COLAB San Luis Obispo County

The Coalition of Labor Agriculture and Business

WEEKLY UPDATE JUNE 9 - 15, 2019

THIS WEEK

BUDGET REVIEW WEEK

THE BUDGET IS CONSERVATIVE WITH AN EYE ON THE FUTURE
DOCUMENT CONTAINS SOME VERY GOOD FORMAT ENHANCEMENTS

FIVE YEAR FINANCIAL OUTLOOK

BEGUN LAST YEAR & NOW FULLY DEVELOPED
BEST STRATEGIC ANALYSIS IN 10 YEARS
CLEAR, GRAPHIC, AND POWERFUL

LAST WEEK

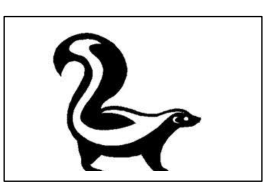
BOARD OF SUPERVISORS

SOME ADJUSTMENTS TO THE CANNABIS REGS
CANNABIS INDUSTRY REPS AND PUBLIC UNHAPPY FOR DIFFERENT REASONS
MORE CHANGES IN WORKS WHICH COULD LIMIT CANNABIS FURTHER

EMPLOYEES WILL PAY A LITTLE MORE FOR PENSION COST INCREASES

SLOCOG ADOPTS MASTER POLICIES ON HOUSING, TRANSPORTATION, AND FUTURE SHAPE OF THE COUNTY FOR NEXT 25 YEARS

DOCUMENTS TEED UP “RATIONALE” FOR A SALES TAX PUSH IN 2020



A STACK-AND-PACK TRANSIT ORIENTED FUTURE

SLO COLAB IN DEPTH
SEE PAGE 23

"NEW SUBURBANISM"
FINALLY A BRILLIANT ALTERNATIVE TO THE TIRED OLD DOGMA OF 'SMART GROWTH'

CERTAINLY ONE OF THE MOST COGENT AND PIVOTAL PUBLIC POLICY IDEAS OF THE LAST 50 YEARS

REAL SUSTAINABILITY

NEW SUBURBANISM – A SMART ALTERNATIVE TO 'SMART GROWTH'

FURTHERING PROPERTY RIGHTS, INNOVATION, INITIATIVE, AND ECONOMIC PLURALISM WITH RESPECT TO LAND DEVELOPMENT

BY EDWARD RING

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THE HOMELESS INDUSTRIAL COMPLEX

BY EDWARD RING

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meetings of Monday, June 10 and Tuesday, June 11, 2019 (Budget Hearing Days); Tuesday June 11, 2019 Held in Reserve If General Budget Review Not Completed on June 10th (Scheduled); Wednesday June 12, 2019 Reserved for County Contributions to Non Profit Agencies.

Introduction: The dates listed above are reserved for consideration of the Proposed 2019-20 County Operating Budget and the Proposed 2019-24 Capital Improvement Budget. No other subjects are scheduled. Thanks to the best economy in decades, lowest unemployment in 50 years, the largest State Budget surplus in history, and the establishment of the new SB-1 sales tax for roads, there are no immediate short-term problems. However, it is not known how salary negotiations, which are taking place currently, will impact the Budget midyear or later.

The County is able to cover currently approved salary increases, pension cost increases, and some programmatic expansions. Limited fee increases have already been built in. The Board also expects to begin receiving funding from AB 1090, which will cushion the property tax losses stemming from the closure of the Diablo Nuclear Power Plant. County reserves and contingencies are fully budgeted in accordance with policies.

It is expected that there will be little controversy and a short and cursory Board of Supervisors review. During the last 9 annual budget review sessions neither the general public, the general business community, agriculture, homebuilders, the real estate industry, banking and finance, taxpayer groups, either political party, chambers of commerce, the Tea Party, the SLO Progressives, County labor organizations, the Area Councils, the cities, nor anyone else have shown any public interest in the Budget. In fact this year the only written comment in the file is from a group that wishes to add a specialty position in the in the DA's Office. Groups and individuals may be commenting to individual Board members in private, but there is no way to know the subject matter.

The only real exception is the Wednesday session, which is traditionally reserved to consider about $2 million in annual grants that are divvied up among various non-for-profit social services, health, aging, youth, homeless serving, and charitable agencies. Representatives come and thank the Board and/or make pitches to be included.

Part of the problem is that most people have no idea what counties do and rarely know that they are touched by the County unless they are poor, are involved in the criminal justice system, go to a library, go to a County park, seek a permit, or don't like someone's proposed application for a land use permit in the unincorporated county. About

Population by City[1]

City	Population
Arroyo Grande	17,912
Atascadero	31,147
Grover Beach	13,560
Morro Bay	10,503
Paso Robles	31,559
Pismo Beach	8,233
San Luis Obispo	46,548
Unincorporated	120,639
Total	**280,101**

57 % of the population lives in incorporated cities, which are their primary government point of reference. The largest civic expression relative to a County issue in the last 9 years concerned the Phillips 66 proposal to add rail spurs to unload tank cars. Another was the protest (and subsequent no vote) in north county over the proposed AB 2453 Water Management District.

Finally, the County is legally an administrative subdivision of the State, and its largest portion of expenditures is as a retailor of the Federal/State social service – health – homeless – child support – behavioral health safety net. These functions are largely set by Congress and State Legislature with pre-determined recurring formula revenues over which the Board of Supervisors has no real control. The standards of service, including grant amounts, reimbursements, service velocity, service frequency, and service quality are set by Federal and State laws.

A Savings – Make County Government Much Smaller: One developing idea with respect to this last point is: *Why have counties provide these services in the first place since they have no real policy control?* Accepting responsibility for something over which you have no real control is a huge mistake. At the same time they have all the friction of overhead, labor matters, various types of liability, and long-term pension liability. The State could contract these functions out to regional not-for-profits such as Cen Cal, which provides direct clinical health services. The cost savings could be tremendous.

Government is swiftly pricing itself out of providing many services. The unionized civil service bureaucracy model of public service delivery (except for some of public safety, which must be under control of elected officials) is a civic dinosaur. Over time it will collapse of its own accord as market forces intervene.

The Budget: The total all-funds Budget increases from the FY 2018-19 adopted budget, of $631.1 million to the proposed budget of $633.4 million for FY 2019-20, a nominal increase of $2.3 million. The small increase looks good on the surface, but when the inside is examined it is apparent that salaries (a recurring expense) are up $5.1 million. More significantly, salaries rose $18.5 million the prior year. That number is the more likely indicator of the true growth velocity. One problem is that the County does not budget estimates for some salary and related cost increases. Instead, to handle these unbudgeted midyear increases, it makes transfers from savings generated by not filling vacancies in the departments and from the contingency account part way through the fiscal year.

Description	2016-17 Actual	2017-18 Actual	2018-19 Final	2019-20 Recommended
Uses of Financing by Type				
Salary & Benefits	269,642,309	288,035,642	306,713,794	311,943,770
Services & Supplies	159,661,464	171,273,424	182,620,147	198,721,592
Other Charges	115,981,971	172,123,973	98,217,112	70,609,703
Fixed Assets	28,966,861	34,276,971	22,850,959	17,240,023
Transfers	(24,861,723)	(26,086,387)	(26,550,683)	(29,628,190)
Increases to Reserves/Designations	0*	0*	21,585,240	24,445,448
Increases/(decreases) to Fund Balance	27,067,513	(37,121,028)	0	13,169,376
Contingencies	0*	0*	25,660,143	26,871,115
Total Financing by Type	**576,458,365**	**602,502,595**	**631,096,713**	**633,372,837**

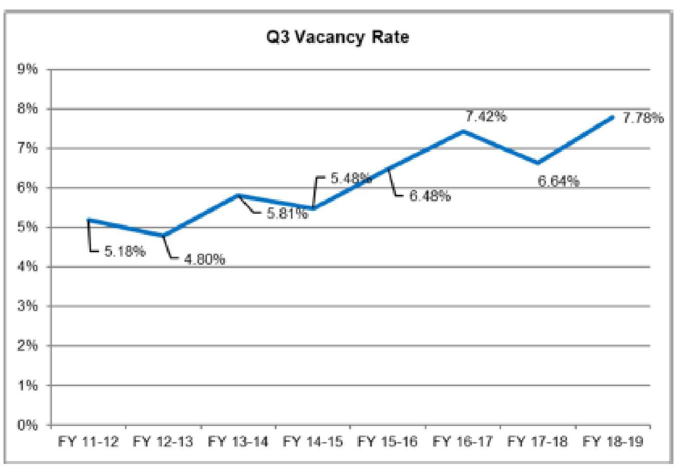
*use of reserves and designations and contingencies are included in individual financing types

The County Executive Officer points out the issue in the 2 paragraphs below:

> **Fund Balance Available (FBA) and Use of Reserves**
> FBA and the use of reserves represent the last two significant funding sources for the total County budget. FBA represents the amount of savings that the County expects to have at the end of the current year to fund the FY 2019-20 budget, and is recommended at $30.1 million (for all governmental funds, not just the General Fund), and use of reserves is recommended at $5.2 million.

> Beyond efforts to close the gap for FY 2019-20, the County continues the Hiring "Chill" implemented last year, which is intended to slow down recruitment timelines in order to generate Salary and Benefit savings in both the current year and moving into FY 2019-20. Because Fund Balance Available (FBA) (savings) from the current year is used to fund the coming year's budget, the ability to generate savings in the current year will help the County to meet its estimated $30.6 million FBA target for FY 2019-20. To the extent that General Fund support savings do not meet the estimated $30.6 million FBA, it is possible that further reductions may need to be made during the First Quarter of FY 2019-20, once FY 2018-19 is fully closed out.

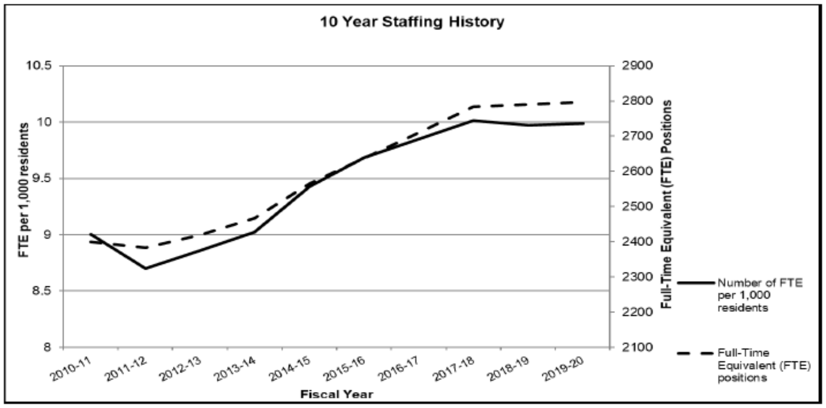
The "Hiring Chill" continues. It is likely to exceed 8% as the year progresses. What will it mean to services as these budgeted positions are left vacant? It won't do much good to hold the positions funded by the State and Feds vacant, because they are funded by categorical revenues, and savings cannot be applied to fund purposes for which they were not provided. Accordingly, vacancies that produce discretionary savings must be concentrated in safety, administrative support, maintenance, roads, and some capital projects.



Similarly, services and supplies (another kind of recurring expense) increase by $16.1 million.

Using one time fund balance to cover recurring expenditures such as salaries, contractual services, and supplies such as motor fuels, electricity, water, etc., is not a great practice.

Increased staffing expands the base, which then drives salary and benefit costs:



The table below presents a different view of the Budget (same totals), but the most important perspective is the revenues. Note that the intergovernmental revenues from the Feds and the State comprise the largest single portion, as we noted in the introductory section above. Much of this is for transfer payments such as welfare, food stamps, Medi-Cal, and the costs of determining client eligibility and billing for the reimbursements related to these programs. As we noted, the Board does not have a great deal of policy control over their content or rules.

Per the table below, the revenues over which the Board has the most control include taxes, licenses and permits, and fines. The health of these revenues is primarily dependent on the health of the local economy.

Description	2016-17 Actual	2017-18 Actual	2018-19 Final	2019-20 Recommended
Financing Sources				
Taxes	190,477,203	204,280,821	204,966,418	215,322,816
Licenses and Permits	11,349,270	11,154,935	10,679,550	12,370,090
Fines, Forfeitures and Penalties	4,245,881	5,008,443	5,122,351	5,174,734
Revenue from Use of Money & Property	4,789,471	5,846,742	2,585,999	3,443,565
Intergovernmental Revenues	243,182,942	258,580,140	272,009,700	276,944,504
Charges for Services	33,936,446	35,048,698	32,625,695	31,323,821
Other Revenues	37,050,514	41,501,459	31,208,699	28,314,726
Fund Balance	0*	0*	39,697,042	30,080,897
Use of Reserves & Designations	0*	0*	8,202,936	5,241,686
Other Financing Sources	51,426,638	41,081,357	23,988,323	25,155,998
Decreases to Fund Balance	0	0	0	0
*cancellation of reserves and designations and use of fund balance included in Other Financial Sources				
Total Financing Sources	**576,458,365**	**602,502,595**	**631,096,713**	**633,372,837**

The Budget document states in part that these revenues (often called discretionary) are all increasing (except for Diablo property tax) for the new fiscal year:

Financial Summary

This fund center receives all of the General Fund revenues not directly attributable to any single department's operation (commonly referred to as discretionary revenue or non-departmental revenue). Overall, non-departmental revenue is recommended at $213.2 million, which is approximately $12.9 million or just over 6% over the FY 2018-19 adopted amount of $200.3 million. In total, there are over 40 sources of revenue for this fund center. The most significant are noted below:

- Current and Secured Property Tax is budgeted at $124.8 million, which is $7.0 million or 6% higher than FY 2018-19 adopted levels. Housing sales and prices are continuing to increase, reflecting a market that is trending upward. Current and Unsecured Property Tax for items such as vessels, airplanes, and farm equipment is budgeted at $2.8 million, which is $208,606 or 8% higher than FY 2018-19 adopted levels.
- Property Tax in Lieu of Vehicle License Fee (VLF) revenue is budgeted at $38.4 million, which is $2.1 million or 6% higher than FY 2018-19 adopted levels. This revenue source is part of the "VLF Swap" whereby counties receive additional property tax from the State in lieu of VLF revenue.
- Transient Occupancy Tax (TOT) (commonly referred to as the bed tax charged on lodging businesses) is budgeted at $11.2 million, which is $1.1 million or 11% higher than FY 2018-19 adopted levels.
- Unitary Taxes (the Property Taxes on utilities such as power plants as well as pipelines throughout the County) are budgeted at $7.1 million, which is $216,132 or 3% lower than FY 2018-19 adopted levels. This decrease is related to the planned decommissioning of Diablo Canyon Power Plant.
- Sales and Use Taxes are budgeted at $11.8 million, which is $716,157 or just over 6% over FY 2018-19 adopted levels.
- Property Transfer Tax is budgeted at $3.5 million, which is $727,500 or 26% higher than FY 2018-19 adopted levels. As the local housing market improves, the volume of the Property Transfer Tax filings increases and yields more revenue for the General Fund.
- Supplemental Secured Property Taxes are budgeted at $2.2 million, flat with FY 2018-19 adopted levels.

Diablo Closure and the Budget: The narrative states in part:

Diablo Canyon Power Plant Decommissioning
In June of 2016, Pacific Gas and Electric (PG&E) announced that Diablo Canyon Power Plant will be decommissioned by 2025. The closure of Diablo Canyon Power Plant will have significant ramifications to the local community. According to a 2013 study by Cal Poly, Diablo Canyon, one of the largest employers in the county, contributes approximately $1 billion annually to the local economy. In total, over 80 governmental agencies receive unitary tax paid by PG&E, with the County directly receiving over $8 million annually. In addition, the County receives over $2 million annually to fund emergency preparedness and response activities, and PG&E spends approximately $2.6 million annually on emergency equipment, infrastructure and training which provides a general benefit to the community. The closure of Diablo Canyon will incrementally reduce the County's discretionary revenue over the next several years, reduce emergency preparedness resources in the long term, and eliminate a significant number of high paying jobs, which will impact the overall economic landscape of the community.

This will be an easy budget year characterized as business as usual.

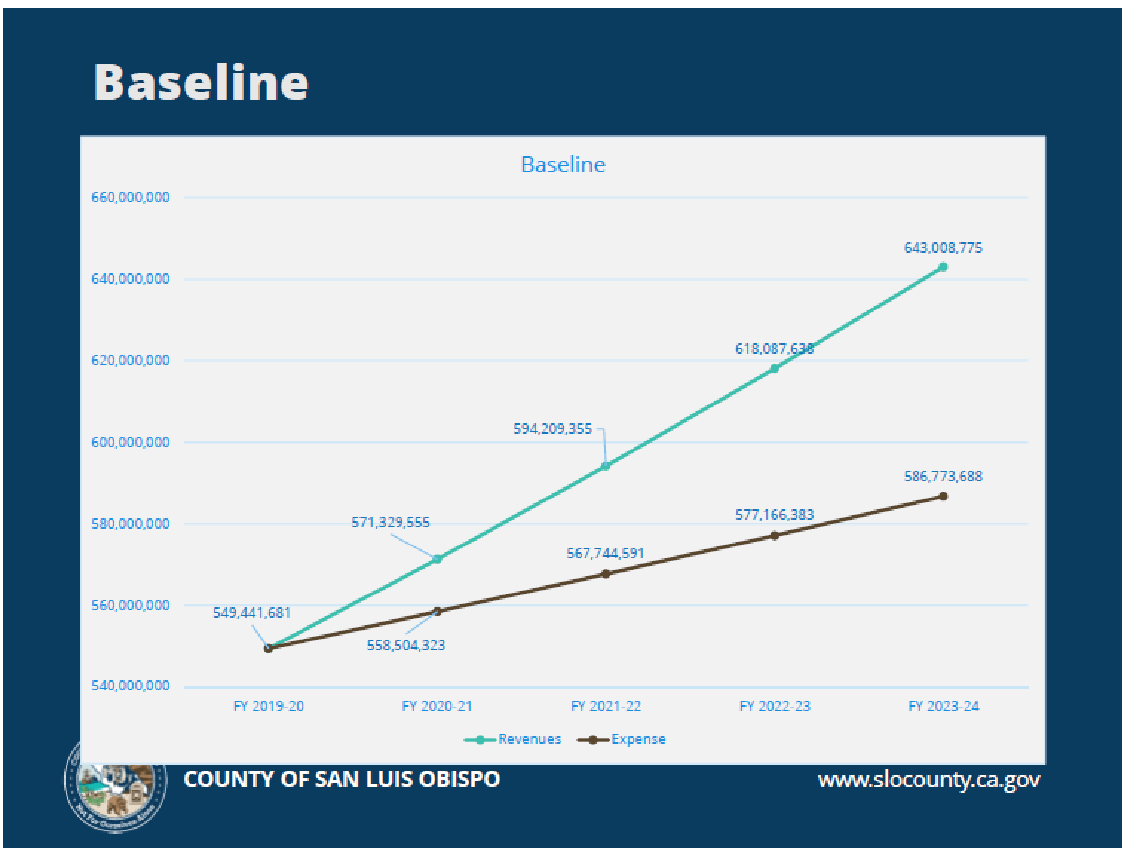
Multi -Year Financial Outlook: This is the type of excellent strategic presentation which Pubic Administration professionals should prepare for the public and elected officials. We don't have room to put it all in this week but will develop a supplement in the future. The charts are pretty self-explanatory.

What is a Financial Outlook?

- Prediction of possible future financial outcomes based upon a given set of assumptions
- Helps to understand where we are headed and the impacts of changes
- It is not a budget or a look backwards
- Can be rerun at any time, changing assumptions

Creating a baseline outlook

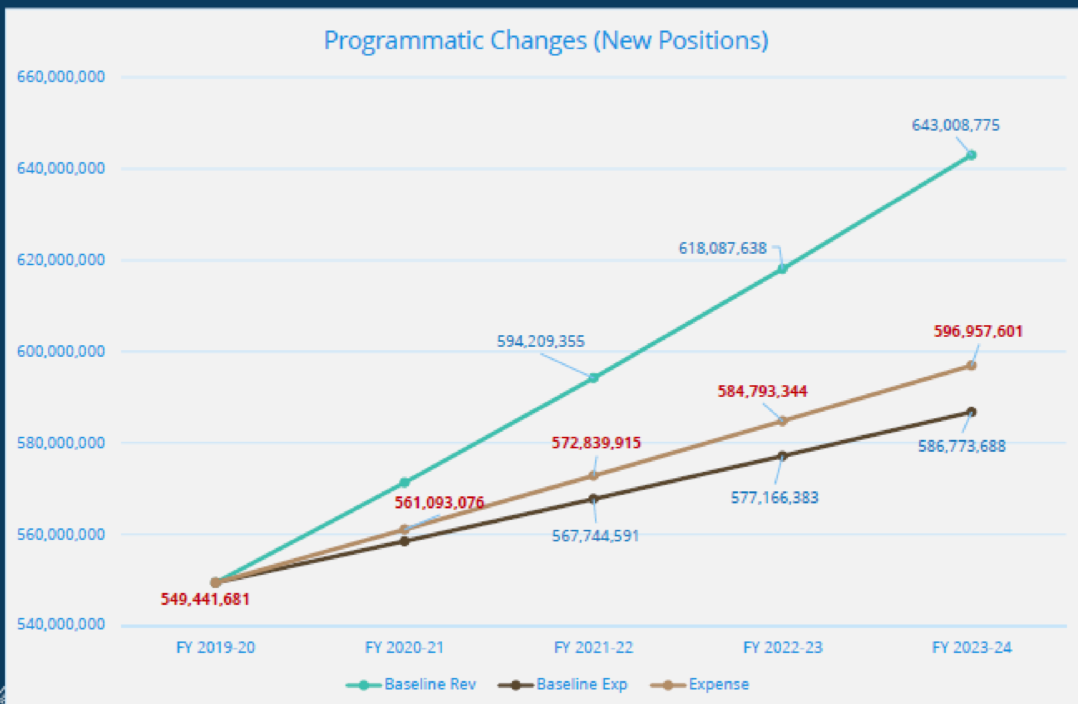
- Start with 2019-20 Recommended Budget
- Adjust revenues and expenses per assumptions
- No changes in assumptions
  - Consistent CPI
  - Property taxes
  - Other costs and increases



Scenarios – what if this happens?

- Change in assumptions
  - One-at-a-time
  - In combination

Programmatic Growth



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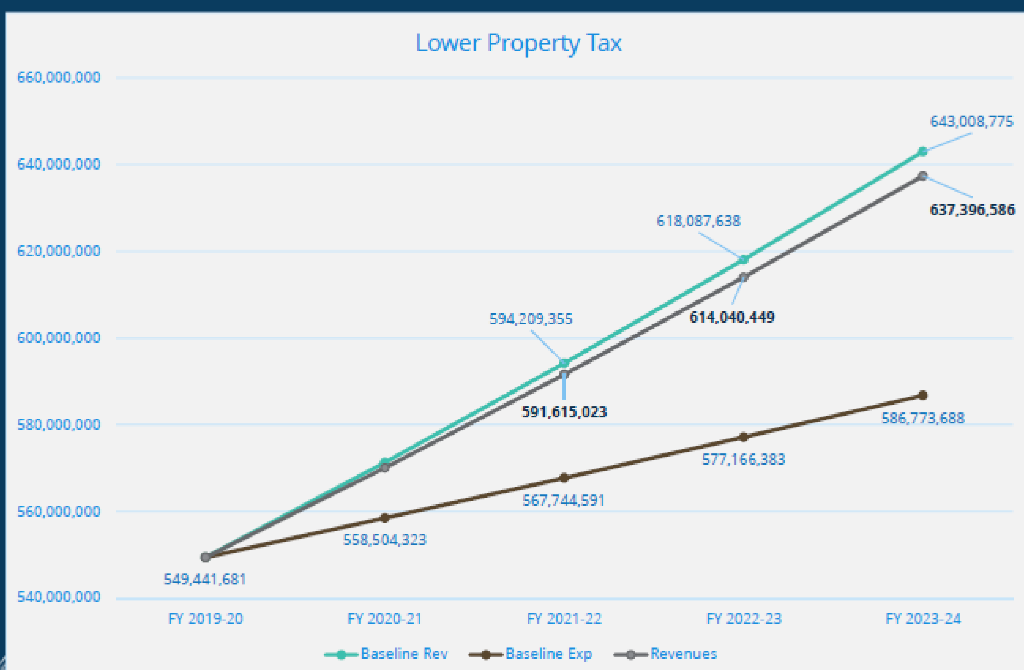
Property Tax Changes

- Baseline assumption – 4.5%
- Scenario 1 – 3.5% annual growth
- Scenario 2 – 5.5% annual growth

Lower Property Tax (3.5%)



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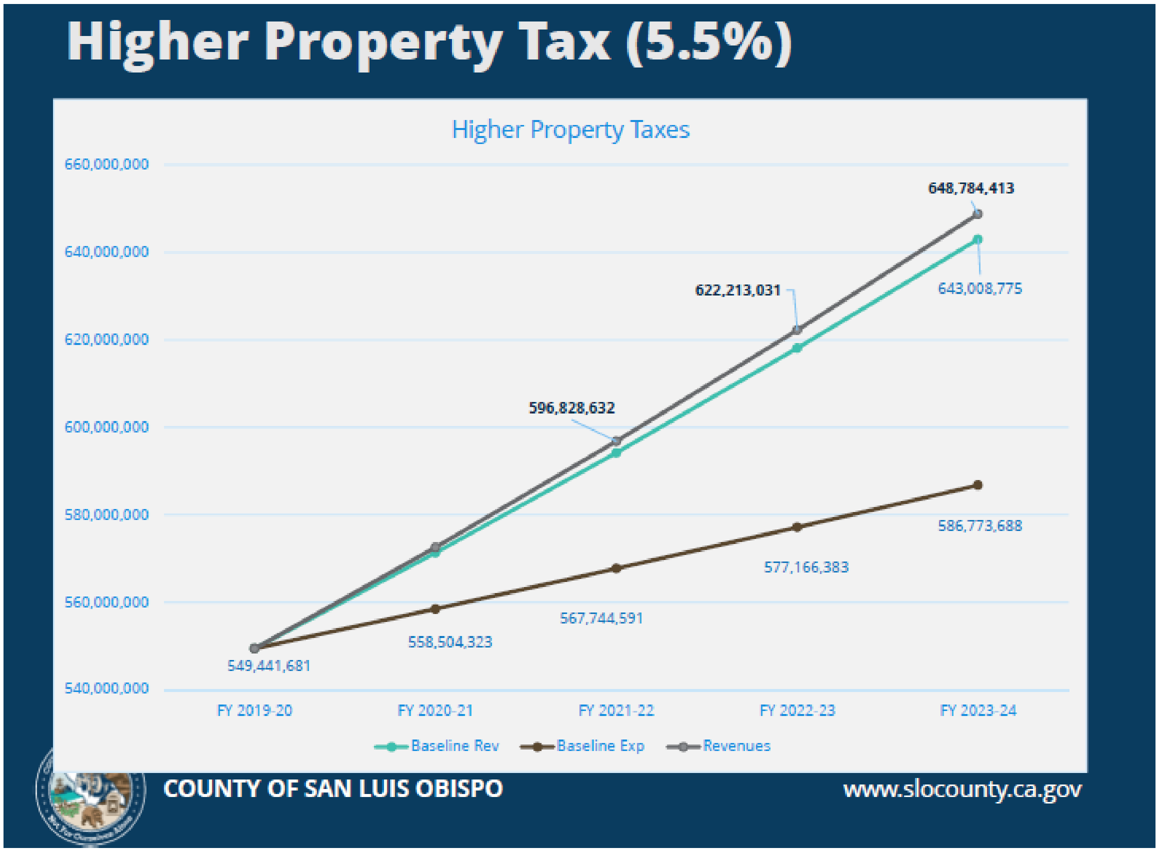
Higher Property Tax (5.5%)
Higher Property Taxes
660,000,000
640,000,000
620,000,000
600,000,000
580,000,000
560,000,000
540,000,000
648,784,413
643,008,775
622,213,031
596,828,632
586,773,688
577,166,383
567,744,591
558,504,323
549,441,681
FY 2019-20
FY 2020-21
FY 2021-22
FY 2022-23
FY 2023-24
Baseline Rev
Baseline Exp
Revenues
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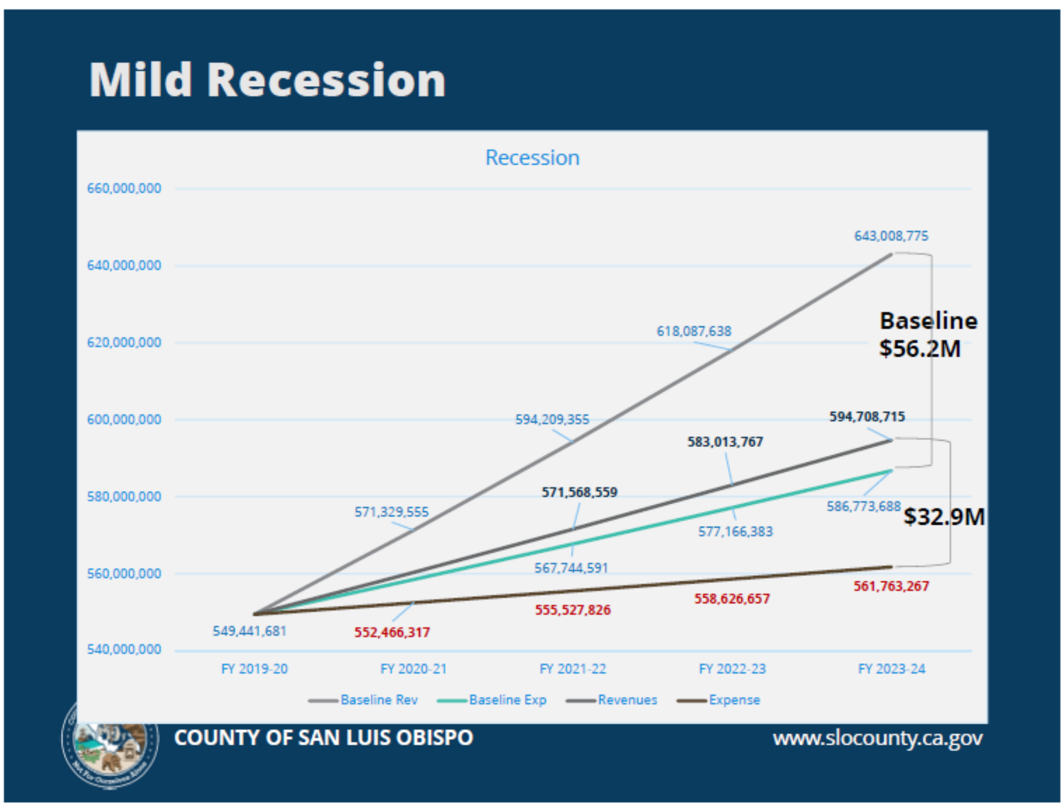
Mild Recession
Recession
660,000,000
640,000,000
620,000,000
600,000,000
580,000,000
560,000,000
540,000,000
643,008,775
Baseline
$56.2M
618,087,638
594,209,355
594,708,715
583,013,767
571,568,559
571,329,555
586,773,688
$32.9M
577,166,383
567,744,591
561,763,267
558,626,657
555,527,826
552,466,317
549,441,681
FY 2019-20
FY 2020-21
FY 2021-22
FY 2022-23
FY 2023-24
Baseline Rev
Baseline Exp
Revenues
Expense
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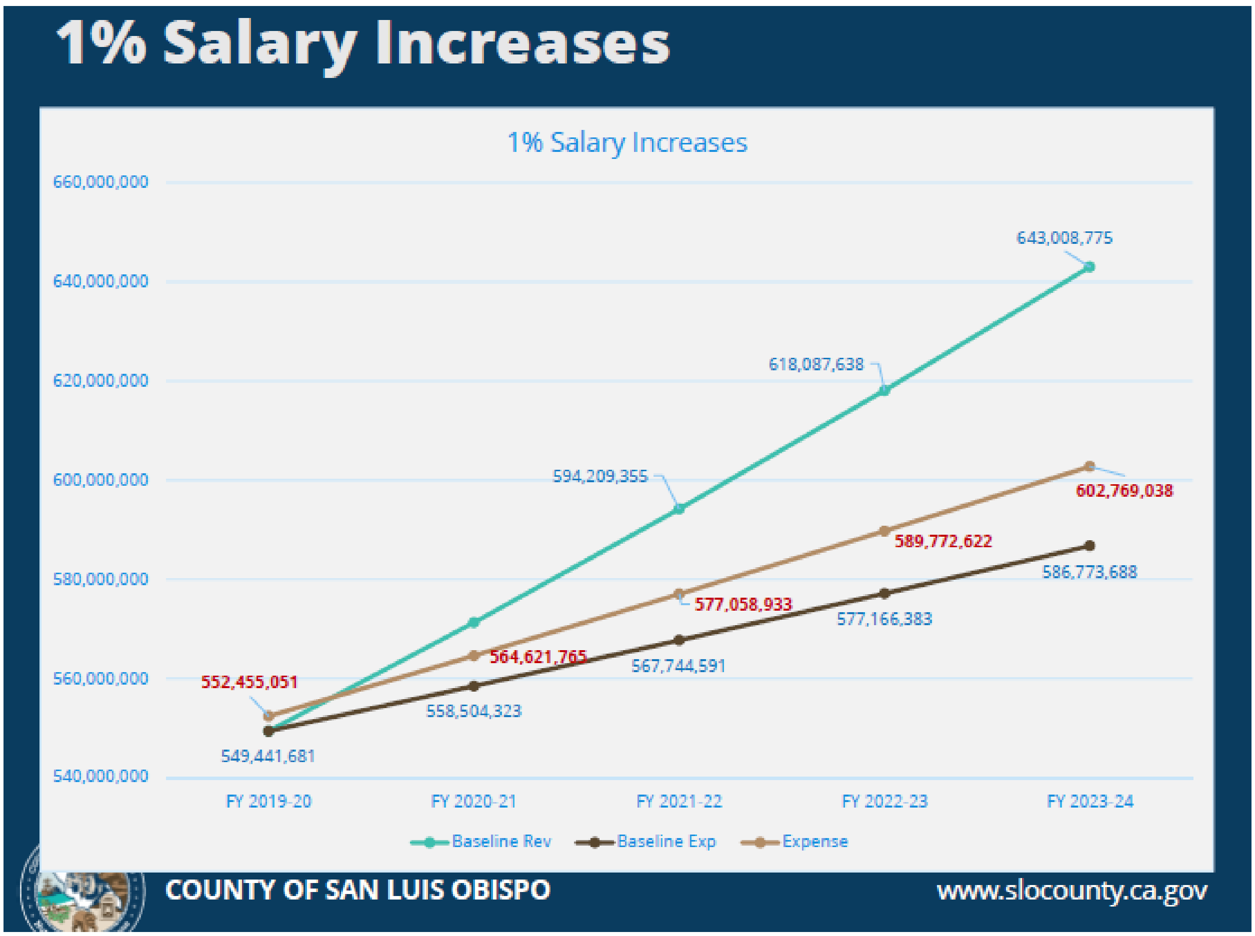
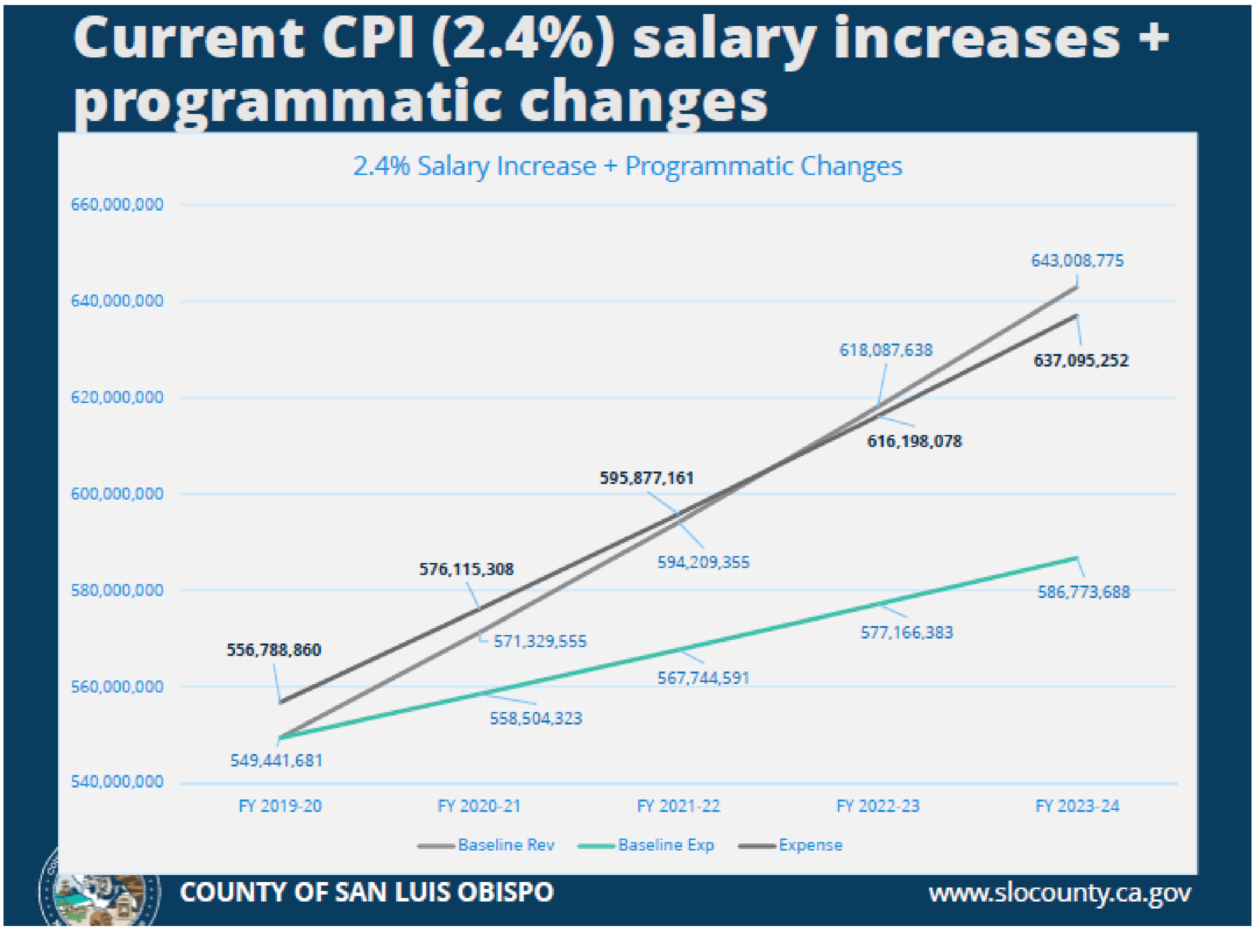
Salary Increases

- Implemented in Year 1
- 1% annually
  - Good baseline to see impacts
  - Easy math (1% = $3.1M)
- CPI (2.4%) annually

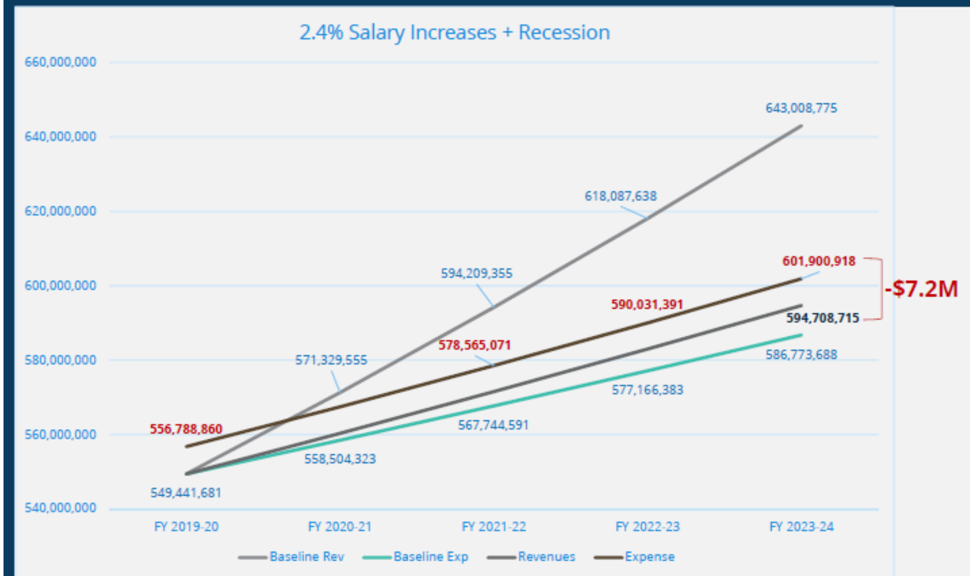


More Complex Scenarios

- Can model what happens when multiple events happen at once
  - Salary increases
  - Programmatic changes
  - Recession
  - Property tax shifts
  - Pension rate changes



Current CPI (2.4%) salary increase + recession



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More Complex Scenarios

Combined Scenarios	2020-21 Outlook	2021-22 Outlook	2022-23 Outlook	2023-24 Outlook
1% salary + Program Changes	4,119,036	12,055,097	20,688,055	30,055,824
1% salary + Recession	1,783,904	6,726,391	11,780,871	16,950,099
1% salary + Program Changes + Recession	-804,849	1,631,067	4,153,910	6,766,186
CPI (2.4%) Salary + Program Changes	-4,785,753	-1,667,806	1,889,560	5,913,523
CPI (2.4%) Salary + Recession	-7,120,885	-6,996,512	-7,017,624	-7,192,202
CPI (2.4%) + Program Changes + Recession	-9,709,638	-12,091,836	-14,644,585	-17,376,116
Program Changes + Recession	5,312,594	10,945,410	16,760,149	22,761,535

- At approx. $1.2M per year, property tax changes do not highly impact overall outlook

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Next steps:

1. The Planning Department and Assessor need to take this data and calculate the amount property tax growth which would be needed to offset the negative scenarios. (Especially given the amount of decrease from the Diablo closure).

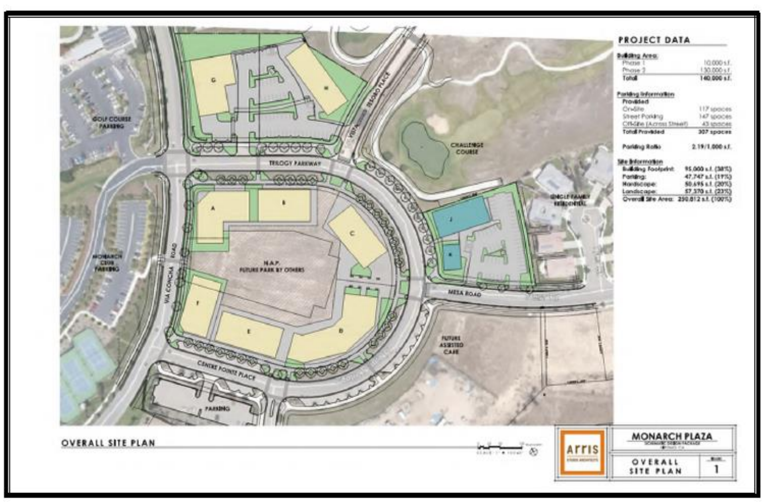
2. Similarly, the Administrative office and the Auditor Controller need to calculate the same model using a combination of sales tax, TOT, and other discretionary revenues.

3. These could then be merged to develop a picture of what types of land use choices could protect County services.

This is a great step forward.

Planning Commission Meeting of Thursday, June 13, 2019 (Scheduled)

Item 5 - Hearing to consider a request by Monarch Dunes, LLC for a Conditional Use Permit (DRC2018- 00214) to authorize the establishment of commercial uses and construct related site improvements to develop the village center within Woodlands Village. The development would occur in two phases to accommodate a variety of commercial uses allowed by the Woodlands Specific Plan, such as offices, retail sales, food and beverage sales, restaurants, and personal services. Phase 1 will consist of two buildings totaling 10,000 square feet, and Phase 2 would consist of up to 130,000 square feet of floor area. The project site was previously graded with Stage 1 development. The project includes a request for a parking modification for Phase 2 development, pursuant to Land Use Ordinance Section 22.18.020.H.



Attachment 3

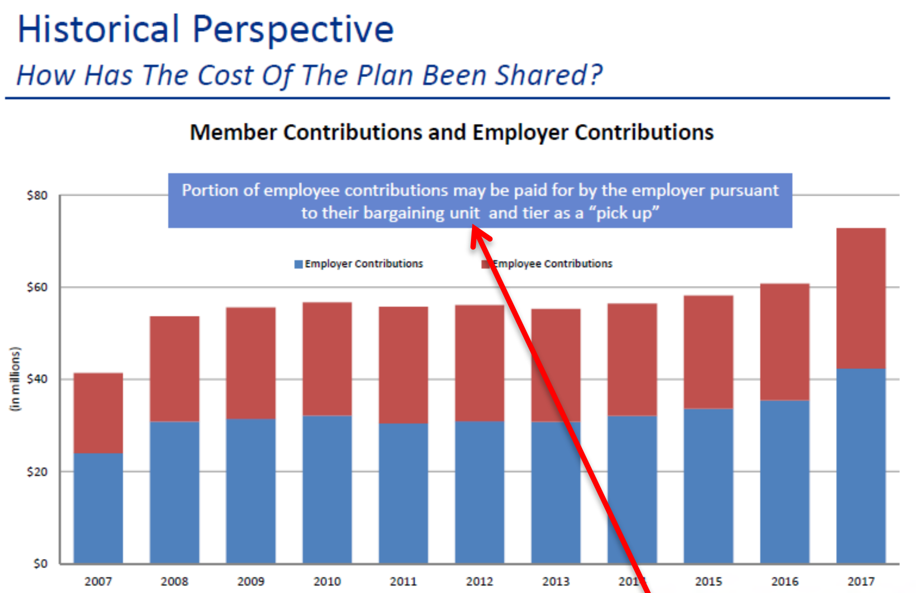
The proposed project is within the Commercial Retail land use category. Phase 1 is located on the northeast corner of Trilogy Parkway and Mesa Road, and Phase 2 is located east of Via Concha Road between Trilogy Parkway and Centre Point Place and north of Trilogy Parkway between Via Concha Road and Vista Tesoro Place in Woodlands Village. The project, if approved, would allow the construction of the long planned commercial village center within the Woodlands Village at Monarch Dunes. The Staff recommends approval of the project. The APCD is concerned about the blowing dust problem from the dunes and is recommending many strict operational requirements. The APCD is not keen on allowing a nail salon because of the odor. The buildings would be phased in over a period of years.

LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, June 4, 2019 (Completed)

Item 14 - Increases in Employee Pension Contribution Rates. The Board unanimously approved charging the employees slightly more for their pensions. There was no discussion or public comment.

Background: The County is gradually attempting to negotiate labor contracts under which employees pay more toward their pensions. One of these provisions is for the employees and the County to share a portion of rate increases. Last year there was a 2.80% aggregate rate increase. The table below shows the current County and employee shares. Lest anyone think that salvation is in sight, remember that the County is paying the largest share overall on the unfunded accumulated actuarial liability of over $600,000,000.



Plus the County, as noted above, picks up a portion of the employee's share. We cannot find an absolute cost figure displayed in the Budget for this but it must be substantial because the labor contract provisions provide for anywhere from 4.2 % to 13.5 % based on the provisions in each individual union contract and each employee's pension tier.

From County Budget page 85:

It is not clear what the cost actually is, but it must be in the millions on top of what the County already pays.

Item 23 - Hearing to consider, as applicable to cannabis activities, the adoption of amendments and resolutions 1) amending Land Use Ordinance, Title 22 of the County Code (LRP2018-00006), 2) amending Coastal Zone Land Use Ordinance, Title 23 of the County Code (LRP2018-00007). The revisions were approved unanimously as recommend by the Planning Commission.

No One Really Happy: Both representatives of the cannabis industry and the public were out in force. There were 49 public speakers, of whom 18 were unhappy with the industry and County regulatory ordinances, and 30 who were largely from the industry who support cannabis but who are unhappy with the County ordinances. One speaker was very technical.

Background: The package contained recommendations from the staff and the Planning Commission to amend certain provisions of the Cannabis regulatory ordinances. Some of the changes bring the County ordinances into line with State law. Another allows growers to transport the marijuana to processors and manufacturers. There is a provision that will allow a grower to process marijuana on his/her property which is grown on another property.

Future Friction: Another round of changes is in the works and will be processed through the Planning Commission and eventually the Board. These include some of the ideas listed below on the County PowerPoint slides:

PHASE III ORDINANCE AMENDMENTS

- Per Board direction amendments will include:
  - Enhanced enforcement for violations (e.g. three strikes and you're out)
  - Increased distance buffers from schools (or other sensitive receptors)
  - Disallowing outdoor cannabis cultivation grows
  - Disallowing payment of fees in lieu of water offsets
  - No allowing re-permitting if an operation ceases or if code violations occur
  - Requiring fully enclosed ventilation systems on outdoor grows.

- Planning Commission Recommendations:
  - Identify residences as a "sensitive receptor"
  - Further analyze and explore the use of closed systems for indoor cultivations, the effectiveness, and the potential impacts related to health and well-being.

These provisions are an anathema to the industry, and the Board of Supervisors is under growing pressure to roll back the current rules and supplant them with a much stricter system.

http://agenda.slocounty.ca.gov/iip/sanluisobispo/agendaitem/details/10223

San Luis Obispo County Council of Governments (SLOCOG) Meeting of Wednesday, June 5, 2019 (Completed)

Introduction: The SLOCOG Board unanimously approved 2 major components of long-range policy (1. the Regional Transportation Plan – **RTP**, and 2. the Regional Housing Needs Assessment - **RHNA**), which integrate transportation, housing, land use, and greenhouse gas reduction.

Background: Both plans have strong influence on the future of the unincorporated county and the cities. They will have profound influence (along with other state mandates that are in the works relative to forcing people onto mass transit and denser housing) in the future, as they interact with these plans. SLOGOG often asserts that the 2 plans do not intrude on local land use decisions, which they insist remain under the jurisdiction of the Board of Supervisors and the 7 city councils. This promise is akin to the oral surgeon or gastroenterologist who says you won't feel a thing during the procedure. It's only later after the anesthetic wears off, when you are taking Hydrocodone for days on end, that the consequences are real.

The challenge for SLOCOG was to develop a plan on both the RTP and RHNA sides, which meet State and local goals for the production of housing. It also had to consider population demographics, jobs, the ability to provide and finance local services, the ability to preserve agriculture, and many other variables. At the same time it had to figure out how to meet all these goals while reducing CO_2 by 11% relative to the 2005 level by 2035. This is a tall order given population growth, the potential growth of industry and commerce, more homes, and more energy usage. Keep in mind that the closure of Diablo will require increased use of natural gas to replace the 2200 megawatts of CO_2-free energy now produced by Diablo, some of which will be attributed to SLO County use. In any case the State assigned reductions per the table below on the next page. The County in aggregate will not achieve the 8% reduction by 2020, and projects a 3% reduction instead. Our recollection is that by the end of 2017 it had achieved no reduction and in fact had an increase. Presumably, and if it does not hit the 3% reduction, it all gets carried over to 2035 which would then be a 14% reduction unless the state moves the goalposts to a higher figure.

In 2018, CARB completed the second round of the regional target-setting process for California's 18 MPOs for the years 2020 and 2035. The San Luis Obispo region was assigned an 11-percent reduction target for 2035, and a 3-percent reduction target for 2020. The 2019 RTP is challenged to meet both targets through robust regional modeling of a preferred future land use pattern and corresponding set of transportation investments. Figure 13-1 shows both sets of regional GHG targets for the San Luis Obispo region.

Figure 13-1: CARB Regional GHG Targets for San Luis Obispo Region

TARGET YEAR	ORIGINAL REGIONAL GHG TARGET *(% reduction in per-capita GHG emissions, relative to 2005)*	REGIONAL GHG TARGET *(% reduction in per-capita GHG emissions, relative to 2005)*
2020	-8%	-3%
2035	-8%	-11%

Item A-3: Final Draft Regional 2019 Transportation Plan (RTP). The SLOCOG Board adopted the 25-year RTP unanimously.

Background: Early signs are that the State will approve the plan, which means that the County and its seven cities will be eligible for State transportation funding and Federal transportation pass-through funding under a complex and layered cafeteria of grant and recurring revenue programs containing hundreds of millions of dollars over the 25-year plan horizon. The programs and corresponding taxes have incrementally accumulated since the 1960's. The most recent is the SB 1 Fuel Tax increase approved by the Legislature in 2017, which adds funding for state highway and local road maintenance (about $5.2 billion per year and growing).

Notwithstanding the survival of SB 1, which added about $1.1 billion to the SLOCOG's base funding scenario of $1.9 billion (for the $3 billion total), the write-up goes on for pages about all the unfunded needs and gaps. A great deal of the Financial Chapter is obviously a dedicated plea for a new ½ cent sales tax (a 12 percent increase). At the heart of the discussion is a reprise of the barely failed 2016 local Measure J attempt to provide "supplemental" funding.

The local measure would have contributed $25m/year to:

- Fix potholes, repave local streets, and relieve traffic congestion;
- Improve street, highway, and bridge safety.
- Make bike and transit improvements;
- Increase senior, veterans, disabled, and student transit; and
- Provide safe routes to school.

In the region, a half-percent sales tax increase would:

- Generate an estimated $762 million, escalated, over 25 years;
- Advance key transportation projects;
- Increase competitiveness to secure competitive grant funds; and
- Return the region's fair share of Senate Bill 1's SLPP funds ($200 million collected annually) by formula, which equates to $38 million over the life of the Plan.

Figure 6-4: *Measure J-16* Allocation

MEASURE J-16

For illustrative purposes only the San Luis Obispo transportation-specific self-help measure that failed, included:

- *10% for Transit,*
- *10% for Active Transportation,*
- *25% for Highways, and*
- *55% for Local Streets & Roads*

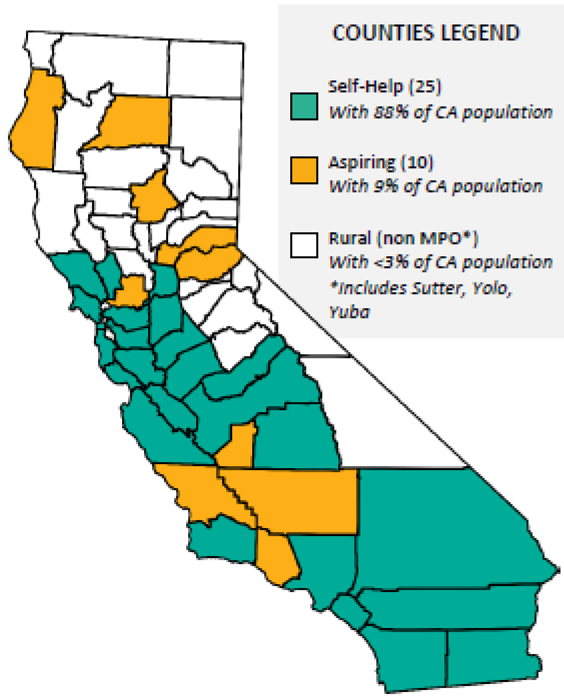
Figure 6-5: Expenditure Categories at Variable Ranges

SKETCH ALLOCATION	
Expenditure Categories	**Variable Range**
Highways and Regional	40% - 50%
Local Choice	35% - 45%
Transit	10% - 15%
Active Transportation	5% - 10%

Per the highlight box, staff believes that it has the go ahead to develop a scenario which includes a new tax measure for 2020. In part it is justified on the grounds that as a "self-help county," SLOCOG could compete for certain state bonus funds. It also provides a graphic which shows that just about everyone else is doing it.

> *A review of the initial draft financial chapter by the 2019 RTP Stakeholders, advisory committees, and Board resulted in the direction to staff to develop a scenario with supplemental funding – conditioned upon increased local funding – for transportation purposes, including mitigations.*

Figure 6-3: Self-Help Counties in California



None of this will ever be enough, as the State Legislature is working on several bills to add a new tax on mileage driven. This is in part a realization that the proliferation of electric cars don't pay any gas taxes and the fossil fuel vehicles are becoming ever more efficient. If the State achieves its goal of eliminating fossil fueled cars, the whole system will have to be retooled.

Of course by raising taxes for roads and buses it will be easier for the County and the cities to keep raising salaries, adding staff, funding pension debt, promoting the homeless industrial complex, and delivering services by means of large civil service protected unionized labor forces which make heavy political campaign contributions.

We all love good roads, but further empowering the machine which is destroying California seems to be a high price.

Item A-4: Regional Housing Needs Assessment Plan (RHNA). The SLOCOG Board unanimously adopted the staff recommended state assigned housing numbers for each of the cities and the unincorporated county area per the table below.

Regional Housing Need Allocation

Jurisdiction	Total Allocation	Very Low	Low	Moderate	Above Moderate
		24.6%	15.5%	18.0%	41.9%
Arroyo Grande	692	170	107	125	290
Atascadero	843	207	131	152	353
Grover Beach	369	91	57	66	155
Morro Bay	391	96	61	70	164
Paso Robles	1,446	356	224	260	606
Pismo Beach	458	113	71	83	192
San Luis Obispo	3,354	825	520	604	1,405
Unincorporated	3,256	801	505	586	1,364
Regional Total	**10,810**	**2,659**	**1,676**	**1,946**	**4,529**

2019 RHNA: Jan. 1, 2019 - Dec. 31, 2028 (10 years)

The adoption is tentative, as each city council and the Board of Supervisors must determine formally if they accept their assigned numbers. The assigned numbers will be circulated to the cities and County for formal comment and endorsement. The jurisdictions presumably have already informally agreed to their assigned housing numbers but will now take formal action. The numbers will have to be included in their respective General Plan Housing Elements.

SLOCOG staff pointed out that the State had originally assigned a larger target number, but staff had bargained it down. COLAB pointed out that cities and counties generally played the game to have the lowest possible numbers assigned instead of affirmatively embracing the production of more housing. When we poked at the SLOCOG Board hypothesizing an imaginary system which penalized local officials with jail time and fines for interfering with housing production, SLOCOG Chairman Fred Strong took offense.

Both the State and the localities actually have policies which have caused the State's massive housing shortage and homelessness problem. Please see the articles in the COLAB In Depth Section on page 23, which expose the hypocrisy in detail.

Background: This is yet another state mandated program under which the cities and counties must demonstrate that they have zoned sufficient land to accommodate the growth projected in the RTP and in their own general plans. For many years the RHNA was produced on a rolling 4-year time horizon. This has now been increased to every 8 years. The staff report summarizes the system:

> The San Luis Obispo Council of Governments (SLOCOG) Regional Housing Needs Allocation Plan (RHNAP) officially assigns the allocations for the development of housing units to each of its member jurisdictions. The total number of units required to be allocated by SLOCOG are based upon the California State Department of Housing and Community Development (HCD) Regional Housing Need Determination of 10,810 housing units for the SLOCOG region. The ten year projection period of the determination covers the 2019 through 2028 time frame.
>
> Within the RHNAP, the Regional Housing Needs Allocation (RHNA) establishes the total number of housing units that each of the seven cities and the county must plan for within the eight-year planning period (2021-2028). Based on the adopted RHNA, each city and the county must update their state-mandated housing element of its general plan - prior to December 31, 2020- to provide adequate general plan and zoning capacity for their respective allocation, by income category.

Key factors in this cycle's version include:

1. All the local jurisdictions already have enough zoned land in their inventories, so there is no stretch, let alone incentive to expand the urban areas and produce homes that people really want at a price they can afford. Apparently all the jurisdictions are okay with their allocation.

2. The law does not require that the homes actually get built. When viewed in the context of the expensive and time consuming permitting process (even for existing lots), the whole thing is simply, and as we have said before, an expensive time consuming kabuki dance or ritual to placate some bureaucratic deities.

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

Top of the Mark

NEW SUBURBANISM – A SMART ALTERNATIVE TO 'SMART GROWTH'

FURTHERING PROPERTY RIGHTS, INNOVATION, INITIATIVE, AND ECONOMIC PLURALISM WITH RESPECT TO LAND DEVELOPMENT

BY EDWARD RING

Solutions to California's housing shortage invariably focus on increasing the density of preexisting cities and suburbs. Legislative solutions include **SB 375**, passed in 2008, which "**incentivizes**" cities and counties to approve high density land developments, and the failed (this time) **SB 50**, which would have forced cities and counties to approve high density development proposals.

How high density land development benefits special interests cannot be ignored. Politically connected developers enjoy windfall profits by selling overpriced homes crowded onto smaller parcels of land. Existing cities collect higher taxes from property owners and shoppers who would otherwise have moved into new cities. Government at all levels can spend more money on pay and benefits, and less on infrastructure. Investors harvest higher returns thanks to the real estate bubble.

In front of the hidden agenda of special interests, however, are moral arguments for so-called "smart growth." The crux of these moral arguments for high density "smart growth" are that regional ecosystems bordering urban areas should not be sullied by new growth, and that high density development reduces emissions of greenhouse gasses, which furthers global ecosystem health.

Both of these moral arguments are flawed. As documented in an **earlier analysis** "Grand Bargains to Make California Affordable," if 10 million new residents moved into homes on half-acre lots, three persons per home (with an equal amount of space allocated for new roads, retail, commercial, and industrial development), it would only use up 3.2 percent of California's land. If all this growth were concentrated onto grazing land, much which is being taken out of production anyway, and it would only consume 21 percent of it. If all this 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.

California's ecosystems can easily withstand significant urban expansion. Even this extreme low density growth scenario – as if there wouldn't still be parallel development within existing urban areas – only consumes 3.2 percent of the land in this vast state. Similar concerns about greenhouse gasses are unfounded, because they rest on the assumption that higher greenhouse gas emissions are correlated with low density development. They are not, or they don't have to be. Telecommuting, dispersion of jobs into new suburban nodes, clean energy, and clean vehicles, are all examples of future trends that belie the falsehood that all growth must be confined to existing cities.

Moreover, it is unlikely, if not impossible, for high-density development alone to ever deliver a supply of homes that meets demand, lowering prices to affordable levels. Part of the reason for this is the understandable resistance high-density proposals arouse from existing residents who don't want to see the ambiance of their neighborhoods destroyed. Equally significant is the extraordinary cost of construction in California. But evidence from around the nation is unambiguous – in areas such as the **San Francisco Bay Area** where urban containment is practiced, home prices are unaffordable, and in areas such as **Houston** where urban growth is permitted, home prices are affordable.

If you accept these premises – that urban expansion will not cause unacceptable harm to the environment, and that urban expansion is the only way to deliver enough new homes to lower prices, "smart growth" starts to take on a different meaning. "Special interest growth" might be more descriptive.

New Suburbanism Offers An Alternative to Smart Growth

The concept of New Suburbanism is not original, but it also isn't well established. This makes it malleable, or, at least, this leaves room for a fresh interpretation of its meaning. First **expressed in 2005** by urban geographer Joel Kotkin, New Suburbanism is a complement to New Urbanism, a movement initially devoted to the twin principles of architectural and landscape design that celebrates local history and traditions, along with promoting accessible, pedestrian friendly, aesthetically engaging public spaces. Over time, New Urbanism and New Suburbanism have been taken over by the smart growth crowd, with high-density neighborhood design now the overwhelming priority of these movements. But consider these quotes **from Kotkin**, written in 2006:

"One critical aspect of New Suburbanism lies in its pragmatism. One cannot always assume, for example, that building a new town center, constructing denser housing, or introducing mixed-use development would automatically improve quality of life."

Kotkin goes on to explain how "sprawling, multipolar" cities that permit suburban growth are creating more jobs and have more affordable homes, how most people starting families prefer single family detached homes, and average commutes in these cities are actually less because "jobs move to the suburban periphery." He writes:

"We instead should follow a pragmatic, market-oriented approach to improving the areas in which people increasingly choose to live. For example, in a low-density suburban community that seeks to retain its single-family character, it may be more appropriate to introduce single-family detached housing, rather than assume multi-family apartments and lofts must be part of the solution."

New Suburbanism is a necessary alternative to Smart Growth because Smart Growth is failing. It not only delivers an inadequate supply of homes, it delivers the wrong mixture of homes, because it delivers apartments, condominiums, townhouses, and "detached" homes with yards barely big enough for an outdoor grill, but it does not deliver what people want, which is a home with a yard.

New Urbanism has become an intellectual movement indistinguishable from the Smart Growth policies that mandate high-density development. Here, from the website "**New Urbanism**" is an accurate representation of the principles of New Urbanism:

1 – Walkability,
2 – Connectivity,
3 – Mixed-Use & Diversity,
4 – Mixed Housing,
5 – Quality Architecture & Urban Design,
6 – Traditional Neighborhood Structure,
7 – Increased Density,
8 – Smart Transportation,
9 – Sustainability, and,
10 – Quality of Life.

And here is a summary of why New Urbanism, or "Smart Growth," is not so smart:

1 – Artificially and selectively inflates land values, making housing less affordable,
2 – Emphasizes public space over private space,
3 – Makes war on the car,
4 – Promotes high-density infill in low density neighborhoods,
5 – Prefers open space to homes, but not to biofuel crops, solar fields, or wind farms,
6 – Presumes that social problems will be alleviated through forcing everyone to live in ultra high density, mixed neighborhoods,
7 – Incorrectly claims there is a shortage of open space and farmland, and,
8 – Presumes to have the final answer; that its precepts are beyond debate.

New Suburbanism offers an alternative ideology – one that embraces much of New Urbanist concepts, but from an entirely different perspective, one that believes a diversity of privately held, lower density human habitation over wider areas can manage ecosystems as well or better than the tightly managed manifestations of high-density ideology, while furthering property rights, innovation, initiative, and economic pluralism with respect to land development.

These "Principles of New Suburbanism," are not intended to refute the virtues of high density, but to extol the virtues of low density. Embodied in these principles is the idea that human stewardship and private land ownership, combined with 21st century clean technologies, can enable a suburban and exurban landscape to host bucolic and utterly clean low density communities across thousands of square miles.

PRINCIPLES OF NEW SUBURBANISM

(1) Embraces Aesthetic Values: Suburbs can be beautiful. Spacious, forested, with architectural character. New suburban communities can be built with an emphasis on aesthetics, as well as towards creating a sense of place, *especially* when high density isn't the prevailing mandate.

(2) Low and High Density Are Not Mutually Exclusive: New Suburbanists support high density zoning in the urban core of large cities. New Suburbanists enthusiastically support building 21st century cities, with high-rises and plentiful car-independent transit options and everything else inimical to the central cores of megacities.

(3) Land is Abundant: There is abundant available land for low density suburban and exurban development. New Suburbanists encourage zoning that recognizes the importance of progressively lower density zoning from urban cores, instead of draconian "urban service boundaries" that arbitrarily restrict development, especially low density development.

(4) Car Friendly: Cars are the future, not the past. Personal transportation devices are tantalizingly close to becoming ultra safe conveyances that can drive on full autopilot and have zero environmental footprint, and we are within a few decades at most of having abundant clean energy. The age of the personal driving machine has just begun.

(4) Road Friendly: Roads are the most versatile of all mass transit corridors since people, bicycles, cars, busses, and trucks can all travel on or alongside roads. Commercial areas should be car-friendly as well as bike and pedestrian friendly. Since land is abundant, this is not all that difficult.

(5) Decentralized & Off-Grid Friendly: New communities can have neighborhood-scale groundwater extraction, distribution and recharge systems. Using new off-grid technologies, sustainable and cost-effective energy and even water independence can be achieved at a household or neighborhood basis, often enabling lower taxes through avoiding more expensive larger public infrastructure.

(6) Farm & EcoSystem Friendly: Via the economic pluralism fostered by permitting flexible and low density residential zoning, i.e., small independently owned, often independently constructed homes on large lots of .5 to 20 acres, you create the potential for a vibrant market in small property leases for specialty farming. Through zoning (or protecting) vast tracts of outer suburb and exurban lands according to New Suburbanist precepts where low density home building and road building is encouraged instead of discouraged, you create a market for relatively cheap abundant land, making more affordable acquisition of land set-asides for agriculture or nature conservancies.

New Suburbanism embraces the inspiring original vision of New Urbanism, its call to create the 21st century's version of cities and buildings that are welcoming spaces. But New Suburbanism rejects the ideological stridency, the coercion, and the porcine corruption of the powerful high density coalition.

At its heart, New Suburbanism is the necessary counterpart to New Urbanism and Smart Growth, because they are constrained by an imbalanced, unnecessary bias towards high density. New Suburbanism gives back to our cities and towns their freedom; gives us abundant land; gives us affordable homes; gives our cities turned suburbs turned exurbs the unforced, organic, natural and easy transition from dense to sparse. If New Urbanism defines the aesthetic of our new and renewed cities, than New Suburbanism helps define the aesthetic interface between city and country; it gives us back the smooth transition from urban chic to country soul.

Edward Ring is a political and financial analyst, working primarily with start-up and early-stage organizations. In 2013, he co-founded the California Policy Center, a free-market think tank based in Southern California. This article first appeared on the California Policy Center's Latest California News Page of May 6, 2019 and has been widely circulated by other outlets.

THE HOMELESS INDUSTRIAL COMPLEX

BY EDWARD RING

Los Angeles could be at risk of a deadly typhus epidemic this summer according to Dr. Drew Pinsky, an outspoken celebrity doctor and specialist in addiction medicine. Pinsky, a Los Angeles native, recently quoted on *Fox News*, said: "We have tens and tens of thousands of people living in tents. Horrible conditions. Rats have taken over the city. We're the only city in the country, Los Angeles, without a rodent control program. We have multiple rodent-borne, flea-borne illnesses, plague, typhus. We're going to have louse-borne illness. Measles could break into that population. We have tuberculosis exploding."

All of this is easily confirmed. There has already been outbreaks of typhus, hepatitis and tuberculosis in Los Angeles and elsewhere in California. Shigella, a communicable form of diarrhea, is now common among the homeless. There have even been outbreaks of trench fever, spread by lice. As reported by the *Atlantic* earlier this year "Medieval Diseases Are Infecting California's Homeless."

There are estimated to be over 55,000 homeless in Los Angeles County, and at least 130,000 statewide, living on sidewalks, parks and parking lots, vacant lots and on the beach. There is no sanitation and no trash collection. The populations of disease carrying animals and insects that thrive in these conditions are exploding: rats, fleas, mosquitoes, ticks, mites, lice.

The problem of the homeless could be completely solved in a few months if there were the political and judicial will to get it done. The national guard could be deployed, working with city and county law enforcement. The homeless could be sorted into groups; criminals, substance abusers, mentally ill, undocumented aliens, and all the rest. For each of these groups, separate facilities could be built on vacant or underutilized government land in or near urban centers but away from downtowns and residential areas. They could consist of tents, porta-potties, and mobile modules providing food and medical services.

There's plenty of money available to do this. Just in Los Angeles, in 2016 voters approved Measure HHH, allocating $1.2 billion in bonds to build 10,000 units to house the homeless. Since then, Los Angeles voters approved a quarter cent sales tax increase, also to help the homeless. Additional hundreds of millions are coming from the state to help the homeless.

Every major city in California is spending tens of millions or more on programs for the homeless. But most of the money is being wasted. Why? Because there is a Homeless Industrial Complex that is getting filthy rich, wasting the money, while the homeless population swells.

WHAT IS THE HOMELESS INDUSTRIAL COMPLEX?

Here's how the process works: Developers accept public money to build these projects to house the homeless – either "bridge housing," or "permanent supportive housing." Cities and counties collect building fees and hire bureaucrats for oversight. The projects are then handed off to nonprofits with long term contracts to run them.

That doesn't sound so bad, right? The problem is the price tag. Developers don't just build housing projects, they build ridiculously overpriced, overbuilt housing projects. Cities and counties don't just collect building fees, they collect outrageously expensive building fees, at the same time as they create a massive bureaucracy. The nonprofits don't just run these projects – the actual people staffing these shelters aren't overpaid – they operate huge bureaucratic empires with overhead and executive salaries that do nothing for the homeless.

An example of wasteful spending can be found in the homeless shelter being built in Venice Beach, where a permanent population of over 1,000 homeless have taken over virtually every public venue, including the beach. Because their tents are now protected by law as private space, they not only serve as housing, but as pop-up drug retailers and brothels. To get these folks off the streets and off the beach, a 154 bed shelter has been approved by the Los Angeles City Council. It will be a "wet" shelter, meaning druggies and drunkards will be able to come and go as they please. The estimated cost for this shelter so far is $8 million, which equates to over $50,000 per bed. Why doesn't anyone ask why?

These costs aren't that bad if you consider the cost of new construction in exorbitant California. But this isn't new construction, it's "temporary" construction of very large tents on three acres of land. *Eight million dollars*, to put up some large tents and plumb for bathrooms and a kitchen. As a "wet" shelter, it will become a hotel for freeloading partiers as much as a refuge for the truly needy. Not only is it only capable of housing a small fraction of the 1,000+ homeless already in Venice, it will attract more homeless people to relocate to Venice.

Finally, this property, owned by the Los Angeles Metropolitan Transit District and located on some of the most precious real estate on earth, could have been sold to private investors to generate tens if not hundreds of millions of dollars. Why wasn't that choice made? Why, for that matter, aren't homeless shelters being built in Pacific Palisades, or Brentwood, or Beverly Hills, or the other tony enclaves of LA's super rich? Because as with all boondoggles that destroy neighborhoods in the name of compassion, the Homeless Industrial Complex knows better than to defecate where they masticate.

The Homeless Industrial Complex's expensive maltreatment of Venice Beach in particular, and taxpayers in general, is an example of how "bridge housing" projects are co-opted and corrupted. But even more horrendous waste is exemplified by the efforts to construct "permanent supportive housing."

According to an NPR report from June 2018, "when voters passed Measure HHH, they were told that new 'permanent supportive housing' would cost about $140,000 a unit. But average per unit costs are now more than triple that. The PATH Ventures project in East Hollywood has an estimated per-unit cost of $440,000."

A privately funded development company, Flyaway Homes, has debuted in Los Angeles with the mission of rapidly providing housing for the homeless. Using retrofitted shipping containers, the company's modular approach to apartment building construction is purported to streamline the approval process and cut costs. But the two projects they've got underway are too expensive to ever offer a solution to more than fraction of the homeless.

Their 82nd Street Development will cost $4.5 million to house 32 "clients" in 16 two-bedroom, 480 square foot apartments. That's $281,250 per two-bedroom apartment. The firm's 820 W. Colden Ave. property will cost $3.6 million to house 32 clients in eight four-bedroom apartments. That's $450,000 per apartment.

These costs are utterly unsustainable. But the Homeless Industrial Complex has grown into a juggernaut, crushing the opposition. At community hearings across California, "homeless advocates," who are often bused in from other areas expressly to shout down local opposition, demand action, because “no one deserves to live on a sidewalk.”

Money is squandered, and the population of homeless people multiplies. This is not compassion in action, rather, it’s corruption in action.

WAYS TO REIN IN THE HOMELESS INDUSTRIAL COMPLEX

(1) Acknowledge there’s a problem. Agree that it’s no longer acceptable to throw money at the homeless epidemic without questioning all the current proposals and the underlying premises. Billions of dollars are being wasted. Admit it.

(2) Recognize that a special interest, the Homeless Industrial Complex – comprised of developers, government bureaucrats, and activist nonprofits – has taken over the homeless agenda and turned it into a profit center. They are not going to solve the problem, they are going to milk it. Their PR firms will sell compliant media a feel-good story about someone who turned their life around, living in a fine new apartment. What they won’t tell you is that because of the $400,000 they charged to build that single apartment unit, dozens if not hundreds of people are still on the street with nothing.

(3) Act at the municipal and state level to set a limit on the cost per shelter “bed.” This cost must represent a compromise between ideal facilities for homeless people, and what is affordable at a scale sufficient to solve the problem. There is no reason the capital costs for a shelter bed should be $50,000 each, but that’s exactly what’s proposed in Venice – $8 million for a semi-permanent “tent” with 154 beds. Similarly, there is no reason a basic apartment unit for the homeless should cost over $400,000, but in Los Angeles, by most accounts, that’s what they cost. This is outrageous. Durable tents and supportive facilities should be set up for a small fraction of that amount. Pick a number. Stick to it. Demand creative solutions.

(4) Stop differentiating between “bridge housing” (basic shelter) and “permanent supportive housing.” Permanent supportive housing IS “bridge housing.” Amenities better than a durable, dry, sole occupancy tent and a porta-potty can belong exclusively in the realm of privately funded nonprofits and charities. Until there isn’t a single homeless person left on the street, not one penny of taxpayer money should be paying for anything beyond basic bridge housing.

(5) Accept that homeless shelters will be more cost-effectively constructed and operated if they are in industrial, commercial (where appropriate), or rural areas, and not in downtown areas or residential neighborhoods.

(6) Abandon decentralized solutions that involve seeding safe neighborhoods with mini-homeless shelters in converted residential homes. Estimates vary, but between 35 and 77 percent of homeless people suffer from substance abuse, and between 26 and 58 percent have mental illness, and by some accounts over half of them have a criminal record. It is not just too expensive, it is dangerous to mix a homeless population into family neighborhoods.

(7) Go to court. Challenge the decision in *Jones vs the City of Los Angeles*, that ruled that law enforcement and city officials can no longer enforce the ban on sleeping on sidewalks anywhere within the Los Angeles city limits until a sufficient amount of permanent supportive housing could be built.

(8) File a state ballot referendum to overturn Prop. 47, which downgraded drug and property crimes. Prop. 47 has led to what police derisively refer to as "catch and release," because suspects are only issued citations with a court date, and let go.

(9) Recognize that the rights of the homeless must be balanced with the rights of local residents, and that homeless accommodations should be safe but should never be better than the cheapest unit of commercial housing.

10) Confront the fact that a lot of homeless people are homeless by choice, not because they've ran out of options, and they DON'T WANT HELP. Act accordingly: Do we give these people control over our public spaces, our neighborhoods, our parks and beaches? And what of the others? The mentally ill, the substance abusers, the criminals? Do we give them control of over our public spaces?

It is terribly difficult for proponents of rational policies to be heard in public hearings on the homeless. Professional activists, often hired by developers or well-heeled nonprofits, abetted by sincere homeless advocates who simply haven't ran the numbers, will usually outnumber and shout down neighborhood "NIMBYs" who have come to raise objections. But the NIMBYs are right.

We have a moral obligation to help the homeless. But we are not obligated to cede our downtowns, our tourist attractions, and our residential neighborhoods to homeless encampments. And as a society, we also have a moral obligation to protect the general population from rampant infectious diseases. What if Dr. Pinsky is right? What if there is a major infectious disease epidemic in Los Angeles this summer? Is that what it's going to take before we clean up our streets and get the homeless into cost-effective, safe, supervised, sanitary encampments?

The moral question of how to help the homeless cannot rest apart from financial reality. It is impossible to solve the homeless crisis under current law and according to current policies. Therefore a new approach must be taken.

Before criticizing the suggestion that we spend a $5,000 per bed (or less) instead of $50,000 per bed (or more) to build bridge housing facilities, imagine what could be done with all the money we save. We might be able to help a lot of people get their lives back on track. Instead of feeding the insatiable excesses of the Homeless Industrial Complex, which helps a few but neglects so many.

Edward Ring is a co-founder of the California Policy Center and served as its first president. This article originally appeared on the website California Globe on May 28, 2019.

ANNOUNCEMENTS

10th ANNIVERSARY

COLAB
San Luis Obispo County

Disastrous anti-oil bill!!!

Assembly Bill 345, which is working its way through the CA State legislature, proposes to shut down the oil and gas industry in this state based upon the junk science supposition that oil and gas operations pose a health risk to neighboring properties. The bill is part of the effort to "keep oil in the ground" at all costs to our society, and believe me, the cost to keep oil in the ground is tremendous.

Oil and gas operations are an essential component of our energy supply, a mainstay of our economy, a cornerstone of the tax base, and the value of the same is protected by our constitution. That is, oil and gas deposits are privately owned minerals, which can't be taken away, without just compensation.

I have never quite understood the religious fervor with which extreme environmentalists have attacked the use of natural products including oil, gas, and coal. These products enabled the onset of the industrial revolution which lifted mankind out of millennia of poverty and misery. That is, these fuels vastly improved everyone's quality of life, extended our life span and saved countless lives in a number of ways, including by way of revolutionizing our ability to grow and store food, and protect us from the elements!

Moreover, the push to replace these lifesaving fuels any time soon with renewables is a pipe dream. This is due to the fact that, despite decades of research and tens of billion dollars invested, we still don't have the technology available to realistically store wind and solar power for use throughout the day and night, as these sources can only produce energy for a few hours a day, in limited locales, if that!

Nevertheless, the California State Legislature continues to try and find a way to shut down our oil and gas industry. This is simply reckless. Oil and gas resources in this state are privately owned and the state can't take away the value of this property, known as mineral rights, without compensating the owners of the same.

In addition to being a valuable property right, it goes without saying that oil and gas are an essential energy source for our state. What will we do without locally produced oil and gas? Are we going to import 100% of what we need to fuel our vehicles, planes, trains, factories, and homes? We don't have the infrastructure to do so. How much higher do you want your auto and home fuel bills to go?

The oil and gas industry also represents one of the best paying job sectors in our state. Many of the people employed in this sector of our economy make six figure salaries with only a high school education! Where are they going to find equivalent work?
Finally, the oil and gas sector pays inordinately high taxes. Venoco and Exxon Mobil were the top two tax payers in our county before they were shut down by virtue of the pipeline break three years ago. The county and our local schools are losing millions of dollars in revenue as a result.
It is not too early to contact the Governor's office and ask him to be waiting for AB345 with his veto pen!

Andy Caldwell
COLAB

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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

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(Revised 2/2017)