



WEEKLY UPDATE MAY 12 - 18, 2019

THIS WEEK

**FY 2018-19 3RD QUARTER FINANCIAL REPORT:
COUNTY WILL END FISCAL YEAR IN BLACK**

**PROPOSED FY 2019-20 RECOMMENDED BUDGET
FILED FOR STUDY – ACTUAL HEARINGS WILL
TAKE PLACE STARTING ON MONDAY JUNE 10TH
THE BUDGET IS CAUTOUS WITH MINIMAL INCREASES**

LAST WEEK

**CONSIDERATION OF RESCINDING
CONFIRMATION OF HISTORIC LOTS CONTINUED
WHEN OWNER WITHDRAWS HIS PRIOR COUNTY
AND SIERRA CLUB PRESSURED OFFER TO
ABANDON THE PRIOR COUNTY APPROVAL**

**IF COUNTY PLANNING DOESN'T LIKE YOUR OLD LOTS BUT THEY
ARE APPROVED BY THE BOS ANYHOW, THE SIERRA CLUB WILL
SUE AND THE COUNTY WILL REQUIRE YOU PAY THE COSTS OF
DEFENDING ITS APPROVAL**

**COUNTY INDEXES VARIOUS RATE HIKES TO SF
AND LA CONSUMER PRICE INDEXES**

**AIRPORT ECONOMIC IMPACT REPORT STRONG –
GENERATES MANY JOBS AND HELPS BUSINESS
RETENTION AND RECRUITMENT**

**NO MORE FREE RIDES FOR SPECIAL DISTRICTS
IF THEIR FINANCES ARE INSUFFICIENT**

PLANNING COMMISSION BUSY & DECISIVE:

**SUBDIVISION APP. WHICH STAFF FIRST RECOMMENDED AND NOW
CHANGED THEIR MINDS AFTER INTERVENERS SQUAWKED –
CONTINUED INDEFINITELY**

EXPANSION & MORE SERVICES AT SEA PINES GOLF RESORT IN LOS OSOS

**REVISED WOODLANDS AT MONARCH DUNES SPECIFIC PLAN CONFIRMS
MARKET PREFERS SINGLE FAMILY FREESTANDING HOMES**

**TWO MORE MARIJUANA OPERATIONS APPROVED INCLUDING ONE
USING FISH WASTE TO PROPAGATE MICROBES AND WORMS TO BE
USED AS MARIJUANA FERTILIZER**

SLO COLAB IN DEPTH

SEE PAGE 16

**SENATE CONSTITUTIONAL AMENDMENT 5 NEEDS
TO BE DEFEATED**

BY JON COUPAL

THE SUICIDAL TENDENCIES OF CALIFORNIA'S ELITE

BY JOEL KOTKIN

HOUSING AND TRANSPORTATION – HOW CALIFORNIA'S LEGISLATURE GETS *EVERYTHING* WRONG

BY EDWARD RING

THIS WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, May 14, 2019 (Scheduled)

Item 27 - Fiscal Year 2018-19 3rd Quarter Financial Report. This agenda item contains a potpourri of useful information, which includes the actual 3rd Quarter Report, a report on County debt status, updates on various maintenance projects, and an overview of staffing level and vacancies. Additionally the write-up confirms that the County has received its share of \$37.5 million of the \$85 million Diablo closure mitigation money. Ten million is reserved for economic development related activities countywide and among all the cities and the County. The overall economic development effort to attempt to replace the economic impact of Diablo is only in its early stages.

The table below displays the County government's negotiated share and its planned disposition.

This was pre-allocated by the Board during its October 9, 2018 meeting per the table below:

One of the recommended actions (of many) contained in this agenda item is for the Board to make the actual legal appropriations of this revenue to the purposes shown in the table.

The genesis of the mitigation funds is based on the fact that the property taxes paid by PG&E on Diablo will severely decline between now and when the plant closes. In assessing the impact and innate content of the actual policy, it would be helpful to have a projection of the decline over time

Essential Services and Stabilization Fund

- \$27.9M - Proposed Uses
 - \$12.1M - General Fund Mitigation
 - \$5.4M - Housing
 - \$4.5M - Safety
 - \$4.1M - Infrastructure
 - \$1.9M - Economic Development

of the property tax between now and 2025.

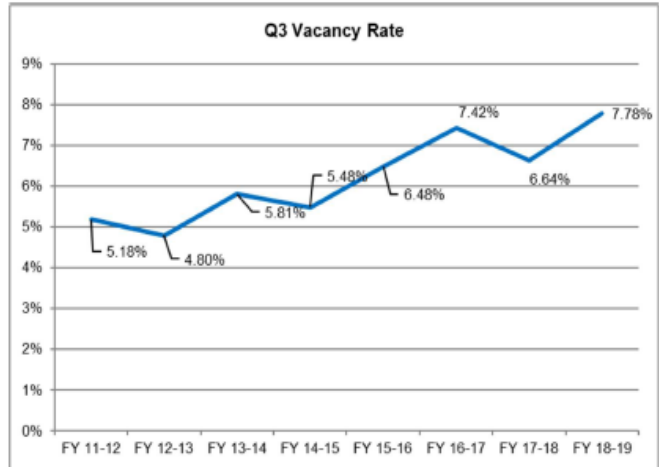
FY 2018-19 Projection: The staff indicates that the County will end the fiscal year well in the black. In fact tax revenue (which is not detailed as to type – property, sales, TOT, redevelopment phase out) is expected to be \$5.5 million higher than budgeted.

The problem areas are detailed in the table below but are more than offset by other departments under running their budgets, largely due to vacancies. The largest overrun is in the Sheriff’s office and is caused by a combination of unbudgeted salary increases, the addition of correctional deputies, and other miscellaneous needs.

Apparently and in contrast to recent years, most of the departments are able to absorb the costs of unbudgeted salary increases by maintaining vacancies. The Sheriff’s office will need a transfer as described in the table below.

Approved, Requested and Potential Usage of General Fund Contingencies			
Date	Department	Detail	Amount
Q1	County Counsel	Unbudgeted expenditures for legal services	\$395,023
	Public Works	Sheriff-Women’s Jail Expansion	\$300,000
Q2	Parks and Recreation	Parks Operational Shortfall – Parks New Cost Recovery Policy	\$560,738
Q3	Sheriff-Coroner	Unbudgeted overtime expenses and salary and benefit increases	\$3,550,352
	Parks and Recreation – Golf Courses	Debt service payment for Dairy Creek Golf Course	\$479,799
	Central Services	Unbudgeted expenditures	\$14,636
	Court Operations	Additional payment required for MOE	\$132,471
Total projected change to budgeted level of General Fund contingencies			\$5,433,019

Position Vacancies: The graph below illustrates vacancy history by fiscal year.



The total number of budgeted positions drops very slightly per the table below:

FY 2018-2019	Q1	Q2	Q3	Q4
Quarter Start	2,790.75	2,794.00	2,790.25	
FTE Additions	20.00	37.75	25.50	
FTE Deletions	16.75	41.50	27.25	
Quarter End	2,794.00	2,790.25	2,788.50	
Change from Prior Quarter	+3.25	-3.75	-1.75	
% Change from Prior Quarter	+1.2%	-1.3%	.06%	

The number of positions rose more quickly in the period from 2013 - 2018 and has leveled off. A main contributor was the hiring of Social Services Eligibility Workers to deal with the influx of applicants for the Affordable Care Act – Obama Care.



Item 25 - Introduction of the County of San Luis Obispo FY 2019-20 Recommended Budget, including Special Districts. Per State Law the Recommended Budget is being introduced. The Board will hold hearings on Monday, June 10, 2019, and Wednesday, June 12, 2019. Adoption will occur the following week. We will review and report findings here at that time.

Very preliminarily, it appears that the budget increase is small. There also appear to be some improvements in presentation and format.

The Budget document can be accessed at the website below:

<https://www.slocounty.ca.gov/Departments/Administrative-Office/Forms-Documents/Budget/Current-Year-County-Special-District-Budgets/FY-2019-20-Recommended-Budget-Book.aspx>

LAST WEEK'S HIGHLIGHTS

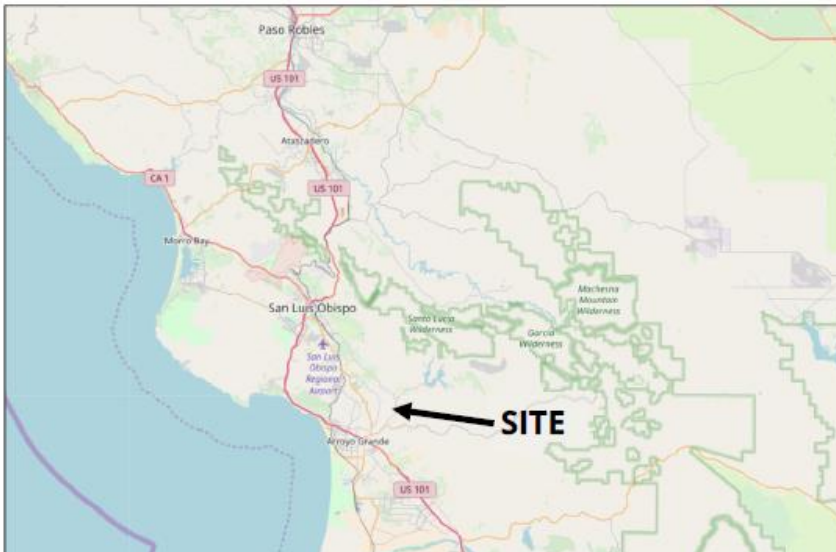
Board of Supervisors Meeting of Tuesday, May 7, 2019 (Completed)

Item 14 - Sierra Club Forces Extinguishment of 12 Residential Lots. In a surprise turn of events, the applicant who was being forced to request the cancellation of the Board approval of his lots appeared and requested cancellation of his cancellation request. County Counsel opined that refusal to consider his mind change could result in costly litigation unfavorable to the County. At this point it is not clear what will happen next. As stated below we hope that the lot approvals stand and that the County will defend its majority decision.

Background: In a truly sickening turn of events the owner was being forced to request that the Board rescind approval of 12 historic residential lots. Last week COLAB pointed out that instead, the Board majority should rescind its decision to require the property owner to fund the costs of any legal challenges to County's original approval. In the name of private property, fairness, and justice the Board should defend its approval all the way to the US Supreme Court if necessary. The Board should hire expert outside land use counsel to defend its original decision. If the Board of Supervisors requires that applicants indemnify the County against legal costs for defending land use decisions, the Sierra Club can attack almost anything anytime. If the County Board is not willing to defend its decisions, and can arbitrarily and selectively pick which applicants must contract to pay legal costs, is it not surrendering a huge portion of its authority to outside interveners?

An Important Property Rights Appeal Case: The issue was and is an important property rights appeal case involving antiquated subdivisions (lots created in the 19th and early 20th centuries before the adoption of the State Subdivision Map Act). The Planning Commission had previously denied the recognition (confirmation) of 12 lots, which had been laid out in 1905. Two had actually been recognized by the County in recent years. In fact the lots appear on both County land maps and Assessor's parcel maps. When the owner came in to request that the remaining lots be recognized, the Planning Commission denied them. The matter was then appealed to the Board of Supervisors.

Hill, Gibson, and Staff Wanted to Defeat the Recognition of this Subdivision No Matter What: As we have seen lately in all too many forums, elections mean nothing to the environmental socialists and their deep state minions, at any level. They are after your property, your independence, and your liberty. In this case they seek to vitiate any decision by the elected 3-member Board of Supervisors majority and to defeat this property right no matter what. In effect they want to vitiate your votes.



If this is not true, why didn't they vote to protect the owner's property rights and be willing to share in the costs of defending them as a matter of public interest?

The lots were created in 1905. The staff denied the certificates on the grounds that they were created before adoption of the Map Act in 1907, and therefore don't comply. They cite much case law and other precedents to support their position. Their problem is that the Map Act

grandfathered lots that were created by any means, mapped and filed with the County prior to 1907, and therefore these are legal.

Staff told the Board that the applicant should be required to file a subdivision application and go through the whole lengthy and costly process de novo.

NOTE: There is a much more extensive explanation of this issue in last week's Weekly Update.

Item 21 - Submittal of a Resolution Updating the County's Assessment District and Fee Setting Consumer Price Index (CPI) Formula. Per our request, the staff actually went to the proverbial blackboard and explained the math. Ultimately the Board approved the reconfiguration and included the SF/Oakland CPI in the calculation. The one positive point was that Supervisor Peschong questioned the public policy of including the very expensive San Francisco Trans-Bay region. The Board ultimately did approve the new formula, but staff was instructed to see if it would be possible to develop a more fair and local formula.

Background: This item as presented was contradictory and confusing. It also appeared to use the highest cost region in the nation (San Francisco Bay Area) as the main comparator. Why should your sewer rates, street light rates, and other special assessments be based on wage inflation in high-tech and corporate headquarters-dominated San Francisco, UC Berkeley, the Lawrence Radiation Laboratory, Lawrence Livermore Laboratory, and the East Bay’s high end Bio-Tech and pharmaceutical plants – not to mention the housing prices?

Many of the County’s special assessment district taxes (sewer charges), as well some fees and service charges, are indexed to increase based on inflation of the CPI. In the past these were indexed to 2 Federal Bureau of Labor Statistics (BLM) economic regions as displayed in the table below:

Two Discontinued Regions	Three Newly Reorganized Regions
San Francisco/Oakland/San Jose	San Francisco/Oakland/Hayward
Los Angeles/Riverside/Orange County	Los Angeles/Long Beach/Anaheim Riverside/San Bernardino/Ontario

The BLM has reconfigured the regions as displayed in the table. This in turn requires the County to reconfigure its Resolution adopting the regions as the comparators.

The Board letter states that it will weight the new indexes as stated in the quote below:

Updated CPI Formula

Since the Original CPI Formula used indexes that have been discontinued, and Riverside included in the same index as Los Angeles, an updated formula that weights the newly created indexes is needed to maintain the original intent of Prior Board Actions and for use in future Board Actions. The proposed replication of the annual CPI adjustment formula proposes to use the change from the prior year to the current year’s average of the percentage increases in:

1. The CPI index for San Francisco/Oakland/Hayward (weighted at 100%); and
2. The CPI index for Los Angeles/Long Beach/Anaheim (weighted at 66.7%); and
3. The CPI index for Riverside/San Bernardino/Ontario (weighted at 33.3%).

[Huh?

Perhaps the EVC, Auditor Controller, or some economic institute at Cal Poly could come up with a realistic and fair formula.]

Item 31 - Presentation from Volaire Aviation Consulting, on the Economic Impact San Luis Obispo County Regional Airport has on the Region. This was a good news economic development presentation.

Key findings of this study include:

- The Airport's aviation activities are responsible for an estimated 871.5 local Full-Time Equivalents (FTE's) by direct, indirect or induced effect.
- These 871.5 FTEs have an estimated \$40.95 million dollars in annual labor income and generate an estimated \$85.3 million dollars in annual local economic output.
- Approximately 92% of the annual output is the result of SBP airline service.
- If SBP was considered a single employer, it would be the 15th largest in the county.
- The two possible new air service routes to Portland, OR or San Diego, CA, would create 21.0 new on-airport FTE jobs and 26.4 new FTE jobs overall. These visitors would create an estimated \$10.05 million in annual local economic output.

Item 31 - Request to 1) receive and file an update from the Ad Hoc Fire Committee evaluating fire protection service by special districts in unincorporated areas of San Luis Obispo County; 2) adopt a policy regarding the funding of independent special districts; 3) approve the approach to development of any “plan for services”; and 4) approve and direct the Administrative Office to send out the attached letter requesting service level data from special districts providing fire protection; and 5) and provide direction to staff to as necessary. The Board unanimously approved the budget principle that it would not automatically bail out special districts which run into financial difficulty.

Background: The item is an example of good policy work by the entire Board of Supervisors relative to the financial fragility of independent fire districts and potentially other special districts.

As a result of the dissolution of the Cayucos Fire District last year the County had a consultant conduct an examination of the financial status of other districts and how they could provide different levels of response based on the different levels of financing. The excellent study indicated that some districts were at risk in the near term and some would become at risk within 5 years.

Immediate financial shortfalls in the Templeton Community Service District (related specifically to fire services) and the Five Cities Fire Authority spurred the Board to create an ad hoc subcommittee consisting of Supervisors Gibson and Peschong to examine the policy ramifications to the County and to make recommendations back to the full Board.

1. Funding for Independent Special Districts

Independent and Dependent Special Districts

State law defines a special district as "any agency of the state for the local performance of governmental or proprietary functions within limited boundaries" (Government Code §16271[d]). In plain language, a special district is a separate local government structure that delivers public services to a particular area. Special districts are often formed to deliver services the community needs or desires above and beyond current service levels. Special districts localize the costs and benefits of public services and allow local citizens to obtain the services they want.

Independent special districts are autonomous government agencies with locally elected boards of directors. They are fully independent in governance, the provision of services, and funding -- neither governed nor financed by county

government. Independent special districts operate under Principal Acts, which are the state laws that govern a particular district, like a Community Services District or a Fire Protection District.

The key recommendation included in this section is designed to protect the overall County budget and serve notice on the districts (of all kinds – not just fire districts) that they should not expect the County to bail them out or take over their services if they are unable or unwilling to finance themselves:

The Board of Supervisors are stewards of the public trust and have financial fiduciary responsibility and as such it is good financial management practice for the Board of Supervisors to retain governance over General Fund monies. The Ad Hoc Fire Committee is recommending that the Board adopt the following policy regarding the funding of independent special districts:

***Funding for Independent Special Districts:** As independent special districts are autonomous government agencies fully independent of the County in governance, the provision of services, and funding, the County shall not subsidize an independent special district with County General Fund monies nor should any property tax exchange result in a net fiscal loss to the County.*

The County assumption of the functions of the dissolved Cayucos Fire District added about a million dollars per year to the County budget. How folks in Templeton or Grover Beach will react to this new proposed budget principle, given this circumstance, is not known. The Cayucos and their Supervisor, Bruce Gibson, had their fire services picked up

Planning Commission Meeting of Thursday, May 9, 2019 (Completed)

In General: This was a busy meeting agenda containing requests for approval extensions on previously approved subdivisions, a proposed new subdivision, an amendment to the Woodlands Specific Plan, expansion and intensification of uses at the Sea Pines Golf Resort in Los Osos, and one large and one small cannabis proposal.

Item 7 - Hearing to consider a request by MJG Property Holding Partners, LLC (SUB2014-00023), to approve the following: 1. A Vesting Tentative Tract Map (Tract 3027) to subdivide an existing 37.67-acre parcel into seven parcels ranging in size from 2.5 to 14.25 acres each for the purpose of sale and/or development; and 2. A Conditional Use Permit to allow expansion of the existing Sweet Springs Mobile Home Park from 14 units to 26 units including a density bonus for affordable housing increasing the allowable number of units from 19 to 26 based on State density bonus law. The proposed project is within the Residential Suburban land use category and is located at 311 Sweet Springs Lane, north east of Hondonada Road, approximately three miles east of the City of Arroyo Grande. The Commission continued the item off calendar per staff's request. There has been an official request by a number of citizens for reconsideration of the environmental review, which determined that the project would have no significant impact (Negative CEQA Declaration).

The staff very suddenly (April 12, 2019) developed a long list of issues, which it now asserts must be studied. If this is the case, why did they recommend approval in the first place and schedule it on the Planning Commission Agenda?

Item 8 - Hearing to consider a request by Sea Pines Golf Resort/BSR, A General Partnership for a Development Plan/Coastal Development Permit (DRC2011-00105) to allow a three phased expansion of the existing resort complex. Phase 1 will include a new 128-square-foot unisex bathroom/concession building (at tee #6) and a 580-square-foot addition to an existing maintenance building. Phase 2 will include conversion of three lodge units in an existing lodging building to spa treatment rooms and construction of a 3,325-square-foot single-family residence with a 1020-square-foot attached garage, a 936-square-foot patio area and a 936-square-foot deck. Phase 3 will include a new 6,734-square-foot lodging building (7 units), construction of an 8-space Recreational Vehicle area and associated improvements (screening, utilities, parking spaces), a 478-square-foot porte cochere addition to an existing lodging building, expansion of the existing 2,650-square-foot restaurant with enclosure of the existing 1,110-square-foot outdoor dining area (resulting in a 3,760-square-foot restaurant), and a 400-square-foot office addition. Phase 3 also includes an access road, expansion of the existing drainage basin, and additional parking. The project will result in the disturbance of approximately 15,000 square feet of a 34-acre site comprised of three legal parcels. The Commission approved the expansion unanimously. A risk is some possible interference by the Coastal Commission over the completion of the Estero Community Plan, which has been in process for a long time.

Item 9 - Revised Woodlands (Now Woodlands Monarch Dunes Village) Specific Plan. The revised plan was approved unanimously. However Commission Chair Michael Multari (Gibson's appointee), even though he voted for the project, expressed reservations about converting the denser attached housing to single family. He suggested that if there is no market for the attached units now, "why not wait?" He noted that this part of the project had originally been designed with dense housing and a commercial village center. This paean to social engineering is emblematic of his appointer's general governmental philosophy.

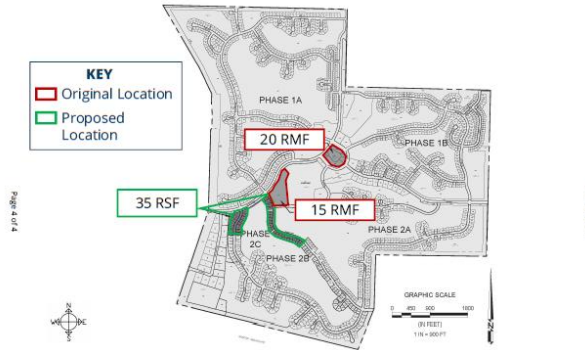
Should the project owners be required to pay loans indefinitely while the market might change over the years to satisfy progressive ideology?

PROJECT DESCRIPTION

The project is a request for amendments to the Woodlands Specific Plan to re-designate 35 residential multi-family units to 35 residential single-family units and allow for the relocation of the units from the village center and multi-family site to new single-family lots to be created within the newly proposed Phase 2C area of the village (a portion of existing Phase 2B). The total residential units will not increase with this amendment but remain at 1,320 units within the overall Specific Plan area, as shown in Table 1.

Table 1: Woodlands Village Residential Units

Unit Type	Existing Plan Approved Units	Proposed Units	Total Units
Residential Single Family	1,220	Increase by 35	1,255
Residential Multi-Family	100	Reduce by 35	65
Total	1,320		1,320



Item 10 - A continued hearing from April 25, 2019 to consider a request by Pamela Burgett for a Conditional Use Permit (DRC2018-00020) to establish up to 2,375 square feet of indoor commercial cannabis cultivation for a total project area of 2.2 acres on an approximately 40.4-acre property. Ancillary uses include maintaining a supportive nursery and processing activities such as drying, curing and trimming. The project includes construction of a single-story 2,500-square-foot building, use of two existing greenhouses totaling 1,249-square feet, and use of an existing 1,267-square-foot grow house to support cannabis cultivation and ancillary activities. The project also includes the use of three existing 320-square foot storage containers and two new 320-square-foot storage containers for equipment storage and drying. The project site is located at 8155 Carissa Highway, approximately 38 miles east of the community of Santa Margarita in the Carrizo Planning Area. The Commission approved the conditional use permit unanimously. Concerns about fugitive light, water use, odor, electrical usage, carbon scrubbers, and kit foxes were all raised by the various commissioners. There was one public speaker who noted that hemp is coming and that it has the same odor issues as marijuana but is an unregulated ag crop. This appears to be an application by a local long term family. Several of the neighbors are also cannabis cultivation applicants who support this project. Commissioner Campbell amended the conditions of approval to require that cargo containers be painted in colors compatible with the environment.



Table 1 – Project Components

Project Component	Mature Canopy Area (SF)	Building Area (SF)
(E) Greenhouse 1	466	478
(E) Greenhouse 2	771	771
(E) Seatrain 1	n/a	320
(E) Seatrain 2	n/a	320
(E) Seatrain 3	n/a	320
(E) Grow House		
Mature/Flowering	138	1,267
Vegetative (194 sq ft)	n/a	
Subtotal for Existing Structures	1,375	3,476
(N) Proposed Building	1,000	2,500
(N) Drying Room (Seatrain)	N/A	320
(N) Supply Room (Seatrain)	N/A	320
Subtotal for New Development	1,000	3,140
Total:	2,375	6,616

E= Existing
N = New/Proposed

SHIPPING CONTAINERS? Not exactly your beautiful rural view enhancers. SLO County becomes Quartzite, Az.

The California Fish and Wildlife Department requested that the Commission expand the required buffer for nesting birds.



Item 11 - Hearing to consider a request by Doug Mondo – True Farma Inc. for a Conditional Use Permit (DRC2017-00106) to establish three one-acre outdoor cannabis cultivation areas, construction of seven 2,880-square-foot greenhouses to be used for indoor mixed-light cannabis cultivation, and construction of eight 2,880-square-foot greenhouses for supporting nursery. The project also includes the use of an existing 3,200-square-foot building for manufacturing, and a non-storefront dispensary. Ancillary uses include maintaining the supporting nursery and processing activities such as drying, curing, and trimming. Additional site improvements include development of an 80,000-square-foot ground-mounted solar array, installation of a new septic system, improvements to existing access roads, and the removal of 42 almond trees. The project would result in approximately 15.4 acres of site disturbance on an approximately 82.24-acre property. A modification from the parking standards set forth in Section 22.18.050.C.1 of the County’s Land Use Ordinance is requested to reduce the required number of parking spaces onsite from 257 to 33. The project site is located within the Agriculture land use category located at 3260 Nacimiento Lake Drive, approximately three miles west of the City of Paso Robles in the Adelaida Sub Area of the North County Planning Area.

Table 1. Project Components

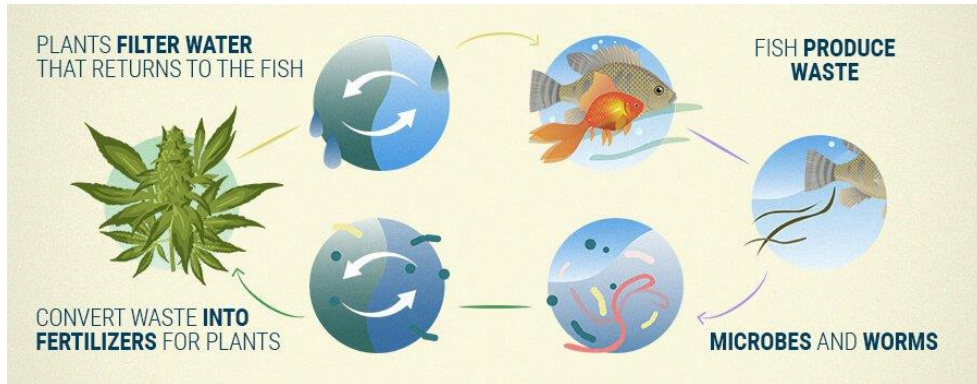
Project Component	Quantity	Total Area
Indoor Mixed-light Cultivation		
Indoor mixed-light cultivation greenhouses	7	20,160 sf of canopy
Maintenance Building	1	986 sf
Parking	4	
Outdoor Cultivation		
Outdoor cultivation (47,925 sf of existing)	3 (1-acre)	130,500 sf of canopy
Curing and Drying Buildings	9	8,874 sf
Maintenance Building	1	986 sf
Common Area Building	1	986 sf
Parking	19	

Project Component	Quantity	Total Area
Nursery		
Greenhouses	8	23,040 sf
Fish House	1	5,000 sf
Maintenance Building	1	986 sf
Parking	10	
Manufacturing (Existing Building)		
Non-volatile Manufacturing	1	2,050 sf
Production area	1	554 sf
Non-Storefront Dispensary	1	536 sf
Total Site Development		
Indoor mixed-light cannabis cultivation		20,160 sf of canopy
Outdoor cannabis cultivation		130,500 sf of canopy
Building areas		40,858 sf
Solar Array		80,000 sf
Parking		33 spaces
Tree removal		42 trees
Total Area of Disturbance		15.4 acres

Yep, you read it right.

THE ROOTS OF MODERN AQUAPONICS

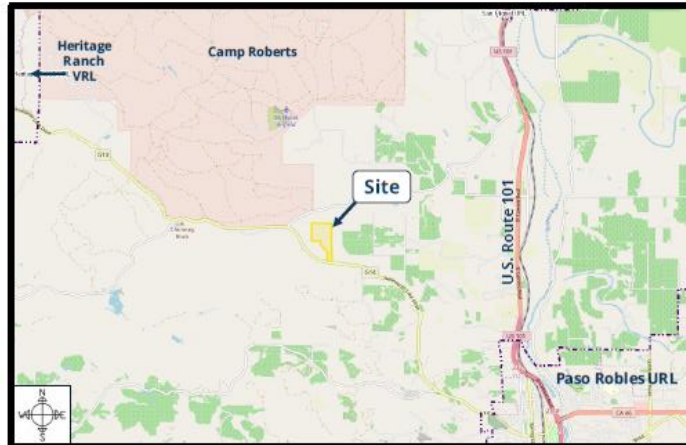
The credit for developing an effective flood and drain system using gravel vegetable garden beds and effluent from Tilapia fish must go to Missouri farmers Tom and Paula Esperanto. The Speraneo's refined and improved earlier aquaponic greenhouse systems during the early 1990's and changed organic farming forever. Their super-efficient system favoring high plant rather than high fish yield became the model for commercial agricultural aquaponics.



Credit: Royal Seeds Collection.

It probably won't replace Diablo, but what the hey?

Attachment 3



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

SENATE CONSTITUTIONAL AMENDMENT 5 NEEDS TO BE DEFEATED

BY JON COUPAL

Senate Constitutional Amendment 5 (SCA 5), is set for legislative hearing this Tuesday. It deserves a quick defeat. Advanced by Sen. Ben Allen, D-Los Angeles, and Sen. Jerry Hill, D-San Mateo, SCA 5 would lower the current two-thirds vote requirement to pass local school district parcel taxes to 55 percent.

Here are the reasons SCA 5 is horrible for California homeowners.

First, SCA 5 is a direct attack on Proposition 13. Prop. 13 limits the base property tax, called the ad valorem tax, to one percent. To ensure that local governments didn't heap additional taxes on homeowners, Prop. 13 require a two-thirds vote for additional "special taxes" of which parcel taxes are a particularly insidious variety. SCA 5 specifically repeals that two-thirds constitutional protection currently in Article XIII A of the California Constitution.

Second, lowering the two-thirds vote is unnecessary. With appropriate justification, the threshold can clearly be reached. According to the website California City Finance, a review of school district parcel taxes since 2012 showed that in November elections, 52 of 69, or 75% percent, were approved. Just last November 11 out of 14 passed, an extraordinary success rate. Clearly, the two-thirds vote is not difficult to attain if a school district justifies its needs.

Third, lowering the two-thirds vote would open the door to a flood of new property tax levies. The lowering of the two-thirds vote for school bonds in 2000 via Proposition 39 is illustrative of what happens when taxpayers lose a supermajority protection. As with parcel taxes, bonds were previously required to meet the two-thirds threshold, but the vast majority passed anyway. What the supermajority vote requirement did was to ensure that the bond measures were reasonable in amount and that they would secure a broader community consensus. After the passage of Prop. 39, virtually all school bonds pass irrespective of amount or need. In November 2016, 97 percent of all Prop. 39 school bond proposals, requiring just 55% percent approval, passed.

Fourth, of all the taxes that fund education, parcel taxes are clearly the most inequitable. Because they are assigned either as a flat-rate tax per parcel or based on square footage, they are extremely regressive, disproportionately hurting those with the least ability to pay. Additional parcel taxes that add potentially hundreds of dollars to property tax bills will do nothing to ease the affordable housing issues in California, where only 30% percent of state residents can afford a median-priced home.

Fifth, for progressives the default option for all of California's perceived ills is always higher taxes. Proposition 13 is frequently blamed by progressives as the reason schools are "starved" for revenue. But both the premise and conclusion of this contention are wrong. California now spends 30% percent more per pupil, in inflation-adjusted dollars, than the amount spent just prior to the passage of Proposition 13 — a time when both liberals and conservatives agree that California schools were among the best in the nation.

Sixth, nothing in SCA 5 relates to needed reforms in California's educational structure. In fact, it amounts only to throwing more money into a broken system. Citizens are right to demand more efficiency and accountability with the billions of dollars in tax proceeds that we pay for education. That means incentivizing reforms, not rewarding bad behavior.

Because of the strong economy, California is generating massive amounts of additional revenue. Now is not the time to either raise taxes at the state level nor to make it easier to burden taxpayers at the local level. SCA 5 should be defeated.

Jon Coupal is president of the Howard Jarvis Taxpayers Association. This article was first published on May 5, 2019 and appeared in scores of media outlets.

THE SUICIDAL TENDENCIES OF CALIFORNIA'S ELITE

BY JOEL KOTKIN

The French nobility observed Tocqueville in **The Ancient Regime and The Revolution**, supported many of the writers whose essays and observations ended up threatening “their own rights and even their existence.” Today we see much the same farce repeated, as the world’s richest people line up behind causes that, in the end, could relieve them of their fortunes, if not their heads. In this sense, they could end up serving, in Lenin’s words, as “useful idiots” in their own destruction.



Although they themselves have benefited enormously from the rise of free markets, liberal protection of property rights, and the meritocratic ideal, many among our most well-heeled men and women, even in the United States, have developed a tendency to embrace policies and cultural norms that undermine their own status. This is made worse by their own imperious behavior, graphically revealed in the mortifying college admissions scandal in the United States, where the

Hollywood and business elites cheated, bribed, and falsified records to get their own kids into elite colleges.

At the same time, these same people continue to boost their own share of the world’s wealth, as a recent OECD report reveals, largely at the expense of the middle and working class. The embrace of inexorable “globalization”—essentially shifting productive work to developing countries—may appeal to the progressive rich even as it, in the words of geographer Christophe Guilluy, “revived the citadels of Medieval France.”

Sometimes the elite policy agenda is justified as part of a “green” agenda that impoverishes the lower and middle classes by expelling basic industries, thereby boosting housing and energy prices. This in turn has set the stage for the kind of peasant rebellions—from Brexit and Trump to the rise of illiberal regimes in eastern Europe as well as the re-emergence of socialism—that threaten their hegemony.

The Gentrification of the Left

In the twentieth century, most business leaders were predictably conservative. Big money aligned with their class allies in the “party of property.” Conservatives in Britain and Canada, Liberals in Australia, Republicans in America, and Gaullists in France all supported—albeit with significant differences—a basic property rights-oriented regime backed by law. Yet, over the last 20 years, the upper classes have adopted environmental and social agendas that are fundamentally at odds with competitive capitalism and the survival of a vibrant middle class.

Today, many traditional left-wing parties are largely financed by the wealthy and supported by the elite classes in Canada and Australia. Large sections of traditionally conservative parties like Angela Merkel’s Christian Democrats, meanwhile, have evolved to embrace the internationalist and green agenda. Only in Britain, ever the eccentric laggard, has old-style class warfare been revived by Jeremy Corbyn’s Labour party.

In the United States, a clear majority of wealthy donors now support the Democratic Party rather than the traditional corporate party, the Republicans. The vast majority of the ultra-rich foundations—including those funded by the offspring of the Rockefellers and the Fords, whose fortunes were made in fossil fuels—now all tilt to the left, particularly on the environment and cultural issues.

Over the past half century, as was the case in pre-revolutionary France, the elite’s worldview has become increasingly detached from traditional morality. But, while the ruling classes of the industrial era continued to pay lip service to the primacy of the family, many in today’s upper classes have embraced an agenda that has little use for traditional values on anything from sex roles to cultural norms. Increasingly, this is no longer a question of mere tolerance, but an aggressive challenge to the tradition familial culture that once laid the foundation for successful societies.

These pervasive progressive memes are now being adopted by vast corporations. In search of the progressive dollar and appeasement of the Left’s noisy social justice tendency, Gillette has produced ads that attack “toxic masculinity”; similarly culturally PC approaches have been adopted by firms such as Audi, Procter and Gamble, Apple, and Pepsi, with varying degrees of success. Today, employees at Google, Microsoft, and Accenture in Britain are expected to subscribe to the progressive orthodoxy on race and gender; and if they fail to do so, employees fear finding themselves without a job.

When in power, the Left does its best to impose its preferred perspective on the population. Legislatures in seven states, including New York, have passed bills expanding abortion availability into the third trimester. In Colorado, Governor Jared Polis, a tech mogul, is considering legislation to mandate sex education, including information about “healthy” transsexual relationships and bans discussion of gender norms.

The emphasis on cultural issues bestows progressive credibility on ultra-wealthy politicians like Polis or Jay Pritzker, the new Governor of Illinois, or former New York Mayor Michael Bloomberg. However, it also widens the gap between the upper classes and those that British author David Goodhart calls “the somewheres”—the old middle and working classes who steadfastly identify with the old values of family, locality, nation state, and even religion. In the United States, allowing

biological males to use women's restrooms is rejected by two-thirds or more of the population. It is likely that even fewer agree that raising children according to their biological sex reflects prejudice or bigotry, as some progressives insist.

Finally, there is the explosive issue of immigration, which has helped produce developments like Brexit, the shift to right-wing populism in Europe and, of course, the presidency of Donald Trump. In the tech world, in particular, there is strong support for a "borderless world," which some see as a way to import cheap skilled labor as well as an endless supply of nannies, gardeners, hotel staff, and cleaners, all of whom are required to maintain the lifestyles of the upper crust.

This piece originally appeared on Quillete. To read the rest of the piece go to [Quillete here](#) and Cross-posted at New Geography on May 10, 2019. Joel Kotkin is Editor of [NewGeography.com](#) and Presidential fellow in urban futures at Chapman University

HOUSING AND TRANSPORTATION – HOW CALIFORNIA'S LEGISLATURE GETS *EVERYTHING* WRONG

BY EDWARD RING

California, the welcoming sanctuary state, has a population on track to **break 40 million** by the end of this year. Its highway system was designed to handle a population of 20 million. Its cities, bound by legislated "urban containment," are **3.5 million homes short** of what would meet current housing needs. As a result, commuters spend hours stuck in traffic, and millions of homeowners endure indentured servitude to mortgages on ridiculously overpriced homes.

None of this had to happen.

There are many reasons it has come to this, but two causes stand out, because if they were corrected, the problems would be solved in a few years. The first is obvious but very tough to counter – there is a conventional wisdom that most of these damaging policies are necessary to save the planet. But upon examination, almost none of the ones with the worst consequences for housing and transportation were environmentally necessary.

With respect to housing, the environmentalist boogeyman was alleged "sprawl." But California is a vast, spacious state, including tens of thousands of square miles of semi-arid wasteland that could easily be brought to life if used for housing. California is only five percent urbanized. If that allocation were just

increased by half, to a mere 7.5 percent urbanized, **ten million new residents** could live in new homes on half-acre lots. It is absurd to think there isn't enough land in California to accommodate this sort of development, which, in any case, would never be that expansive.

The problem with urban containment policies, set to get worse with the likely passage of **SB 50**, is the lack of balance. Increasing housing density in the urban core of cities is normal and inevitable. It is part of the natural evolution of all cities. But doing that without also permitting the outer footprint of cities to expand is destructive. Population growth that the urban core can't absorb overflows into tranquil residential neighborhoods and destroys them. It ruins established low density communities, making them fodder for predatory investors and government rehousing schemes.

Environmentalists counter that housing must be near the jobs, and jobs must be near the housing. Notwithstanding the historical amnesia that must be making them unaware of how jobs and housing naturally flow to wherever new land development occurs, these objections ignore the future of transportation. There is no transportation conveyance more versatile than wheeled vehicles, no transportation conduit more versatile than **roads**.

What are quaintly still referred to as "cars" are on the brink of **stupefying transformations**. Vehicles over the next few decades will evolve to drive themselves, "convoy" in "hyperlanes" at very high speeds, operate as on-demand shared vehicles, public and private mini buses and full size busses; some of them will be mobile offices, conference rooms and hotel rooms; some of them will even fly. There is monumental folly in allocating funds for light rail and **high speed rail**, when car of the 2050 will be as dissimilar to the car of 1950 as an eagle is to a fruit fly.

There are other arguments for roads over rail. The supposedly lighter environmental footprint of rail is overstated, since it has to exist as an entire parallel transportation network that still requires cars and roads for anyone to get to the rail stops, or get to their destinations after they disembark. And the supposedly heavier environmental footprint of cars diminishes every year, as we enter the electric age, as cars become far more energy efficient, as their AI facilitates heavier road density at speed, and as more people share them.

As for other enabling infrastructure, it's time that anyone willing to challenge the environmentalist fallacies that preclude development of civil assets such as roads, **water projects**, and nuclear power plants also challenge the supposed financial obstacles. One of the primary reasons California doesn't have billions each year to spend on infrastructure is because, statewide, they're pouring over \$30 billion each year into state/local public employee pension funds – an amount **set to double by 2025**. Then, of the nearly \$800 billion that California's 83 state/local pension funds have invested, less than 10 percent is invested in California. Require 10 percent to go into **public/private revenue bonds** to finance infrastructure. Problem solved, assuming the money could be spent on bulldozers instead of bureaucrats.

There's another cause for California's failure to build homes and roads, however, one that's rather elusive but even more fundamental. California's liberal elites, nearly all of them aging boomers, are immune from the consequences of their voting patterns. These liberal voters never saw a piece of environmentalist legislation they didn't like. Meanwhile, they're all living in the homes they purchased well before the politicians they supported passed all those fine sounding, high minded laws.

This liberal immunity is challenged by SB 50, a law that threatens to fill **wealthy liberal enclaves** from Palo Alto to Brentwood with fourplexes filled with Central American migrants, living on public assistance. The horror! But don't hold your breath. If SB 50 and similar legislation passes, those fourplexes will indeed be coming to a detached, single family home neighborhood near you, but they'll skip the zip codes where the residents can afford attorneys. Why bother, when just up the road there's a nice lower middle class block we can bust?

One cannot stop wealthy liberals from hiring lawyers to stop in its tracks anything they love conceptually enough to vote for, but not enough to suffer personally. But there is something that can be done. Repeal **Prop. 13**. Make every homeowner in California pay property taxes based on the current assessed value of their homes. That's never going to happen, thank God. But the reason it will never happen is not what you might expect. The reason is because Democrats know that if they ever overreached that much, they would turn millions of voters into Republicans overnight.

The bigger shame is that the only reason these liberals aren't conservatives is because they don't have to live with the consequences of liberalism. They don't have to buy homes at today's prices, and as retirees, they don't have to drive during rush hour. If they did, they might think more carefully about where their money is going, and they might question more urgently the environmentalist moralizing that served as the pretext for wasting so much of it.

*Edward Ring is a co-founder of the California Policy Center and served as its first president. This article originally appeared on May 3, 2019 on the website **California Globe***

ANNOUNCEMENTS



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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