



## WEEKLY UPDATE JUNE 21 - 27, 2019

### THIS WEEK

**NO BOS MEETING FOR NEXT 3 WEEKS**  
THE NEXT BOARD MEETING WILL BE ON AUGUST 13, 2019

**PLANNING COMMISSION TO CONSIDER 3 NEW  
CANNABIS OPERATIONS**

### LAST WEEK

**CEQA REFORM ITEMS OK'D BY BOS**

**AFFORDABLE HOUSING FEES AND TAXES STUDY**  
BOS SEEMS TO FAVOR ISSUING DEBT AND TAXING VACATION RENTALS

**HEMP MORATORIUM EXTENDED FOR 1 YEAR**  
BOARD EXHORTS STAFF TO HURRY UP WITH PERMANENT ORDINANCE

**SLO COLAB IN DEPTH**  
SEE PAGE 11

**IN DEFENSE OF HOUSES**

*Single-family homes are the backbone of American aspiration—so why do  
so many people oppose them?*

BY JOEL KOTKIN AND WENDELL COX

# WANT MORE AFFORDABLE HOMES? MAKE POLITICIANS SLEEP IN THEIR OWN PLANS

*Who Better to Experience the Disruptions of Housing Policies Than the Californians Who Made Them?*

BY JOE MATHEWS

## THIS WEEK'S HIGHLIGHTS

### No Board of Supervisors Meeting of Tuesday, July 23, 2019, July 30, or August 6 (Not Scheduled)

The Board will meet again on Tuesday, August 13, 2019.

### Planning Commission Meeting of Thursday, July 25, 2019 (Scheduled)

**Summary:** The agenda contains applications for 3 cannabis operations. These are outlined below per the County write-ups below. These applications are beginning to flow more regularly. There does not seem to be any written opposition in the record at this point.

**Item 4 - Hearing to consider a request by Reroc for a Development Plan/Coastal Development Permit (DRC2019-00016) to establish two commercial cannabis businesses: (1) a 3,000-square-foot cannabis distribution facility and (2) a 2,500-square-foot cannabis nursery facility. The businesses would operate within an individual suite of an existing 12,000-square-foot building on a 1.73-acre parcel. No changes to the building footprint or architecture is proposed. The project site is located within the Industrial land use category located at 2115 Willow Road (State Route 1) approximately two miles west of the community of Nipomo.**

Project components and associated floor area are summarized in Table 1.

Table 1. Project Components

Phase 1 – First Floor -- Distribution	Approx. Floor Area
Intake/Inventory/Packaging Area	375 sq. ft.
Loading/Unloading	440 sq. ft.
Storage	1125 sq. ft.
Transfer Room	110 sq. ft.
Office/Security Room	350 sq. ft.
Cold Storage	80 sq. ft.
Lockers/Lounge Area	210 sq. ft.
Misc. (restrooms, hallways, stairway, etc)	310 sq. ft.
Total:	3,000 sq. ft.

Phase 2 – Second Floor -- Nursery	Approx. Floor Area
Vegetative Areas for product to be sold off-site	1,770 sq. ft.
Media Prep Room	400 sq. ft.
Storage Areas	70 sq. ft.
Research and Development Areas	260 sq. ft.
Total:	2,500 sq. ft.

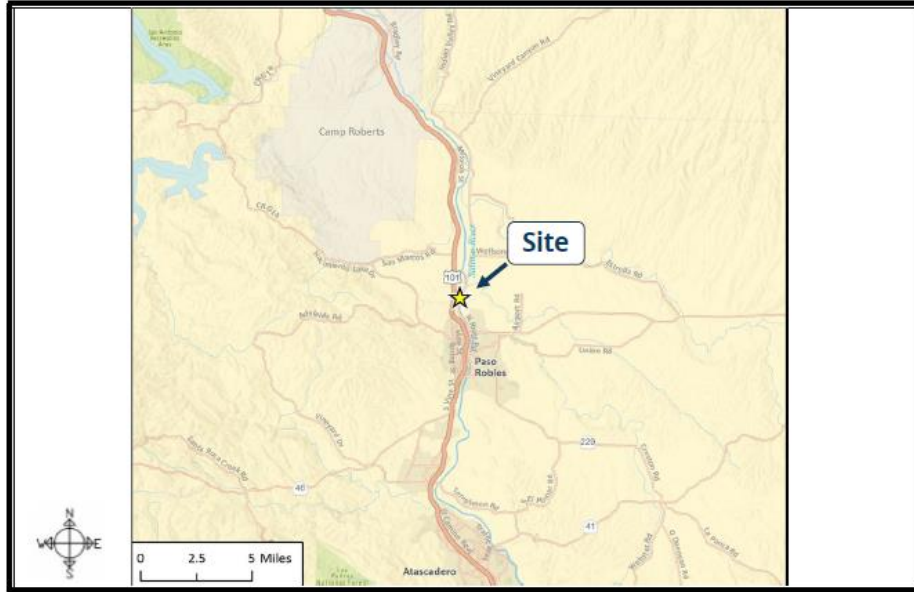


**Item 5 - Hearing to consider a request by Aaron Culbertson / PROGREENS Inc. for a Conditional Use Permit (DRC2017-00110) to establish 9,600 square feet of indoor cannabis cultivation and non-volatile cannabis manufacturing on an approximately 19.12-acre site. The project would also include ancillary processing activities, such as drying, packaging, and storage. Project development includes the construction of four 1,920-square-foot greenhouses and expansion of an existing greenhouse from 720 square feet to 1,920 square feet. The proposed manufacturing and ancillary processing activities would occur within an existing 3,000-square-foot metal building. The proposed project includes a modification from the parking standards set forth in Section 22.18.050.C.1 of the County Land Use Ordinance is requested to reduce the number of parking spaces from 26 to 9. The project site is located at 4415 North River Road,**

**Table 1 – Project Components**

Project Component	Structure Size	Count	Footprint (sf)	Canopy (sf)
(N) Greenhouses (20' x 96')	1,920	5	9,600	Up to 9,600
(E) Metal Building (75' x 40')				
<ul style="list-style-type: none"> <li>• Manufacturing = 80 sf</li> <li>• Storage = 108 sf</li> <li>• Office = 212 sf</li> <li>• Processing = 2,000 sf</li> </ul>	3,000	1	3,000	n/a
(N) Storage Container (5' x 80')	400	1	400	n/a
<b>Total Structural Footprint</b>			<b>13,000</b>	

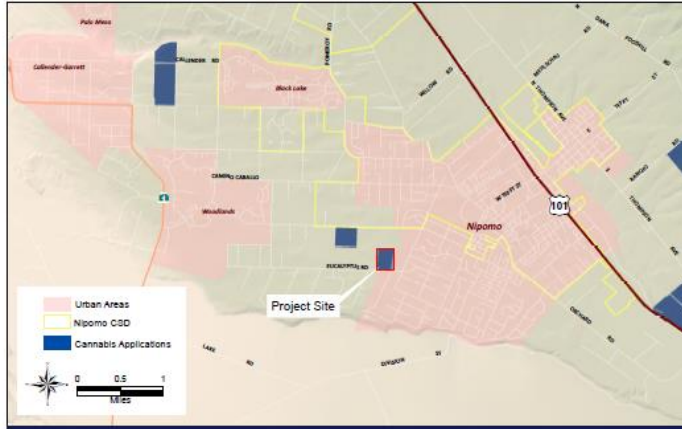
sf = Square Feet  
E = Existing  
N = New/Proposed



**Item 6 - Hearing to consider a request by Nipomo AG LLC for a Conditional Use Permit (DRC2019-00087) to establish 22,000 square feet of indoor mixed-light cannabis cultivation, 78,122 square feet of commercial and ancillary nursery, as well as 35,328 square feet of other ancillary processing activities to include drying, trimming and curing. Cannabis cultivation, nursery and processing activities will be conducted within two existing 70,000-square-foot greenhouse buildings; the packing and storage of cannabis products will occur inside an existing 11,040-square-foot metal building. The project includes a modification from the parking standards set forth in Land Use Ordinance Section (LUO) 22.18.050 to reduce the required number of spaces from 256 to 30. The proposed project site is in the Agricultural land use category and is located at 662 Eucalyptus Road, west of, and adjacent to, the Nipomo Urban Reserve Line.**

**Table 1. Project Components**

Building	Project Component	Building Floor Area	Cannabis Canopy
B4 -- Greenhouse	Mixed-Light Indoor Cultivation	27,938 sq. ft.	22,000 sq.ft.
	Cannabis Nursery	42,794 sq. ft.	42,794 sq.ft.
B-1 -- Greenhouse	Drying	35,328 sq. ft.	n/a
	Cannabis Nursery	35,328 sq. ft.	35,328 sq.ft.
P -- Packing House	Packing/Storage	11,040 sq. ft.	n/a



## LAST WEEK'S HIGHLIGHTS

### Board of Supervisors Meeting of Tuesday, July 16, 2019 (Completed)

**Item 19 - New Probation Officers Contract. The contract was unanimously approved on the consent calendar.** It covers from July 1, 2019-June 30, 2021 and contains two 2.5% raises and some benefit increases. The new cost is \$539,000 for the current fiscal year and \$849,000 in FY 2020-21 and thereafter.

**Item 30 - Extension of the Industrial Hemp Ordinance for one year.** The Board approved a one-year extension of the Hemp moratorium on a 4/1 vote, with Gibson dissenting.

**At the Meeting:** There were 36 speakers, of which 25 opposed the ordinance and 16 were supporters. COLAB, The San Luis Obispo Farm Bureau, and many individuals opposed the moratorium and the use of an urgency ordinance to adopt it. Many of the speakers, including several attorneys, argued that the adoption of the ordinance violated the imminent threat to public health, safety, and welfare test.

It is possible that a lawsuit or request for an injunction will emerge in the near term.

**Background:** On June 18, 2019 the Board adopted a 45-day urgency moratorium on processing and issuing permits for growing industrial hemp.

The propose of extending the urgency moratorium ordinance is to give staff time to engage the community, develop a regulatory ordinance, conduct an EIR, and otherwise process the issue. The Board displayed their own queasiness about the ordinance. They demonstrated this by repeatedly exhorting the the staff to complete the process much faster than the year-long process, which the staff had scheduled for the proper processing of the issue.

Interestingly, in response to a question about why an EIR is required, staff stated that there would be no EIR. How do they know that until they do the environmental assessment, which determines the level of CEQA analysis required? Have they pre-determined this in violation of CEQA? On the other hand, why is any CEQA analysis required at all? It's an ag crop, which is exempt from CEQA.

We believe that the adoption of an urgency ordinance in this case was unwarranted, because the County has not demonstrated that an imminent threat to public health, safety, and welfare exists.

**The County's basic finding states:**

*The cultivation of industrial hemp prior to the adoption of state or local regulations is potentially harmful to the welfare of residents, creates a nuisance, and may threaten the safety and land of nearby property owners. The allowance of cultivation of to the adoption of reasonable state or local regulations, creates an urgent and immediate threat to the public health, safety or welfare of the citizens and existing agriculture in San Luis Obispo County. S. There is an urgent need for the County, including its Agricultural Commissioner, Planning and Building, Sheriff, and County Counsel departments, to assess the impacts of industrial hemp cultivation to review any state regulations subsequently issued and to explore reasonable regulatory options relating thereto. kat*

In reaching this conclusion, the ordinance cites the problems which the County has recently become aware of relative to marijuana odors. Since the plants are indistinguishable in the field, the County concludes that it does not have sufficient staffing to monitor hemp.

Essentially the County is channeling marijuana for the problems which might be caused by hemp. What if someone doesn't like the smell of garlic, broccoli, cabbage, or cattle?

The staff analysis stated it would take a year to go through the process of adopting a permanent ordinance per the County Board letter:

***The permanent Industrial Hemp Ordinance will require:***

- Industry outreach via the formation of an Advisory Group lead by both Department of Planning & Building and Agriculture*
- Staff research from both Department of Planning & Building and Agriculture*
- Ordinance preparation from both Department of Planning & Building and Agriculture*
- Internal review by Department of Planning & Building and Agriculture, County Counsel, and the Administrative Office*
- Environmental review per the requirements of the California Environmental Quality Act (CEQA)*
- Staff report preparation from both Department of Planning & Building and Agriculture*
- Planning Commission Hearing*
- Board of Supervisors Hearing*

*Below is an approximate timeline to complete these tasks:*

- Present – October – Advisory group formation, meetings, staff research*

- *October – December - Ordinance preparation, internal review by Planning & Building, Agriculture, County Counsel, and the Administrative Office*
- *January – March - CEQA document preparation and 30-day public review period*
- *May – Planning Commission*
- *June – Board of Supervisors*

What did they have in mind here? What CEQA document would have taken 2 months to prepare and 1 month for the required comment period that they now say is unneeded?

**Rush Job?** The Board pressed staff to complete the process by December. It will be interesting to see how they truncate the CEQA review period.

A long time schedule would be particularly burdensome to the agricultural community, as it impacts investment, crop selection, and crop planning decisions.

**An Interim Solution Fairness Plan:** Could the County set up an interim voluntary system which allows people to plant the hemp like any other agricultural crop with the stipulated/contracted understanding that if once the permanent ordinance is adopted, those properties which are in exclusion zones or which are too close to residences, per the new ordinance, would have to be amortized out on some set schedule? Perhaps those who would have to shut down could be given some sort of processing preference if they obtained a new legal location.

In this way the County, its Board of Supervisors, and the staff would have some skin in the game and a reality check.

This suggestion was not discussed by the Board.

**Item 32 - A request to receive and file an update and provide direction to staff regarding the affordable housing funding strategy and amendments to the County’s California Environmental Quality Act (CEQA) Guidelines.** The report contained two main subjects, which are assignments that had been given to staff as part of the overall effort to make it easier and more practical to build affordable housing. One of these included development of an unrestricted base stream of funding which could be used to leverage other Federal, State, regional, and private housing investment funds. The second is improved transparency and communication relative to the CEQA process. A group, including homebuilders, not-for-profit housing developers, chamber of commerce reps, and economic development entities known as the Housing Coalition, has been formed. It has been working with County staff and an ad hoc Board Committee consisting of Supervisors Gibson and Peschong for months. They are presenting recommendations to the full Board for review, comment, amendment, and possible adoption.

**1. Base Funding Options for Affordable Housing**

The Board directed staff to investigate the feasibility of issuing debt to set up an affordable housing fund. The Board also seemed to favor a vacation rental impact fee, which is reportedly already under study. The nexus theory on this one is that short term vacation rentals – STRs (less than 30 days) – are so lucrative that they remove longterm rentals from the market and thereby exacerbate the housing problems.

**Background:** The staff and the Housing Coalition determined last year that there is a need for a steady stream of \$2-4 million unrestricted (to any program) annually to serve as the leverage funds for a variety of Federal, State, and private sources. The assignment here was for staff to examine alternate methods of generating the funds.

Our original thought in this regard was that the County should put in a small percentage of the natural growth of its true local discretionary revenue each year into the housing fund until it reaches the \$4 million level. We were thinking of something like 18%.

For FY 2019-20 the natural growth was about \$10 million, and therefore such a policy would have generated \$1.8 million. During an emergency or bad economic period the program could be suspended. The first \$1.8 million would become the base and would continue automatically. The next year the new amount would be calculated and placed into the fund. This process would continue incrementally until the goal of \$4 million per year is reached. This would require no new taxes or fees.

Staff does not like this option because they fear it will divert funding from salaries, pension cost increases, health benefits, overtime, vacation pay, raises, merit steps, and all the rest. The Board had to put its collective foot down to make them even include it.

Here again, they do not support it. Instead, they say that it won't work because from year to year one Board cannot bind a Board to a budget guarantee. Ok, so what! Each Board would have to renew the commitment each year. If they didn't, they would be undermining their housing policy. Most of the Budget, except for debt service and required State and Federal matches, has to be renewed each year in any case.

Moreover, part of the agreement to increase the housing in lieu fees was based on finding other funding sources and, in particular, seriously attempting to implement the base revenue commitment and then eventually eliminating the housing in lieu fees. The current strong economy is the perfect time. Instead, the staff insists on floating new fees and taxes and even issuing debt.

The tables below contain their thinking:

**Table 1: Housing Coalition's Prioritized List of Near-term Funding Options**

Near-term Funding Option <i>(Developed/Prioritized by Housing Coalition)</i>	Revenue Estimate	Status / Timing
1. Inclusionary Housing In-Lieu Fees	\$500,000 - \$1M / year <sup>1(a)</sup>	Approved on March 12, 2019 and effective July 1, 2019.
2. Existing County Revenues	Not designated <sup>1(b)</sup>	The Board will set budget priorities for FY 2020-21 in November 2019.
3. Dedicated Share of General Fund Growth	Not designated	
4. Vacation Rental Impact Fee	\$500,000 / year <sup>1(c)</sup>	Nexus study will be complete in fall 2019.

<sup>1(a)</sup>Staff's original estimate was \$1M / year. This table shows a more conservative estimate considering vested subdivisions and will vary depending on the number of eligible building permits issued each year.

<sup>1(b)</sup>On May 14, 2019, the Board conceptually designated \$6.4M in SB1090 funds for housing.

<sup>1(c)</sup>Staff's original estimate was \$675,000 to \$920,000 based on 1,377 licensed vacation rentals. This is a revised estimate accounting for the high percentage of licensed vacation rentals that are not reporting TOT.



**Table 2: Housing Coalition's Prioritized List of Long-term Funding Options**

Long-term Funding Option <i>(Developed/Prioritized by Housing Coalition)</i>	Applied Regionally	Revenue Estimate	Approval Thresholds	Timing
1. Affordable Housing Bond – Countywide	Yes	\$4M / year <sup>2(a)</sup>	<ul style="list-style-type: none"> <li>• 3/5 BOS to call for election</li> <li>• Voter supermajority</li> </ul>	Next available General Election – November 2, 2020, if pursuing then timing would need to include:
2. Transient Occupancy Tax – 1% increase for unincorporated areas	No	\$1M / year	<u>General Tax<sup>2(b)</sup>:</u> <ul style="list-style-type: none"> <li>• 4/5 BOS to call for election</li> <li>• Voter majority</li> </ul>	
3. Sales Tax – 0.25% increase Countywide	Yes	\$12.5M / year	<u>Special Tax:</u> <ul style="list-style-type: none"> <li>• 3/5 BOS to call for election</li> <li>• Voter supermajority</li> </ul>	<ul style="list-style-type: none"> <li>• Feasibility study – November 2019</li> <li>• Call for election – prior to August 6, 2020</li> </ul>
4. Sales Tax – 0.25% increase for unincorporated areas	No	\$2.5M / year		
5. Property Tax Surcharge for Second Homes	Yes	\$648,000 / year		

<sup>2(a)</sup>Assumes a \$40M bond issuance with funds available for 10 years, secured with an ad valorem property tax rate increase of \$5 / \$100,000 of assessed value, or \$20 / year for the average house in the county.

<sup>2(b)</sup>The revenue from a General Tax would be deposited into the General Fund and could be spent at the Board's discretion but cannot be pledged to a specific use such as affordable housing.

Item 5 in the chart above, the property surcharge on Second Homes, is outrageous. Apparently prior to the Board meeting, it was discovered that Item 5 is illegal. Consistent with his general philosophy, Gibson stated, “We will have to get the Legislature to do something about that.”

**The Housing Bond:** As noted, a property tax assessment of \$5 per \$100,000 of assessed value was being considered. The Board probably figures that this shouldn't bother anyone.



**MICRO-HOUSING FOR THE HOMELESS – THE STATE LEGISLATORS SHOULD HAVE TO LIVE IN THESE UNTIL THEY REFORM STATE LAND USE POLICIES. PLEASE SEE PAGE 14 IN THIS REGARD.**

## 2. Improved CEQA Processing

The CEQA recommendations are summarized in a table below:

**Table 3: Housing Coalition's CEQA Guideline Recommendations and Status**

Housing Coalition Recommendation	Status
1. Pre-application meeting with staff and applicant	This is a process currently offered by the Department that is available to any potential applicant.
2. Completeness to mean all items in checklist have been submitted on the checklist and meet latest professional standards necessary for CEQA compliance	This is a process currently utilized by the Department during initial completeness review.
3. Initial project description agreed upon by County and applicant	Complete. Item has been incorporated into latest iteration of County CEQA Guidelines.
4. If all application information submitted meets professional standards for CEQA compliance, a preliminary determination of level of environmental review may be provided within 30 days of application submitted/deemed complete	<b>Reflected in revised CEQA Guidelines attached for Board consideration.</b>
5. Prebid meeting – includes consultants interested in project, get their questions answered early	<b>Reflected in revised CEQA Guidelines attached for Board consideration.</b>
6. Once application has been deemed complete, the County will commence the consultant selection process. Once process has commenced, the County will complete the process within 90 days for an EIR if feasible based on the information provided from the applicant (Note: this does not include time required for pre-bid meeting) a) Request for Proposal Process – allow the applicant to provide input on proposals during the consultant selection process b) Contract Quality Control – ensure the project scope, timeline and budget are discussed with the applicant	<b>Reflected in revised CEQA Guidelines attached for Board consideration.</b> Items a) and b) have already been incorporated into latest iteration of County CEQA Guidelines.
7. Project schedule/determinant processing – County staff, applicant and consultant agree on goal schedule and deliverables timeline early in the process	<b>Reflected in revised CEQA Guidelines attached for Board consideration.</b>
8. Project description finalized – ensure the applicant has formally agreed to the final project description to ensure accuracy in the EIR	Complete. Item has been incorporated into latest iteration of County CEQA Guidelines.
9. Mitigation measure coordination – ensure staff and the applicant discuss feasibility, phasing, and other details of proposed mitigation measures before draft environmental document is complete	Complete. Item has been incorporated into latest iteration of County CEQA Guidelines.
10. Project alternatives confirmation – ensure staff and the applicant discuss feasibility, phasing, and details of project alternatives before draft environmental document is complete	Complete. Item has been incorporated into latest iteration of County CEQA Guidelines.
11. Billing Transparency – ensure billing details are discussed with the applicant on a monthly basis	Complete. Item has been incorporated into latest iteration of County CEQA Guidelines.
12. Applicant-prepared assessments can be used as a foundation for ND/MND/EIR but depending on the complexity of the report may require peer review	<b>Reflected in revised CEQA Guidelines attached for Board consideration.</b>

These seem fine as far as they go. The one we don't see is the ability of an applicant to review and correct any misconceptions by the EIR scrivener before it is circulated for comment. They are, however, going to let the applicant see the project alternatives and the project description before it is completed, in order to make sure that they are accurate. This is a positive step.

## **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**

### **IN DEFENSE OF HOUSES**

*Single-family homes are the backbone of American aspiration—so why do so many people oppose them?*

**BY JOEL KOTKIN AND WENDELL COX**

A critical component in the rise of market-oriented democracy in the modern era has been the dispersion of property ownership among middle-income households—not just in the United States but also in countries like Holland, Canada, and Australia, where it was closely linked with greater civil and economic freedom. In its early days, this dispersion was largely rural, but after the Second World War, it took on a largely suburban emphasis in the U.S., including within the extended metro regions of traditional cities like New York and Los Angeles. American homeownership soared between 1940 and 1962, from 44 percent to 63 percent.

Today, the aspiration of regular people to own homes—arguably one of the greatest achievements of postwar democracy—is fading. But the dilution of this key aspect of the American dream is not the result of market conditions or changing preferences, but rather the concerted effort of planners and pundits. California offers the most striking example. Housing affordability was once a hallmark of life in the Golden State, but over the past three decades, and particularly since the imposition of draconian climate policies, stringent land-use regulations have driven up land prices so much that middle-income, single-family housing is now virtually impossible to build, helping make prices of existing homes prohibitive. Median house prices in the state's coastal metropolitan areas (Los Angeles, San Francisco, San Diego, and San Jose) have risen to nearly 250 percent above the national average, according to the 2017 American Community Survey. Median gross rents, which tend to follow house prices, are more than 75 percent higher than the national average. According to the [National Association of Realtors](#), it takes a household income of \$273,000—almost five times the national average—to qualify for the

median-priced house in the San Jose metropolitan area. In San Francisco, an income of \$208,000 is needed. In San Diego, it's \$138,000, and in Los Angeles, \$122,000—both more than double the national average.

Many younger people, wanting to live and work in the wealthy metros, have little choice but to become permanent renters, usually in smaller apartments. In California's San Jose metropolitan area (Silicon Valley), homeownership among post-college millennials (aged 25 to 34) dropped by 40 percent in 25 years, compared with a less than 20 percent national drop during that same period. Few are saving sufficiently to make homeownership a reality. Millennials with college debt would need up to 27 years to accumulate enough for a down payment in the San Francisco metro area, according to one study.

Without owning a home, however, younger people face major obstacles to boosting their [net worth](#), because property remains crucial to long-term financial security. Homes today account for [roughly two-thirds of the wealth](#) of middle-income Americans, and homeowners have a median net worth more than 85 times that of renters, according to the [Census Bureau](#). Lower homeownership rates are a major reason why (according to 2014 Census numbers) black households had a median net worth of just \$10,000 and Hispanic households just \$18,000. By contrast, white, non-Hispanic households had a median net worth of \$130,000. Asians were even more affluent, at \$157,000.

Seeking to address the crisis of affordability in prosperous metro areas, California's recently shelved SB50, sponsored by state senator Scott Wiener, would have overridden local zoning by allowing fourplexes (four-unit apartment buildings) to be built in areas zoned for single-family dwellings. SB50 operated on the assumption that increasing housing supply would be sufficient to make a meaningful improvement in housing affordability. It ignored the fundamental cause of higher house prices—the hyper-escalation in land prices, a problem caused less by the much-maligned, middle-class NIMBYs than by specific land-use policies imposed by local governments and the state. These include “urban-containment,” which imposes growth boundaries and other restrictions on the urban periphery, as well as other barriers to single-family housing. [Overly expensive development-impact fees](#) and additional regulations that delay approvals can also retard housing affordability.

With artificially high land prices, the only way to provide [sufficient supplies of housing](#) for lower-income people would be through massive state and local subsidies, which may prove unpalatable to voters in already high-tax states. Virtually every metropolitan area with high home prices has these kinds of onerous regulations.

Some of the support for such measures is openly hostile to single-family housing. Social-justice advocates, for their part, maintain that, since single-family neighborhoods have been historically white, their perpetuation is thus [racist](#), as Seattle's leftist weekly *The Stranger* contends. But we're not living in Jim Crow times. Even in [deep-South Atlanta](#), more than 70 percent of blacks and Hispanics live in the outer suburbs, where single-family housing predominates. In the 53 metropolitan areas with more than 1 million residents, more than two-thirds of blacks and Hispanics now live in lower-density outer metropolitan areas. Indeed, it's hard to imagine policies more disadvantageous to blacks and Hispanics

than California-style land-use regulations, which have pushed up [median house prices](#) well beyond their grasp. Another source of opposition to single-family housing comes from today's density activists, who claim that living close together fosters greater community spirit and positive social results. Yet [surveys](#) continue to find suburbanites more satisfied with their living conditions than those in the urban core or rural areas.

The most persistent opponents of middle-class, single-family housing, though, are the Greens. The environmental magazine *Grist* envisions millennials as a “hero generation” that will escape the material trap of suburban living and work that engulfed their parents, despite surveys and migration data demonstrating the opposite. That most families still prefer such housing is problematic, since, as one *Grist* editor put it, “a lot of green good comes from bringing fewer beings onto a polluted and crowded planet”—in other words, single-family homes encourage people to have more kids. Indeed, there is an association between suburbia and fertility: Census Bureau data show that people living in high-density neighborhoods have fewer offspring and are less likely to be married.

In fact, suburban houses, according to data in one Australian [study](#), use less energy than do the dwellings of inner-city urbanites. As British scholar Hugh Byrd has noted, suburban roofs would be ideal places to site photovoltaic solar technology. In the future, he suggests, if this usage becomes commonplace, “suburbia will have a renewed role as a collector and supplier of energy, a characteristic that cannot be achieved in the higher density CBD [Central Business District].”

Ironically, the drive against single-family housing is occurring even as millennials, many entering their thirties, are [demonstrating a preference for lower-density living](#). Since 2010, [80 percent of millennial population growth](#) has been in the suburbs. Some of this is simply demographics: most people with young children, or contemplating the prospect of having children, prefer single-family houses. Nearly three-quarters of millennials want single-family detached houses, according to a 2019 report on [homebuyer preferences](#) by the National Association of Homebuilders. A 2018 [Apartment List survey](#) found that 80 percent of millennials aspire to homeownership.

These preferences can be seen in the marketplace. In America, among those under 35 who buy homes, [four-fifths](#) choose single-family detached houses. Since 2010, a net 1.8 million people [have moved away](#) from the urban-core counties of major metropolitan areas, largely to lower-density counties, where single-family houses predominate.

A strong land-owning middle order has been essential in democracies going back to ancient Athens and the Roman and Dutch republics, to say nothing of the United States. It was essential to the thinking of the Founding Fathers and writers such as Alexis de Tocqueville. Today, often through deliberate policy, we are undermining this critical property-owning middle class—and impeding not only the economic future and family prospects of a young generation but also the wellsprings of liberal democracy. If the trend persists, America will become increasingly feudal in its economic and social form.

*Joel Kotkin is the presidential fellow in urban futures at Chapman University and executive director of the Center for Opportunity Urbanism. His latest book is The Human City: Urbanism for the Rest of Us.*

*Wendell Cox is the principal of Demographia, a public-policy consultancy, and a senior fellow at the Center for Opportunity Urbanism. The article first appeared in City Journal on July 16, 2019.*

## **WANT MORE AFFORDABLE HOMES? MAKE POLITICIANS SLEEP IN THEIR OWN PLANS**

*Who Better to Experience the Disruptions of Housing Policies Than the Californians Who Made Them?*

**BY JOE MATHEWS**

Most Californians agree that housing is the state's biggest crisis. But we have nothing resembling a consensus on how best to address it.

Up in Sacramento, our leaders have come up with all manner of housing ideas, but few have attracted broad support or advanced to become reality. And few of us want to be the first to try out a new way of meeting our housing needs. We fear that any new housing idea, put into practice, will disrupt our lives.

What California needs then is a housing laboratory, an experimental setup for new housing concepts. But labs need lab rats. Since no one else will volunteer, I modestly suggest a small but influential subset of Californians as our guinea pigs: the 120 members of the state legislature, leading members of the Newsom administration, and their top staff members.

Who better to represent us in trying out our housing future than our representatives?

Just imagine the possibilities if we required lawmakers and policymakers to live their own ideas, before applying them to the rest of us.

State Sen. Scott Wiener of San Francisco is certain that Californians need the power to override local zoning to produce taller, denser housing in transit corridors. But it's hard to know how this will play out. So why not let Sen. Wiener find out by moving his family, his staffers, and the co-sponsors of his housing legislation, SB 50, into the tallest apartment building that can be found along a transit corridor in Sacramento? Of course, we'd need to bar Wiener's team from driving—giving them the opportunity to wait outside their building for buses that run chronically late, a routine experience for Californians who rely on our underdeveloped transit systems.

We can conduct a similar experiment for legislative supporters of building new housing for the homeless. The state and local governments have budgeted billions to such housing, but how can it be made to work? One way to find out is to have a few lawmakers live in the homeless units themselves.

Of course, very little of this housing has been built. So, to give legislators the full experience, they should sleep in tents on the Capitol grounds until the homeless housing projects the state has funded are actually realized. This might encourage state lawmakers to put real pressure on localities to produce such housing—and fast. And that would make the housing cheaper, since delays of five years for approving housing projects—a typical delay for California—can add more than \$150,000 to the cost of a unit.

One possible way to reduce construction costs is to build new, cheaper forms of housing. So let's push lawmakers into truly new housing models.

Take micro-housing, the super-tiny units being touted across California. One such 160-square-foot can SmartSpace apartment squeezes in a sofa bed and a “smart bench” which can become a table or an extra bed. I, for one, would love to see a Bay Area legislator, State Sen. Jim Beall of San Jose, a leader on housing issues, squeeze into one of those micro-homes. Beall is among many California politicians who propose spending big money to produce very small numbers of conventional affordable units, at relatively high prices. Maybe these pols could get behind more and cheaper housing if they lived in tiny places.

Modular and prefabricated homes, another cheaper alternative, should also be foisted on our legislative guinea pigs. Why not put up a bunch of prefab homes in Capitol Park, for lawmakers and staff? Yes, some will call such homes an eyesore—just as they do wherever they're proposed elsewhere in California—so let state leaders experience the visual consequences themselves.

The same logic should apply to “granny flats,” or accessory dwelling units, which the state has tried to make easier for homeowners to build. Any lawmakers who own homes should be required to add a granny flat on their property. They'd learn the ways local governments try to stop people from building them, and the high costs of constructing even small places. I'd also make the legislator-homeowners pay their own construction workers the very high prevailing wages—essentially union wages—that they demand of other home builders.

By the same token, all lawmakers who are landlords—at least 25 percent of the members of the legislature, according to CALMatters—should be made to follow rent control regulations. Many Democrats have been pushing rent controls as a way to address the cost of housing, so let them live under such rules. Those lawmakers who are tenants should also gain rent control protections. That might seem like a perk at first, but pretty soon, they'll share the experiences of those of us who have lived in rent-controlled apartments—landlords who won't fix anything and do whatever they can to force you out.

For example, when State Sen. Anthony Portantino, who blocked this year's most ambitious housing bill, is working in Sacramento, he should have to stay in either Vacaville or Stockton, and drive himself the 50 miles to the Capitol along busy freeways during rush hour.

Experience is the best teacher, and there may be no better learning experience in housing than having your home taken by the state by eminent domain. I'd suggest that each year—for their own edification—

5 percent of the legislature (or six out of the 120 lawmakers) have their home taken by eminent domain. Then they can deal with all the legal headaches and spend many years waiting for compensation.

But why stop with the horror of eminent domain? Major disasters offer a great opportunity for legislators and staffers to move into devastated communities. Why not deed a few abandoned, rubble-filled lots in the town of Paradise to lawmakers and staffers? They could pitch tents and deal firsthand with endless rebuilding delays. They'd only have to stay in the tents until construction is complete. How long would that take?

Learning doesn't just have to come from destruction. The "Yes in My Backyard" legislators keep calling for massive new building of homes—and Gov. Gavin Newsom wants 3.5 million new homes as part of his housing "Marshall Plan." I think that's great, but all that construction can cause headaches, so why not require Newsom and his young family to live wherever housing construction is moving at the fastest pace so they can feel the impacts firsthand?

Now, any grand experiment requires a control group. A number of legislators oppose virtually all efforts to address the crisis. Some of these housing deniers should be forced to move in with parents or relatives—sleeping on sofas, not in spare bedrooms. Others should be required to negotiate at least 50 miles of traffic jams to get to their offices. For example, when State Sen. Anthony Portantino, who blocked this year's most ambitious housing bill, is working in Sacramento, he should have to stay in either Vacaville or Stockton, and drive himself the 50 miles to the Capitol along busy freeways during rush hour.

Some lawmakers and staffers will want taxpayers to help subsidize their experiences in housing reality. But we should resist such subsidies. Indeed, it should be a requirement that at least half of all lawmakers' income gets devoted to housing, leaving them poorer when it comes to meeting other needs. That would give them a taste of what life is like for so many Californians, especially the one-in-three renter households who spend at least half their income in rent.

Would feeling the various pains of the housing crisis firsthand really inspire lawmakers to find consensus on housing and take action that makes a difference? I'd hope so. But even it didn't work, at least those failing to address the crisis would be suffering along with the rest of us.

*Joe Mathews writes the Connecting California column for Zócalo Public Square. The article first appeared in the Zocalo Public Square on June 25, 2019.*



# ANNOUNCEMENTS



A promotional banner for "THE ANDY CALDWELL SHOW". The banner is divided into three sections. The left section has the text "THE ANDY CALDWELL SHOW" in yellow and black. The middle section has "AM 1440" in red and black, with "KUHL • the information station" below it. The right section has "AM 1290" in red and black, with "Santa Barbara News-Press Radio" below it. At the bottom of the banner, it says "Listen to Andy Live Monday Thru Friday 3:00 PM to 5:00 PM". On the right side of the banner is a photograph of Andy Caldwell, a man with a mustache, wearing a headset and smiling.

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