COLAB
San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE DECEMBER 8 - 14, 2019




THIS WEEK

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FIRST QUARTER FINANCIAL REPORT
COUNTY STILL NOT BUDGETING SOME RAISES

$10 MILLION LOS OSOS SEWER LAWSUIT TO BE PAID OFF WITH DEBT FINANCED RATE INCREASES

PLANNING COMMISSION LIGHT AGAIN
NO BIG PROJECTS ON TAP - HOW'S ECON DEV. GOING?

HILL SAYS DIABLO CLOSURE IMPACTS MOST IMPORTANT ISSUE – BUT WHERE'S THE BEEF?

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PG&E WILL HAVE TO PAY FOR GENEALOGICAL STUDY AS CONDITION

LAST WEEK

NO BOARD MEETING
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"REMEMBER THE CITY THAT WAS"

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OTHER AGENCIES WERE NOT SCHEDULED

SLO COLAB IN DEPTH

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ONLY IN CALIFORNIA: HOUSING DEREGULATION INCREASES HOUSING REGULATIONS

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BY VICTOR DAVIS HANSON

The progressive campus project is a mere veneer. It is a scab of sorts, overlaying a wound beneath of progressive exploitation and class privileges and hierarchies

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday December 10, 2019 (Scheduled)

Item 1 - Introduction of an amendment to the Road Improvement Fee Ordinance, Title 13, to provide for an annual index adjustment in the Road Improvement Fee Programs and to exempt affordable housing units from road improvement fees. Hearing date set for December 17, 2019. EARLY WARNING: The item sets a hearing on modifying the road fee ordinance for next week's meeting, December 17, 2019**.** Road fees are levied on new construction and additions in various parts of the unincorporated county per the map below. The amendments would provide for annual increases based on a formula and exempt very low income housing developments from having to pay the fees. The fees are accumulated over the years and then used to help may for road and related improvements in the area where fees were levied.

13.01.055 – Fee adjustments by the County
(a)The road improvement fee shall be automatically adjusted each year following the first year after the effective date of this Section. The adjustment shall be calculated by the Public Works Department, based on the increase or decrease in the Engineering News Record Construction

Cost Index for the 20-city average for the three (3) year period ending June 30 of the preceding calendar year.

(b)In addition, adjustments to the road improvement fee may be approved by the Board of Supervisors to reflect more accurate cost estimates of providing the specified public improvements based upon a more detailed analysis or design of the previously identified public improvements.

(c)Fee adjustments shall take effect as of March 1st of each year after adjustments have been approved, after the effective date of this section. Adjusted fee amounts will be posted to the public within a reasonable time of their effective date.

13.01.056 – Exemptions
Affordable housing units meeting the definition of extremely low-income, very low-income, and lower-income, as set forth in Land Use Ordinance Section 22.12.070 and Coastal Zone Land Use Ordinance Section 23.04.094.

The fees will be based on the report from the Southern California Engineering News Record. A sample is presented in the table below.

ENR - Construction Cost Index (20-city avg)		
YEAR	INDEX	% CHANGE
2012	9291	-
2013	9542	2.70%
2014	9800	2.70%
2015	10039	2.44%
2016	10337	2.97%
2017	10703	3.54%
2018	11069	3.42%

The new fee increases will be applied to the existing rates (which are detailed in this item for easy public and Board access) and which are buried in a portion of the Public Works Department website per the table below on page 6.

The main disadvantage for the public is that these fees will now be on automatic pilot. It is not clear if they will have to be adopted each year by the Board on the public agenda. If not, the Board escapes any public scrutiny, and the formula will drive the rates inexorably upward as construction cost increases are driven upward by bans on quarries, bans on oil (the key component in asphalt), transportation cost increases due to SB-1, and all the prior gas and diesel taxes.

No one will have any idea what is going on or when and where they should complain. Apparently fees for subdivisions have been on this system for some time and were increased on May 3, 2019.

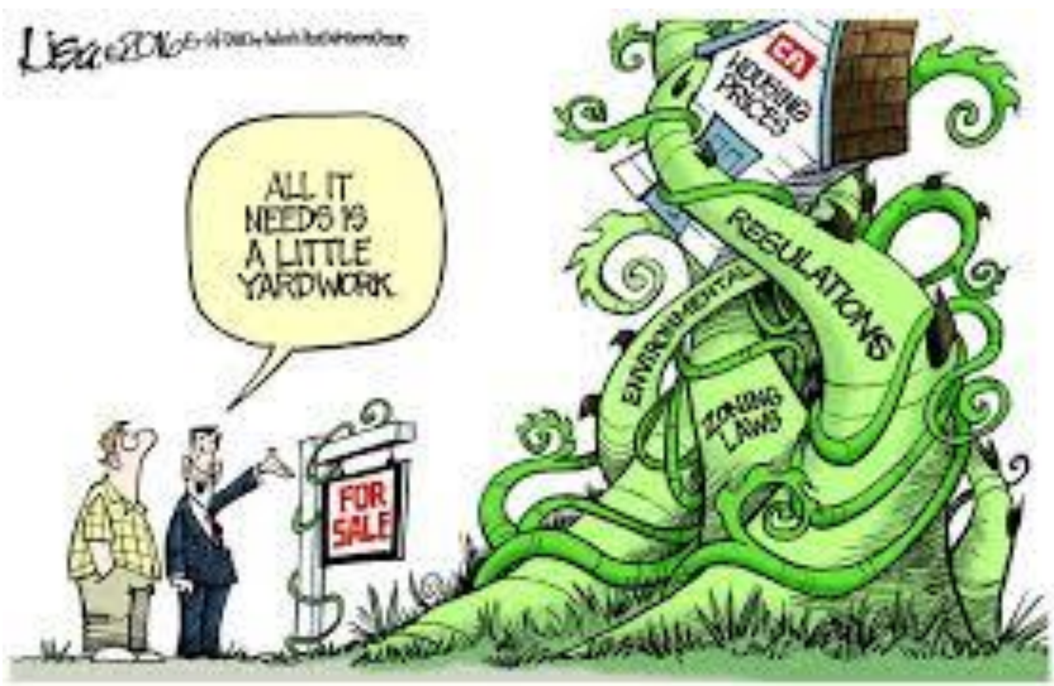
The Board should reject this item and send it back to the drawing board, Moreover, we have constantly advocated for shifting more of our local tax dollars over to roads and other capital investment. Instead, the current budget reduced the amount of local tax dollars and supplanted them with SB-1 tax increase dollars.

Enough is enough. The Board should reject this item and adopt strong capital investment policies and pay for them as a priority instead of using tax increases disguised as fees.

Just what is the County's overall strategic revenue plan for the next 5 years – that is, what is the Board doing to grow revenue naturally from the economy? Oh right, let a nuclear plant that generates $22 million in taxes and $1 billion in economic activity close and turn the site into a tax eating natural preserve.

At least you have until next Tuesday, December 17, to chime in on this one.

Please see the table on the next page:



ROAD IMPROVEMENT FEE SCHEDULE

Last BOS adjustment 12/12/2017

cost per peak hour trip

AVILA VALLEY	
Residential	$3,846
Residential Secondary Unit	$2,564
Retail	$3,846
Other	$3,846

NORTH COAST					
	A	**B**	**C**	**D**	**E**
Residential	$527	$992	$1,267	$586	$282
Residential Secondary Unit	$351	$661	$845	$391	$188
Retail	$262	$262	$262	$262	$262
Other	$403	$403	$403	$403	$403

LOS OSOS	
Residential	$4,106
Residential Secondary Unit	$2,737
Retail	$2,023
Other	$3,112

SAN MIGUEL	
Residential	$6,148
Residential Secondary Unit	$4,099
Retail	$6,148
Other	$6,148

SOUTH COUNTY		
	Area 1	**Area 2**
Residential	$12,011	$10,048
Residential Secondary Unit	$8,007	$6,699
Retail	$3,336	$4,539
Other	$5,133	$6,983

TEMPLETON			
	Area A	**Area B**	**Area C**
Residential	$8,462	$8,462	$8,462
Residential Secondary Unit	$5,641	$5,641	$5,641
Retail	$8,462	$8,462	$8,462
Other	$8,462	$8,462	$8,462

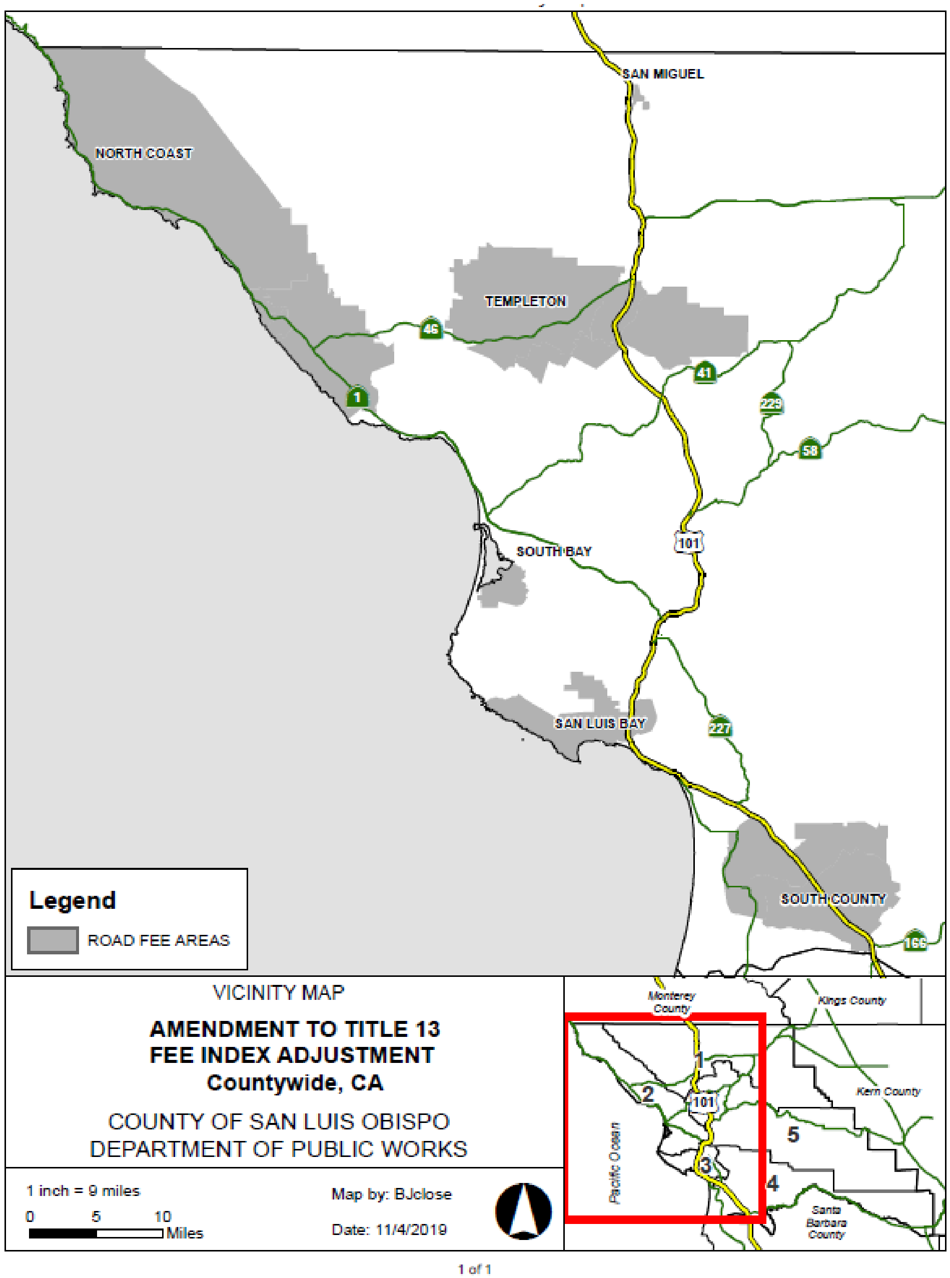
STATE ROUTE 227 CORRIDOR TRAFFIC MITIGATION PROGRAM

Requires entering into agreement with the Department. Fee determined on a case-by-case basis as determined by the applicant's civil engineer and approved by the Department of Public Works.

FEES BASED ON SUBDIVISION AGREEMENTS

Tract 1063	$5,216	1	Tract 2629	$4,421	1
Tract 1094	$5,216	1	CO 00-086	$7,733	1
Tract 1660	$9,506	1	CO 00-236	$7,908	1
Tract 1724	$7,292	1	Tract 2637	$5,431	1,3
Tract 1910	$2,926		Tract 2637	$3,249	1,4
Tract 1933	$4,889	1,2	Tract 2647	$5,431	1
Tract 1990	$3,212		Tract 2779	$3,831	1
Tract 2162	$7,414	1	Naci Adel	$2,876	1

Notes:
1. Subject to annual adjustment based on Caltrans Construction Cost Index (Second Quarter numbers), last updated 5/3/2019
2. Must also pay South County Area 2 RIF
3. Roads
4. Drainage



Item 36 - First Quarter Financial Report. The Report itself is routine and indicates that there are no overall countywide financial problems that cannot be handled during the current FY 2019-20 Fiscal Year. Overall, revenues are performing as budgeted or even slightly ahead. Expenditures are under-running their budgets in most cases.

The exceptions are the perennial problem areas of the Sheriff's office, the Golf program, Public Defender costs (too many murder trials), and various health and social service programs. The latter are impacted by increased caseloads and overly complex state funding procedures that make it difficult for counties to manage them.

The golf program has suffered from lack of play and water shortages in the past. Earlier in the year, the County adopted a program of diversification of attractions at the Dairy Creek Golf Course, which includes a better restaurant, go-carts, and an electronic simulated driving range that tracks shots and helps perfect users' golf techniques. The facilities are under construction and behind schedule. The projected revenues will therefore not commence until sometime next year.

A projected deficit in the Sheriff's budget has become an annual ritual ($3.1 million for this year) because the County does not place sufficient funds in its recommended and adopted budgets to cover raises which are under negotiation or which have been negotiated.

Per the quotes from the write-up below, the staff had plenty of time to include the costs of these contracts in the Budget adopted in June:

At the end of the first quarter, the Sheriff's Office is projecting that it will be over its budgeted level of General Fund support by $3.1 million at year-end due to unbudgeted salary and benefit and overtime expenses.

On March 26, 2019 and April 9, 2019, the Board approved salary and benefit increases for Deputy Sheriff's Association (DSA) and Sworn Deputy Sheriffs' Association (SDSA) employees. Those increases were not budgeted in FY 2019-20 and are estimated to cost approximately $3.2 million annually in total ($1.3 million for DSA employees and $1.9 million for SDSA employees), some of which will be covered by salary and benefit savings due to vacancies.

The current process simply defers having to actually pay the piper and under represents the total amount of the Budget at the very moment it is up for Board and public scrutiny.

The deficit is also exacerbated by vacancies, which in turn require the use of costly premium overtime pay to fill patrol beats and jail post positions. Recruiting qualified candidates is difficult because these jobs require men and women who are physically strong, mentally quick, and psychologically fit. They must be able to function under severe stress and serve rotating shifts at night, on weekends, and during holidays. Moreover, the candidates must possess physical courage. Who wants to walk into a biker bar at midnight and takedown an angry violent intoxicated 250-pound guy who just decked one of the other customers and is smashing up the glassware? In a rural county, a deputy could be a long way from backup.

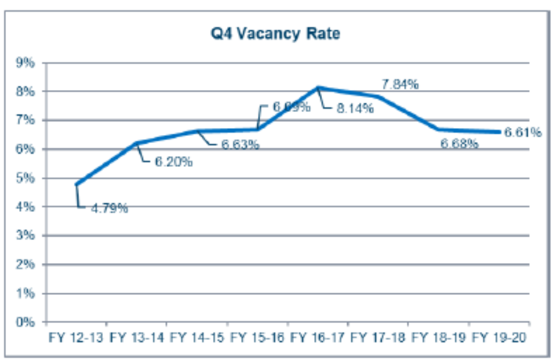
Key shortfall issues are summarized in the table below:

Table 2: Summary of Notable Issues Included in The Attached Report

Department	Issue	Impact to General Fund support
Public Defender	Unbudgeted capital case expenditures of $522,682	None anticipated
Sheriff-Coroner	Potential to exceed budgeted expenditures by $3.1 million	$3.1 million
Planning and Building	Cannabis revenue shortfall of $818,156	None anticipated
Health Agency - Behavioral Health	Unbudgeted expenditures of $794,829	None anticipated
Social Services – Administration	Unbudgeted expenditures of $300,000	$300,000
Social Services – Foster Care and Adoptions Assistance	Unbudgeted expenditures of $300,000	None anticipated
Parks and Recreation – Golf	General Fund subsidy needed to maintain adequate cash balance	To be determined (up to $485,000)
Public Works – Los Osos Wastewater System	Loan modification allowed for repayment of Flood Control General Loan for LOWWS operations and Solar Plant Mitigation Fund loan for payment of lawsuit settlement	None anticipated

Other Information: In addition to the financial information, the attachments are full of useful intelligence, including the ongoing discussion of vacancies and relying on the savings to cover raises, pension increases, and the cost of those departments.

The County employee vacancy rate at the end of the first quarter was 6.61%. This equates to 184.5 vacant positions. By comparison, the vacancy rate for the first quarter during the prior Fiscal Year 2018-19 was 6.68%. This represents a slight decrease from the prior year.



REMEMBER THE $10 MILLION INTERNAL LOAN for the Los Osos Sewer Project legal settlement? Two years ago the County paid one of the collector system contractors (the pipes under the roads use to collect the sewage) $10 million to settle a claim that the system plans and specifications were inadequate, which in turn caused the contactor to experience $10 million in unplanned and unbudgeted work. Apparently the County did not believe it had a strong case to go to court.

The problem was that the Sewer Plant Project had already expended most of its budget, including contingencies. To cover the cost, the County transferred $10 million from the Carrizo Plain solar plant mitigation account. This was part of about $18 in one time sales tax money that the County received on all the materials and equipment which were used in the two plants. A reserve was set up to cover the impacts of the plants on the California Valley area. Apparently the impacts have not been much. Meanwhile, illegal marijuana grows and related activities savaged the area.

In any case, the County had to figure out how to pay the reserve fund back. During budget time COLAB kept asking when and how would the $10 million be paid back without raising the Los Ossians' sewer rates?

Now deeply buried in an addendum to this agenda item (a series of memos from departments about their financial problems) is an answer:

They will probably have to raise the rates. The County is going to borrow the $11.1 million from the State Water Board under a refinancing scheme of an existing loan (the write-up inconveniently neglects to detail how much is already owed or what the full costs are with principle and interest). It is not clear why the County originally requested $13.1 million and the Water Board approved $11.1 million to pay off a $10 million legal settlement.

It turns out that the County has negotiated a refinancing of the existing loan to add $11.1 million and has known about it since way back on September 24, 2019. The write-up the memo included in the addendum is explicit as to rates:

In summary, a total of $11.135M was granted in SRF loan modification. As explained by SRF staff, loan modification entails issuing a new amortization schedule with the new principal amount incorporated into the remaining loan term and at the existing interest rate. Based on the last email received September 24, 2019 from the SRF representative, the funds will become available in the December/January time frame.

Currently, the Department has been doing usage analysis to aid in developing a rate structure that will be fair and cover all Operations, Reserve and Debt costs. The existing rates and rate structure were established over ten years ago. The plan is to start meeting with the community to discuss possible revisions to the existing rate ordinance to modify the base rate and variable volume charges for actual usage to ensure equity between customer classes, increase reserves to an acceptable level and add an inflationary adjustment factor to hopefully minimize future rate increases.

Wow: The plant has only been running for a year and rate increases are necessary even separately from the $10 million lawsuit pay off burden. Perhaps the Board needs to have an outside expert look at the future finances of the Sewer System. Board members are apparently aware of some or all of this. Merry Christmas to the Los Osos and Baywood Park residents.

See the addendum on page 22 below near the end of this update for the State approval of the new loan. We don't recall ever seeing an agenda item in which the Board authorized staff or anyone else to apply for a new loan wherein the public would be informed of the policy to slug the ratepayers or to consider any alternatives.

Item 41 - Hearing to consider a resolution 1) partially upholding an appeal by yak tityu tityu yak tilhini Northern Chumash Cultural Preservation Kinship (APPL2019-00018) of the Planning Commission's approval of a request by the Pacific Gas and Electric Company (PG&E) for a Development Plan / Coastal Development Permit (DRC2018-00003) for the North Ranch Road Improvement Project, located between the southern parking lot of Montaña de Oro State Park and just north of the Diablo Canyon Power Plant. You can't make this one up. The Planning Commission approved a permit for PG&E to make road improvements to an existing approved road which accesses the Diablo Plant site from the north per the map below.

The Northern Chumash Cultural Preservation Kinship (Kinship) appealed because they were not included in the requirements that members be present to monitor excavation work lest any sacred sites, burial grounds, or other cultural attributes be disturbed. The staff recommends partial approval of the appeal.

Subsequently, a separate group, the Northern Chumash Tribal Council (Chumash Council), has asserted that the Preservation Kinship is not the group which has Native American jurisdiction in the project area. They have filed letters insisting that they are the ones who should be monitoring the excavation work.

Apparently, there is a State Board known as the Native American Heritage Commission, which has the sole jurisdiction for adjudicating such disputes. This is often done by examining genealogical records to determine which descendants are those whose ancestors lived and were buried in the project area. Accordingly, PG&E will have to pay for a genealogical study as a condition of its permit.

And you thought it was only stuffy Yankees who quarreled over who were the most direct Mayflower descendants.

Planning Commission Meeting of Thursday, December 12, 2019 (Scheduled)

There are no actions of significant policy or community interest on this agenda. In fact, given the lack of major projects of any kind, there are hardly ever any to report. This bodes ill for the future ability of the County to maintain current service levels and make necessary capital investments.

This lack of activity is symptomatic of the difficulty of developing and building anything in the County under its overarching scheme of "smart growth" no growth. Meanwhile the clock is running on the Diablo closure and resulting negative economic multipliers.

HILL SAYS IMPACTS OF DIABLO ARE THE MOST IMPORTANT ISSUE, BUT WHERE'S THE BEEF? In this regard, Supervisor Hill's campaign website states in part:

SUPERVISOR ADAM HILL

Why I'm Running for Re-Election as County Supervisor

Without a doubt, the most important issue in the 3rd District and in the County, is the looming closure of Diablo Canyon. COLAB NOTE: Hill's words, not ours.

PG&E is in bankruptcy and fighting a hostile takeover bid, the timing and process of decommissioning is still to be decided, and the fate of the 12,000 acres of beautiful coastal land is of primary interest to our community.

We didn't have a voice or a choice in the decision to close the plant, and that's why I've ***fought hard for our interests since the company made the decision****, including the mitigation funds to the county and our cities;* ***making sure we retain our land use authority*** *for the future use of lands and the industrial site;* ***supporting the full funding for decommissioning*** *but asking that it be tied to the fastest and safest process so local workers can be employed;* ***and declaring*** *that the lands be conserved and turned over to the public for future use, which could allow for one of the most exciting coastal trails in the state, running between Avila and Montana de Oro.*

COLAB NOTE: Why didn't he assert himself to support relicensing way before PG&E announced the closure? Why didn't the County ask PG&E how it could help? Why didn't the County provide leadership to work with the PG&E Board, the Nuclear Regulatory Commission, the State, and others to promote relicensing of the plant? Instead, Hill, Gibson, and other progressives pandered to those who sought closure of the plant by passing resolutions about imagined seismic issues and tidal wave hysterics, even though the plant sits on an 85-foot bluff, well above any potential tidal action.

After the closure announcement, Hill and the County were not bashful about whining about the lost tax revenue. They became a party to the closure proceedings before the California Public Utilities Commission. The County demanded a mitigation payment (bribe) to support the closure plan and agreement.

I'm also working closely with the Hourglass Project as we plan for new opportunities for our local economy. COLAB NOTE: For example just what proposals are being generated?

The decisions we make in the next few years will affect our County for the next 50.

We have to get this right, we can't afford to be weak, vague, or naïve.

We have to lead, protect, demand, and create. **COLAB NOTE:** Why doesn't Hill demand that the plant stay open? He says that's not realistic. In Connecticut, the liberal Democrat Governor worked hard to keep the Millstone II Nuclear Power plan open after North East Utilities announced its closure. You would think Hill and the rest of the County would have a strong talking point with Governor Newsome, given the fact that the Diablo plant offsets 8 million metric tonnes of CO_2 annually, which will have to be offset with energy that is primarily produced by burning natural gas. The CPUC never believed PG&E's plan to offset the CO_2 with renewables and refused to accept it as part of the overall closure plan.

COLAB NOTE: It's been over 2 years since the closure was announced. What tangible economic development replacements have been proposed, let alone zoned in? The answer is absolutely none. It's not as if Tesla is putting a battery plant in Paso Robles or the 5-star hotel/resort proposed for the old Avila Beach tank site could be approved next year and constructed the year after.

Instead, Hill has again pandered to anti-business environmental radicals by supporting phased shutdown of the Oceano Dunes riding area though progressively tougher requirements and sanctions by the APCD.

In effect Hill's and the progressive left's de-facto plan is for SLO County to be a NYMBYISTIC preserve for affluent retirees and wealthy tourists. There will be a few token boutique high tech operations with good jobs but only for those with master's degrees in systems engineering, bio theology, finance, or other technical disciplines.

LAST WEEK'S HIGHLIGHTS

No Board of Supervisors Meeting on Tuesday, December 3, 2019 (Not Scheduled)

California State Association of Counties (CSAC) Conference (December 2 - 5). There was no Board meeting. Some Board members and staffers attended the 4-day CSAC Annual Conference in San Francisco. The conference was a pretty typical meeting, during which there were briefings and pretend problem solving. Supervisor Bruce Gibson is the County's official representative to CSAC and has been fairly prominent in its activities over the years. Some of the other Supervisors have tried it but are not enamored with association politics, and find many of the meetings tedious and boring (our words, not theirs). As for the actual governance of CSAC, the permanent staff has tremendous influence as the supervisors come and go over the years. An exception seems to be the Rural Counties Caucus, which the Supervisors report to be very useful and beneficial. Obviously, the rural counties are at a disadvantage in the State Legislature and CSAC, given the metropolitan counties' populations, finances, and overall predominance in state affairs generally.

CSAC's purpose is to closely monitor the State Legislature to head off legislation that is harmful to counties and to support legislation that benefits them. The most harmful bills are the ones which impose requirements on the counties to provide new or expanded services without supplying a commensurate amount of revenue to cover the costs. The second most important category is bills that diminish the counties' ability to control their revenue, staffing, and independent governance responsibilities. There are many other issues, but these two shape CSAC's main efforts.

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

ONLY IN CALIFORNIA: HOUSING DEREGULATION INCREASES HOUSING REGULATIONS

BY LEE OHANIAN

This would be a head-scratcher anywhere but in California. Two years ago, state lawmakers passed legislation to expedite housing approval by exempting some projects from environmental lawsuits and zoning appeals. This legislation can cut the approval process by a decade or more and reduce costs enormously. So why is hardly anyone using it?

Hint: this is California. With apologies to Gilbert and Sullivan, sometimes skim milk masquerades as ice cream.

$550,000 Silicon Valley "Fixer"

What could have been a game-changing policy reform is so far just a footnote in California's game of chasing its own tail in trying to reduce housing costs and increase housing supply.

To begin, just how bad is California's housing crisis? The state's median housing price is over $550,000, up 85 percent since 2012, according to Zillow.

The California Association of Realtors estimates that only about 30 percent of California households can afford the median-priced home. Affordability in the regions with the highest-paying jobs—Silicon Valley and San Francisco—is the worst in the state, as only about 20 percent of households in these areas can afford the median-priced home.

Housing costs are so high in Silicon Valley that some tech workers making six-figure salaries are choosing to live in broken-down vans rather than pay $3,000 or more per month to rent a small bedroom in a shared house.

These affordability calculations assume that the hypothetical buyer has the hefty 20% down payment, which is about $110,000 for the median-priced home in the state and close to $300,000 in San Francisco.

But housing affordability is even worse than the estimates cited above, because today's down payments are much lower than the standard 20% assumed by virtually all affordability studies.

A lower down payment means a larger mortgage, a higher mortgage rate, and possibly private mortgage insurance, all of which drive up the cost of owning a home.

Affordability is low because of lack of supply. McKinsey and Company consultants estimated last year that California needs an additional 3.5 million units by 2025 to make a dent in this problem.

Current construction trends are nowhere near what is needed. California is now building about 120,000 new homes per year, only about 25% of the annual flow estimated by McKinsey. Something must give if affordability is to improve.

This is where California's recent legislation, SB 35, comes into play. It eliminates environmental reviews and blocks zoning appeals for some new developments. This is what could have made this reform a game changer, because these two factors drive up California housing costs enormously.

How much? How about 27 years of environmental lawsuits that tried to block the creation of one new community. How about a six-year fight over transforming a laundromat into a multistory apartment building because it would have cast shadows on a preschool.

With this silliness out of the way, it should be much easier and less costly to build in California, yes?

Well, no. After two years, only about 40 projects—a drop in the bucket—have either been approved or are being considered under the streamlined review process. Why? Because legislators chose to include extremely burdensome new regulations while removing others. It appears that the net result is about a wash in terms of changing building costs. California's "fast track" development approval process is like tossing a drowning person a life vest that is weighed down with lead.

The new regulations include paying "prevailing wages," which is a euphemism for forcing developers to hire union labor, and allocating 50% or more units to be rented at far-below-market rates.

The simplest economic analysis shows that these two requirements are about as bad as lawmakers could have foisted on new home builders and are the reason that the new legislation is a footnote and not a game changer.

"Prevailing wage" requirements hark back to the infamous Davis-Bacon Act of 1931. Ironically, the Davis-Bacon Act is celebrated by many liberal politicians today. If they only knew that the act was precipitated by whites who were upset that contractors were employing black workers.

The Davis-Bacon Act was a racially based minimum wage that was intended to raise employment of whites at the expense of blacks.

Various forms of the act were voted down 13 times before it was finally passed during the Depression.

"Prevailing wage" requirements are about as far down the pork barrel as it gets and are probably the worst building regulation ever dreamed of. Any project needs to pay market wages in order to hire workers. It is absurd to expect otherwise. But "prevailing wages" is just an expensive payoff to organized labor, which is the most important political constituent within the state for most incumbent lawmakers.

The nonpartisan Congressional Budget Office's recent report "Repeal the Davis-Bacon Act" estimates that the federal government could save about $14 billion through 2025 if the act were eliminated.

But the costs of union labor do not stop at above-market compensation, which is about 20% over market wages. The union cost premiums estimated produced by the CBO and others are likely to be much too low.

Federal Reserve Bank economist James Schmitz has shown that inefficient union work rules, which artificially raise union employment by restricting the scope of work that can be performed by workers, can depress labor productivity by as much as 50%, thus doubling costs over and above the 20% union wage premium.

Creating lower-cost housing requires reducing building costs, and prevailing wage requirements push the state far in the wrong direction of this goal.

The second negative new regulation is that developers must set aside units that will be rented to low-income families at rates that are far below market rates. This may seem like a good idea, but earmarking 50% or more units for below-market rates can kill a project.

A much better way to build low-income housing is to just build more housing. Period. More housing reduces rents for everyone and is the only proven way to make housing more affordable. After all, the reason that so few can afford California housing is because politicians failed to allow enough housing to be built.

California lawmakers took a great idea—removing environmental and zoning blockades to creating new housing—and loaded it up with enough new, destructive regulations to make it thus far nearly irrelevant.

This shows just how beholden lawmakers are to deep-pocketed political constituents, such as unions, and how lawmakers either don't understand the economics of the California's housing crisis or really don't care whatsoever about the tens of millions of Californians who struggle every month to stay afloat in this state.

This article first appeared in the Stanford University Hoover Institution Daily Report of December 3, 2019.

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He is associate director of the Center for the Advanced Study in Economic Efficiency at Arizona State University and a research associate at the National Bureau of Economic Research, where he codirects the research initiative Macroeconomics across Time and Space. He is also a fellow in the Society for the Advancement of Economic Theory.

His research focuses on economic crises, economic growth, and the impact of public policy on the economy. Ohanian is coeditor of Government Policies and Delayed Economic Recovery (Hoover Institution Press, 2012). He is an adviser to the Federal Reserve Banks of Minneapolis and St. Louis, has previously advised other Federal Reserve banks, foreign central banks, and the National Science Foundation, and has testified to national and state legislative committees on economic policy. He is on the editorial boards of Econometrica and Macroeconomic Dynamics. He is a frequent media commentator and writes for the Wall Street Journal, Forbes, and Investor's Business Daily. He has won numerous teaching awards at UCLA and the University of Rochester.

GET 'WOKE'

BY VICTOR DAVIS HANSON

The progressive campus project is a mere veneer. It is a scab of sorts, overlaying a wound beneath of progressive exploitation and class privileges and hierarchies

Today's university students want to "wake" the nation to problems that they and their professors have identified as threatening our very existence. And they issue these periodic alarms in hyperbolic terms: we have just 10, 20—fill in the blanks—years to end fossil fuel use or else die from global warming.

They warn us that there is a veritable war waged on American women who have been limited to a mere 800,000 abortions on average per year. Sexism must explain why only 56 percent of college students are women.

The woke university lectures us that ubiquitous racism, white privilege, sexism, homophobia, transgender hatred, Islamophobia, nativism, and xenophobia supposedly make life deadly for people of color, gays, immigrants, the transgendered, and women. Apparently, such endemic hatred explains why the United States is the most tolerant, freest, most leisurely and affluent country in history for racial, religious, and gender minorities.

To address these supposedly existential concerns and agendas, the university has radically reinvented itself over the last 30 years. The relative and absolute number of tenured and tenure-track professors on campus has nosedived. In their places, the legions of noninstructional employees and part-time lecturers have soared. The former are mostly highly paid race, class, and gender diversity and inclusion provosts, deans, and czars. The latter are low-paid and largely exploited temporary teachers.

Student aid packages have been front loaded with federally-guaranteed debt, as tuition in response has naturally soared over the last few decades above the rate of inflation. All sorts of "studies" majors have blossomed—ethnic studies, peace studies, environmental studies, black studies, Latino studies, Asian studies, feminist studies. The curricula now expand into popular culture, as if comic books, Hollywood movies, hip-hop music, and cartoons need academic study, professional scholarship, and professorial guidance.

In the university's zero-sum game, something was lost to provide the needed space for these therapeutic new classes. And what was tossed were precisely those traditional courses in English grammar, composition, literature, foreign languages, philosophy, and history that sharpened reasoning, honed written and oral expression, developed an aesthetic sense of art and music, and provided the student with the facts-based architecture central to fundamental education.

It was once agreed that reading Sophocles' Antigone was more valuable for young minds than deconstructing "The X-Men," and that Dante's Inferno offered students more insight than did "To Pimp a Butterfly." Might our 20-year-olds become less self-absorbed, and less ignorant if they knew what Shiloh, Normandy, and Iwo Jima were? Do any think that they could have survived the Oregon Trail, the Meuse–Argonne offensive, or the Schweinfurt raid?

In addition, the university went through one of the most bizarre cultural transformations of any institution in our society—albeit in a completely paradoxical way.

Students were no longer considered young, independent adults—at least sort of. They instead were apparently no longer always mature enough to make their own social and cultural decisions—and live with the consequences, good and bad.

Instead, students were recalibrated as episodic pre-teens who could not hear speakers, read texts, or listen to professors if they challenged their safe spaces and status quo beliefs. Independent thinking apparently could harm such fragile souls and therefore had to be carefully restricted and rationed.

The First Amendment, as we have known it, really no longer exists on college campuses. Speech codes predominate and supersede it, citing the need for censorship as a protection from "hate speech," a tool that can be used to smear almost any form of expression.

Visiting speakers know that if they are deemed unapologetically conservative, they either will need guards to speak or are likely to be shouted down, or both—usually with the wink and nod of approval from careerist and itinerant administrators who no sooner arrive on campus than they virtue signal in hopes of advancing to higher paying billets elsewhere.

The public is bewildered by masked and hooded campus protesters breaking the law, storming barricades and trying to disrupt politically incorrect speakers. They suspect that if the police would actually arrest—and district attorneys indict—these barricade braggadocios, the latter would likely curl up into fetal position, crying about "getting an arrest record" and how that might impair their later privileged trajectories.

Who Are the Snowflakes?

"Snowflakes" arose as a term for sheltered students who regressed to needing puppies, coloring books, milk, and cookies to comfort them even before Donald Trump won the 2016 election. But just when we thought colleges were nursery schools of safe spaces, trigger warnings, and racially segregated dorms, we saw that, in fact, they are incubators also of edgy adult sex, alcohol and drug use. Courses, lectures, and symposia openly discuss the need for sexual awakening and experimentation, while the university has become a safe space for the use of particular recreational drugs.

So the public has become baffled at the result of these promiscuous Victorians, drunken prohibitionists, and zero-tolerance drug users—not to mention supposedly tolerant intolerant disruptors and social justice warriors fighting for the injustice of denying free expression.

The only possible common-denominator explanation of these radical disconnects is the gratification of the appetites and the paths of least resistance: students still like sex and parties and especially courses that are therapeutic, require less work, and confirm status quo pieties.

In other words, protesting and organizing are preferable to memorizing Latin declensions and physics theorems. Students as adults certainly like to drink, but so often after getting drunk and sickened do not like those who fostered that permissive atmosphere and allowed these sudden adolescents to drink in the first place. Sexual hook-ups are supposedly transformative and cosmopolitan—but only if later shielded from the age-old crass and unfortunate emotional consequences that result when the male is given free rein to indulge his sexual appetites without commitment or honor or love.

The University House of Cards

But hypocrisy is not the most dangerous paradox of the university. Its entire financial structure is far more hypocritical. And the fix goes something like this: 18-year-olds enter college after being sold a bill of goods that an undergraduate degree is so invaluable that it will more than justify tens of thousands of dollars in aggregate long-term debt. Often “aid packages” brim with showy fellowships, grants, and tuition waivers to disguise the reality that the discounted, rock-bottom, bargain-based, final total cost of a year at college is still exorbitant. Students are reminded that at least a B.A. or B.S. degree will provide status that will aid upward economic and social mobility. Sometimes that is true, but when it is not, the results wreck lives.

Woke majors centering on social justice are lauded and promoted on campus as the spear of resistance culture. Yet years later, such campus veterans don’t impress employers. The now indentured serf graduate is left to fend for himself, far away the previous reverie and energy of progressive protests and inculcation.

In other words, the next time you see a chanting crowd of woke students shouting down a speaker with a faculty member cheering them on, imagine such protestors five years from now, solitary without good jobs, but with lots of their own private debt and plenty of bitterness and angst.

Who then pays for the tenured full professor who indoctrinates students for 32 weeks of the year? Who pays for the assistant provost for “Diversity, Equity, and Inclusion,” who teaches no classes but monitors those who do? Who helps to subsidize a costly campus that is increasingly disconnected from learning?

Is it not the part-time lecturer driving between campus gigs without job security, retirement or good, if any, benefits?

Is it not the student carrying $100,000 in 6 percent loans, majoring in environmental studies?

If students were really “woke” to the abject exploitation in their own landscapes, they would march on the president’s office to protest the lack of transparency in student loaning, the bureaucratic fat that does not contribute to learning or academic excellence, and the disparity between helot part-time lecturers and full-professor overlords. They would demand to know how much they are paying for each class, for office hours, for much on campus that ultimately is leveraged by their own government guaranteed student debt that will be an albatross around their collective necks into their thirties.

Viewed through these lenses, the progressive campus project is a mere veneer. It is a scab of sorts, overlaying a wound beneath of progressive exploitation and class privileges and hierarchies of the exploiters and exploited.

The results spill over from campus and are deleterious for the entire nation, ranging from prolonging adolescence and infantilizing young adulthood, delaying marriage, child-rearing, and home ownership to radicalizing the Democratic Party to the point of near irrelevance—not to mention the cost of defaulted government loans. Many of those indebted who actually graduate will gravitate into low-paying jobs. And the professors and administrators who damned capitalism to them will be doing the same to each successive generation of naïfs, but always play-acting as radical mentors from tenured and six-figure salary billets.

In sum, today's students are the most unaware, naïve—and unwoke—generation in our nation's history. They pose as all-knowing and all-caring. But in the end, they are proving unwoken to the full dimensions of those who have channeled them into a decade or more of crushing debt, left them with unmarketable degrees, nourished both their ignorance of the world, past and present, and their political arrogance—and called it all success.

Victor Davis Hanson is an American military historian, columnist, former classics professor, and scholar of ancient warfare. He was a professor of classics at California. Content created by the Center for American Greatness, Inc. is available without charge to any eligible news publisher Dec 1, 2019.

ADDENDUM I

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2019-0030
INCREASE THE CLEAN WATER STATE REVOLVING FUND (CWSRF) LOAN AND REMOVE THE ONE-YEAR PAYMENT RESERVE FUND CONDITION FOR THE COUNTY OF SAN LUIS OBISPO (COUNTY) LOS OSOS WASTEWATER PROJECT (PROJECT), AGREEMENT NO. 10-846-550
WHEREAS:
1. The State Water Resources Control Board's (State Water Board) Division of Financial Assistance (Division) implements the CWSRF Program pursuant to the "Policy for Implementing the Clean Water State Revolving Fund" (Policy), last amended by the State Water Board on November 27, 2018;
2. The Project consists of constructing a new sewer system and wastewater treatment plant and abandoning the septic tanks of the residents in the community of Los Osos and connecting them to the sewer. The Project also produces Title 22 recycled water for beneficial reuse at agriculture sites, schools, and a golf course;

3. On July 1, 2011, the Division executed Agreement Nos. 10-845-550 and 10-846-550 with the County, providing a combined total of $86,208,416 in CWSRF loan financing for the Los Osos Wastewater Project (CWSRF Project Nos. C-06-5230-110 and C-06-5230-120) that would construct a new wastewater collection system including pump stations with standby power facilities, a wastewater treatment plant, recycled water system, and effluent disposal facilities;
4. On April 11, 2012, the Division amended Agreement Nos. 10-845-550 and 10-846-550, reducing the interest rates from 2.6% to 2.0% for a term of 30 years;
5. On December 17, 2013, the Division executed Agreement No. 13-708-550, providing $4,000,000 in Water Recycling Funding Program Proposition 13 grant funds for the construction of the recycled water system part of the Project;
6. The Project completed construction and initiated operations in October 27, 2016;
7. The County is requesting an additional $13,102,000 in CWSRF financing to cover the final payment to the pipeline contractor ARB, Inc. and other costs; the County has borrowed internally from other funds to cover the costs in the short-term;

Did the County tell them it was for a lost lawsuit?

8. The CWSRF Policy restricts increasing or adding funds to the financing agreement after the final budget is approved and the amended finance agreement is executed;
9. Division staff analyzed the County's requests for a loan increase and determined that $11,135,000 is eligible for CWSRF Funding;
10. The newly established wastewater system does not have reserves to cover the additional costs and repay the County's internal loans. The wastewater system revenues are currently maximized and being used to pay for operations and maintenance and CWSRF and USDA debt. This resolution will allow the County to repay the additional Project costs with a smaller rate increase; and
11. The County is requesting that the State Water Board remove the one-year debt service reserve requirement in Agreement No. 10-846-550.

Why? Are things tighter than they are admitting?

THEREFORE BE IT RESOLVED THAT:
The State Water Board:
1. Authorizes the Deputy Director of the Division to amend Agreement [...] increase the existing loan by $11,135,000 in CWSRF loan financing at the same interest rate of 2.0%.
2. Authorizes the Deputy Director of the Division to amend Agreement No. 10-846-550 to remove the one-year payment reserve fund condition.
3. Waives the requirement to maintain net revenues of at least 1.10 times debt service for the years 2019-2020 and 2020-2021.

CERTIFICATION

The undersigned Clerk to the Board does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on June 18, 2019.

AYE: Chair E. Joaquin Esquivel
Board Member Tam M. Doduc
Board Member Laurel Firestone
NAY: None
ABSENT: Vice Chair Dorene D'Adamo
Board Member Sean Maguire

ABSTAIN: None
Jeanine Townsend

Scene near one of COLAB's great Annual Dinner auction items – Condo in Scottsdale Be There March 26, 2020

ANNOUNCEMENTS

10th ANNIVERSARY
COLAB
San Luis Obispo County


COLAB
San Luis Obispo County
DINNER &
FUNDRAISER
11th Anniversary
SAVE THE DATE!
Thursday March 26, 2020
Alex Madonna Expo Center
details coming soon...
United We Stand, Supporting
a Vision of Liberty & Prosperity
COLAB San Luis Obispo County
805-548-0340 colabslo@gmail.com


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PLEASE COMPLETE THE MEMBERSHIP/DONATION FORM ON THE LAST PAGE BELOW

MIKE BROWN
ADVOCATES BEFORE THE BOS

VICTOR DAVIS HANSON ADDRESSES A COLAB FORUM

DAN WALTERS EXPLAINS SACTO MACHINATIONS AT A COLAB FORUM
See the presentation at the link: https://youtu.be/eEdP4cvf-zA

AUTHOR & NATIONALLY SYNDICATED COMMENTATOR BEN SHAPIRO APPEARED AT A COLAB ANNUAL DINNER

NATIONAL RADIO AND TV COMMENTATOR HIGH HEWITT AT COLAB DINNER

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 ❑ $ _______ **Voting Member: $250 - $5,000 ❑ $ _______**

Sustaining Member: $5,000 +❑ $ _______
(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 ❑ Internet ❑ Public Hearing ❑ Friend ❑

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 ❑

PAYMENT METHOD:

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

Cardholder Name: ____________________ Signature: ________________________

Card Number:______________________Exp Date: ___/___ Billing Zip Code: ______ CVV:____

TODAY'S DATE: ____________________

(Revised 2/2017)