could do worse than California's done when it comes to providing electricity to its residents. With that ingratiating introduction to the topic, here's why: Renewable energy has to be priced based on providing a 24 hour, 12 months per year, uninterrupted supply. As it is, renewable energy providers are permitted to sell their electrons based on their direct costs, and utilities are required to purchase it. Meanwhile, when the sun goes down or the wind dies down, utilities have to find power elsewhere. This is extremely expensive, because these backup plants cannot produce continuous power, meaning their construction costs and fixed overhead costs have to be priced into part-time operation. Michael Shellenberger, an energy expert and advocate for nuclear power with impeccable environmentalist credentials, recently published a <u>blistering takedown</u> of renewable energy in *Forbes*. Entitled "Why Renewables Advocates Protect Fossil Fuel Interests, Not The Climate," the article provides revealing details about how fossil fuel corporations are pouring money into environmentalist nonprofits that advocate renewables. And why not? By stigmatizing nuclear power into oblivion, the only reliable way to balance intermittent flows of renewable energy is to build more natural gas fueled power plants.

The solution to providing California with abundant energy is to retrofit, expand and recommission existing nuclear power complexes and build new ones, along with building more natural gas power plants. The grand bargain? Environmentalists get cleaner air, but have to accept nuclear power. Special interests that advocate renewables can still sell their products, but have to price in the costs for them to cover their nightly and seasonal production deficits. Fossil fuel interests can continue to operate, but have to compete with nuclear power. And California's power consumers will see prices in a competitive market come back down to national standards.

#### Creating Effective Transportation for the 21st Century

California's roads are poorly maintained and inadequate. Meanwhile, the most egregious waste of public funds perhaps in history, the "bullet train," continues to hang on to life as a truncated boondoggle still planned to connect Merced to Bakersfield. Explaining the folly of high speed rail in California may also explain the benefits of alternative solutions.

Within a few decades, <u>self-driving cars</u>, some owned for personal use, others privately owned but serving the public, will zoom along smart <u>hyperlanes</u> at speeds well in excess of 100 miles per hour. They will convoy with each other, running close together, using linked navigation systems, to facilitate far more throughput per lane mile than today's freeways. Overhead, within a few decades, <u>electric drones</u> will shuttle people to and from their chosen destinations at speeds well in excess of 200 miles per hour. And far overhead, at around 50,000 feet, <u>supersonic planes</u>, electric <u>VTOL</u>/turbojet hybrids, will fly at speeds well in excess of 1,000 miles per hour.

This is the future of transportation in California, a future that demands upgraded roads and new modes of FAA administered airspace. As for rail, upgrading existing rail might have tremendous practical value. But why take a bullet train, when within a decade or two you'll be able to dial up an aerial Uber on your cell phone, and at speeds exceeding the most optimistic HSR projections, fly from any rooftop in San Francisco to any rooftop in Los Angeles?

#### A Completely New Mentality is Needed for 21st Century Development

The good life can be recaptured for all Californians. The weather's still great. The land is still beautiful and bountiful. The economy remains diverse and resilient. But California's current policies have stifled innovation and created artificial scarcity of literally every primary necessity – not just housing, but water, energy and transportation. Each year, to comply with legislative mandates, government agencies and private developers alike spend billions of dollars to pay attorneys, consultants and bureaucrats, instead of paying engineers and heavy equipment operators to actually build things. The innovation that persists despite California's unwelcoming policy environment is inspiring.

California's policymakers have adhered relentlessly to a philosophy of limits. Less water consumption. Less energy use. Urban containment. Densification. Fewer cars and more mass transit. But it isn't working. It isn't working because California has the highest cost of living in the nation. Using less water and energy never rewards consumers, because the water and energy never were the primary cost within their utility bills – the cost of the infrastructure and overhead is always the primary cost. And nearly all these policies – high speed rail is the perfect example – diminish if not ignore potential technology breakthroughs on the horizon.

Within the next few decades, there will be modular, plug-and-play <u>desalination units</u> that coastal municipalities can put offshore to supply abundant water to consumers. In turn, these desalination units can be powered by modular, safe, plug-and-play <u>nuclear reactors</u>, scaled to whatever size is required, and nearly maintenance free. It doesn't end there. Within the next fifty years or so, energy will be beamed from <u>orbiting solar power</u> stations to earth-based receivers to deliver uninterrupted electricity. We're also probably less than fifty years from having commercial, scalable <u>fusion power</u>.

A completely new mentality is required, incorporating a vision of abundance instead of scarcity that encompasses every vital area of resource consumption. A completely different approach that could cost less than what it might cost to fully implement scarcity mandates. An approach that would improve the quality of life for all Californians. Without abandoning but merely scaling back the ambition of new conservation and efficiency mandates, embrace supply oriented solutions as well.

These are the grand bargains that would make California affordable again.

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Edward Ring is a co-founder of the California Policy Center and served as its first president. This article originally appeared on the website <u>California Globe</u>. This article first appeared in the California Globe of April 1, 2019.

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