



**WEEKLY UPDATE  
APRIL 28 - MAY 4, 2024**

**THIS WEEK  
SEE PAGE 2**

**NO BOARD OF SUPERVISORS MEETING**

**SLOCOG MEETING**

**NEW ½ CENT SALES TAX MAY BE DEAD FOR NOW**

**LAST WEEK  
SEE PAGE 5**

**BOARD OF SUPERVISORS**

**NEW COUNTY ADMINISTRATIVE OFFICER APPOINTED**

**CAYUCOS COASTAL PROPERTY PURCHASED**

**A PARK SOMEDAY? – NOW A COUNTY OWNED COW GRAZING LEASE**

**DANA RESERVE SPECIFIC PLAN APPROVED 3/2**

**1370 NEW HOMES & AMENITIES**

**BOARD JUST BARELY PASSES THE ACID TEST FOR HOUSING POLICY**

**GIBSON AND PAULDING VOTE NO**

**PLANNING COMMISSION**

**DEMOLITION OF THE PHILLIPS 66 REFINERY**

**A FLASHING SYMBOL OF FAILED COUNTY POLICY**

**EMERGENT ISSUES**

**SEE PAGE 21**

**CALIFORNIA'S RED INK IS NEGATIVELY IMPACTING MUNICIPALITIES LARGE AND SMALL**

**THE LIFE OF A CENTRAL COAST FARMER**

*Family farms are disappearing across America including here on the Central Coast*

**COLAB IN DEPTH  
SEE PAGE 24**

**SOCIALISM'S SURVIVAL: THE ENDURANCE OF AN IDEOLOGICAL PARADOX  
*WE REMEMBER THE PAST. ARE WE STILL CONDEMNED TO REPEAT IT?***

**BY ROGER KIMBALL**

**SPONSORS**



**THIS WEEK'S HIGHLIGHTS  
ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED**

**No Board of Supervisors Meeting on Tuesday, April 30, 2024 (Not Scheduled)**

**The next Board of Supervisors meeting will take place Tuesday, April 7, 2024**

**Item A-2 Presentation: Options to Replace Gas Tax.** A consultant will present potential revenues and impacts on this no action information item.

*With declining gas tax revenue at the state level, due in large part to the increasing number of zero-emission vehicles(ZEVs) on California roadways, it is estimated that the state could lose more than one billion dollars annually by 2027 compared to projected 2024 revenue. SLOCOG’s State Legislative Consultant, Gus Khouri of Khouri Consulting, is exploring options to replace the gas tax and will compare potential revenue sources and their potential impact on San Luis Obispo County residents.*

*Transportation maintenance and improvements are heavily dependent on the gas tax. According to the Legislative Analyst’s Office (LAO), the 57.9 cents state gas tax generates \$7.4B annually. With gas-powered vehicles becoming more fuel efficient, the rise in telework, and rapid conversion to zero-emission vehicles(ZEVs), gas tax resources have declined, hampering the ability to fund our infrastructure, which includes local streets and roads, highway safety, and congestion projects. The gas tax is regressive and is losing purchasing power despite inflationary adjustments in SB 1 in 2017. Governor Newsom’s Executive Order N-76-23, which phases out gas-powered vehicle sales by 2035, makes it inevitable to convert to a new funding mechanism.*

**Item A-3 Supplemental Funding: 2024 Polling Results.** It was not good news for those who support a new ½ cent sales tax for transportation.

*In January 2023, the SLOCOG Board authorized staff to release Request for Proposals (RFP) and secure a contract (in February) for polling services for a Supplemental Funding Assessment to update poll questions last asked in 2016. Polling was conducted in April 2023 and results, recommendations, and draft materials were presented in June 2023. The contract provided for a second round of polling which was completed in March 2024. Results of this poll will be presented, and the final report is available for download. A total of 1,065 responses were collected, within budget, and top line results found that 63% to 64% are supportive of a transportation-specific tax*

**SLOCOG Past Polling Results Comparison:**

	<b>2011</b>	<b>2015</b>	<b>2016</b>	<b>2023</b>	<b>2024</b>	<b>202?</b>
½ cent 30 years	57%	-	-	-	-	
½ cent 25 years following engagement	-	-	63%	-	-	
½ cent 20 years pre-engagement	60%	44%	-	63%	64%	
½ cent 10 years	-	56%	-	-	-	
Election (J-16): ½ cent for 9 years	-	-	66.3%	-	-	

*Notes: %s above represent highest % from each survey.*

*Measure J-16 results by Supervisorial District - 1: 59%; 2: 71%, 3: 71%, 4: 66%, 5: 63%*

The SLOCOG Board will determine whether to “push a wet rope” and attempt to grow public support through a “public education” campaign. See **Item 4**, immediately below for the staff report and recommendation.

**Item A-4 Supplemental Funding: Next Step.** Although the issue polls around 64% overall, there is not unanimity among the cities in the County on whether to support a measure this year. The staff therefore recommends that the idea be deferred to a future year :

*Local Agencies Roadblock: In 2016, all city councils and the Board of Supervisors supported the effort; with six elected members not in support. In 2016, no city was seeking a new, or renewal of a local general tax. In 2024, four cities are seeking renewals/additions in the November election. Multiple councils identified concerns of measures competing and reducing their chance to pass a general tax. Regional measures require support from half the cities with half of the incorporated population, and the Board of Supervisors, before SLOCOG approves it for the voter ballot.*

If for some reason, the Board determines to reject the staff recommendation, it will have to determine to take action by June 18, 2024.

**Weaken Proposition 13:** The staff report calls out ACA-1 (a November 2024 ballot measure to weaken Proposition 13) as one of the reasons to delay a transportation measure. They hope it will pass and make it much easier to push a new tax through.

*ACA-1-If approved by voters, ACA-1 would lower the required threshold for special taxes and bonds that fund affordable housing, transportation, and infrastructure projects from two-thirds (66.7%) to 55%. Voter approval of ACA-1 would naturally make passing the proposed transportation sales tax much more feasible in the current environment. If ACA1 is adopted by voters, the new 55% threshold for passage would apply to all applicable measures on the same ballot (November 2024) and future ballots*

*Passed by both legislative chambers and signed by Governor Newsom, Assembly Constitutional Amendment 1 (ACA1) will appear on the November 2024 ballot for voters' consideration as a legislatively referred constitutional amendment (LRCA). If approved by voters, ACA1 will lower the required threshold for special taxes and bonds that fund affordable housing, transportation, and infrastructure projects from two-thirds(66.7%) to 55%. Voter approval of ACA1 would naturally make passing the proposed transportation sales tax much more feasible in the current environment. If ACA1 is adopted by voters, the new 55% threshold for passage would apply to all applicable measures on the same ballot (November 2024) and future ballots.*

**Big Picture:** The elected officials of the County and the 7 cities fail to realize that they are broke. They are living hand to mouth as each year goes by. The pressure will continue to grow inexorably with each budget cycle as salaries, staffing levels, benefit costs, and services are expanded. The system is breaking before our eyes. Any major societal disruption will doom the smaller jurisdictions and will require major pull backs by the larger ones. The climate change hysteria, a socialist State government, untenable immigration (and related costs), government debt at all levels, huge infrastructure deficits, and unfunded pension liabilities are all coming home to roost. The public is becoming ever more wary. Perhaps the trivialist obsession with bike lanes is apt symptom of the unreality that pervades our political culture.

Nero actually played the harp, not the violin, which had not yet been invented.



# LAST WEEK'S HIGHLIGHTS

## Board of Supervisors Meeting of Tuesday, April 23, 2024 (Completed)

**Item 2 - Request to approve the employment agreement of Matthew Pontes to serve as the County Administrative Officer.** The Board unanimously approved the contract for the new County Administrator, Matthew Pontes. Interestingly, Supervisor Gibson took time out to praise the appointee in some detail. This, of course, has sparked some public suspicion. At this point we have only received positive information about Mr. Pontes. We hope that Gibson respects Mr. Pontes and the roles of CAO by properly utilizing the structure of government. Specifically, Gibson should not give direction to department heads and other staffers, but instead should go through the CAO. It's OK for the Supervisors to contact department heads for matters of inquiry and minor constituent requests.

**Background:** The Board letter states that it went through a lengthy recruitment process and examined a number of candidates. Matt Pontes has extensive private and public sector experience, including work in the timber industry, as CEO of Shasta County, and as an Assistant CEO in Santa Barbara County. Santa Barbara County sources are very positive on Matt's tenure there. The write-up states in part:

*In May 2023, following the departure of a former CAO, the County Human Resources Department engaged CPS HR Consulting, a recruiting firm, to conduct a nationwide search for the next CAO. After an extensive selection process involving a preliminary evaluation of candidates by a recruiter, an interview with 18 department heads, and multiple rounds of interviews by the Board of Supervisors in closed session, Matthew Pontes emerged as the clear frontrunner.*

*As a Cal Poly alumnus and Central Coast native with 23 years of experience in county government service, Mr. Pontes is uniquely suited to be the next leader of San Luis Obispo County. Mr. Pontes previously served as the Shasta County Executive Officer until 2022. Before that, he served as the Assistant County Executive Officer in Santa Barbara County. Mr. Pontes also held many leadership roles for Santa Barbara and Kern Counties, overseeing critical functions in General Services, including Planning and Development, Public Works, Parks, Information Technology, Housing and Community Development, Library Services, Arts and Culture, Capital Projects, Facilities Maintenance, and Emergency Management, with a focus on enhancing community resilience and well-being.*

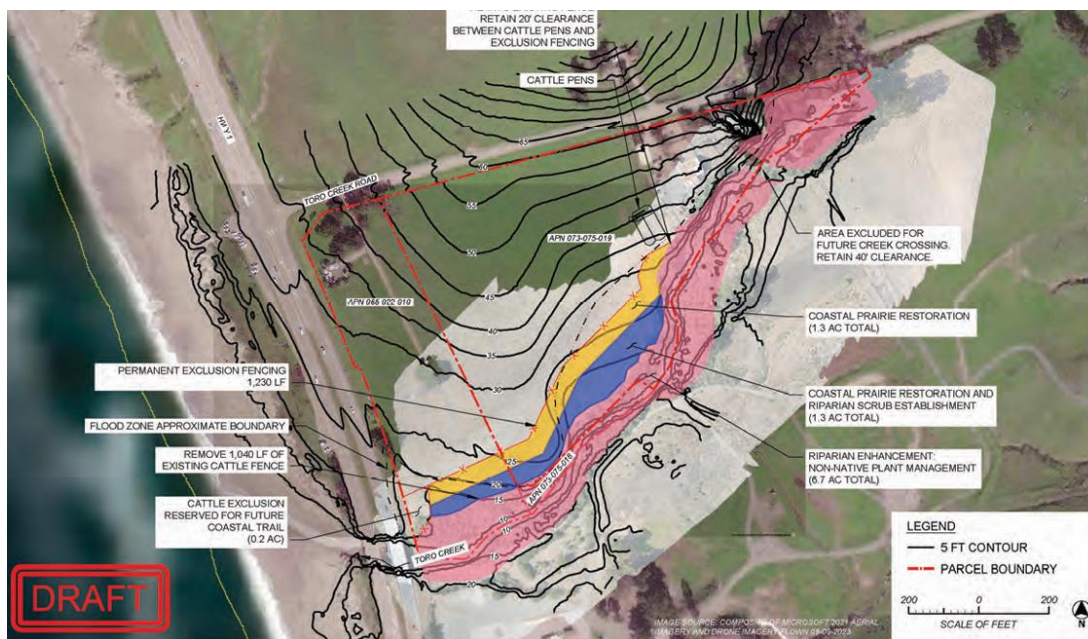
*The adopted FY 2023-2024 budget includes the CAO position. The salary range for the County Administrative Officer is \$241,841 to \$308,651 per year. Mr. Pontes will start at Step 5 of the salary range for this position which equates to an annual salary of \$293,946 and \$126,023 per year in benefits. Except as noted herein, Employee shall receive the same benefits that are provided to general management employees (payroll unit BU09), and in accordance with the applicable San Luis Obispo County Code Sections(s) 2.48.180 and 2.48.034. Sufficient funds exist in the Administrative Office budget to cover these expenses.*

Note that the hiring process included having the finalists go through a group interview with all the current Department Heads. This again reflects the current local government trendology of a team approach to management. Who protects the public, especially the taxpayer, from the team?

**Item 13 - Request to: 1) adopt a resolution to acquire real property located in the unincorporated area of the County situated between Morro Bay and Cayucos, 2) find the project exempt from Section 21000 et seq. of the California Public Resources Code (CEQA), 3) authorizing a grazing lease amendment associated with property, 4) authorizing a residential lease associated with the property, and 5) approve a corresponding budget adjustment in the amount of \$1,221,850 in Contributed Capital revenue to Capital Outlay. Actions 1, 3, 4 and 5 by 4/5 vote. The Board approved the deal unanimously on the consent calendar.**

*The subject property will be acquired by the County through donation from the Land Conservancy, with funding secured from private fundraising efforts (\$650,000), the Cayucos Land Conservancy (\$271,850), and mitigation related funding from the California Department of Transportation (\$300,000) to cover other escrow and title costs. No General Fund support will be required for the purchase of the subject property. The Land Conservancy will enter escrow with their acquisition funding sources. The property will be assigned to the County at close of escrow, by the end of June. The acquisition value is \$1,221,850.*

## DEED RESTRICTION EXHIBIT MAP



The County has desired to purchase the property as part of a long range plan of interconnected coastal properties and trails. Taking \$1.25 million off the tax rolls will forego \$12,500 of annual property tax if the land were to be sold privately, or \$125,000 over ten years. If the property could have been sold for a visitor-serving use and then developed, it might have a property value worth \$3.5 million with an annual property tax of \$35,000, or \$350,000 over ten years. This does not count any sales tax or hotel tax that might also be generated. The County has no funding presently or in the foreseeable future to develop the site as a park or even passive use.

**Item 28 - Hearing to consider a request by Dana Reserve, LLC and NKT Development, LLC (Applicant) for the adoption of 1) the Dana Reserve Specific Plan (DRSP); 2) a Vesting Tentative Tract Map (Tract 3159); and 3) a Conditional Use Permit for Oak Tree Removal and Grading/Impervious Surfaces. The DRSP would allow for the phased development of a 288 acre master-planned community with up to 1,370 residential units, 110,000-203,000 square feet (floor area) of commercial and non-residential (Visitor Serving/Hotel, Education) uses, a minimum of 55.6 acres of open space and 6.3 acres of recreation, and related circulation and infrastructure. The project was approved 3/2 with Gibson and Paulding dissenting.**

**At the meetings:**

**1. The hearing lasted 2 days:** It included a staff presentation, a presentation by the developer, and a serial presentation by speakers from the Nipomo Action Committee (NAC), an organization opposed the project. This group was allowed to proceed first in the 2 days of public comment. The Chair allowed about 15 citizens to present one after another. Due to some mix-up, representatives of community organizations, universities, and hospitals in favor of the project were randomly called on over the 2 day period, most on the second day. NAC presented a 4,000 signature petition opposing the project.

**2. An Alternative Plan:** The plan known as Alternative L, that had been developed by the Nipomo Action Committee (NAC), was proffered as an alternative. In addition to four CEQA generated alternatives - no project and three smaller projects - NAC generated its own version for consideration. That plan did not meet the project objectives, and the internal financing margins didn't work to facilitate the affordable components of the project. The fact that Gibson and Paulding wanted to send the process back to the Planning Commission to negotiate something of this nature was outrageous at the stage of the process. Gibson actually beveled the idea by simply proposing that the affordable units be constrained by deed restrictions and that the project be redesigned to make the oak forest portion larger.

This is tantamount to telling private property owners that they should be subject to popular whim and endless processing of their applications in SLO County. In this case the developer had been subjected to 4 years of compromises, voluntary contributions, and nibbling away. It's just a step away from the County encouraging the neighbors and others seize your property.



**Seattle mob demands whites give up their Seattle homes.**

**3. Supervisor Paulding had to oppose the project:** As the representative of thousands of local residents in his district who opposed the project, he had no real choice. Had he voted for the project, he would be an easy target for defeat in the next election. Should his political career prosper and he end up in State or Federal office, this vote will have been a critical choice in his career.

During the hearing Paulding harangued for almost an hour to lay out his reasons for his coming no vote. In general, he explained that the approval of the project violated the principles of “good governance” and “protection of the environment.” “Overall, the project has not gotten us to where we need to be.” “It is out of balance.” At first we thought that he would assert a broad argument that the entire premise of a Specific Plan in lieu of zoning is a subversion of the Land Use Plan and subordinate plans and ordinances. He touched on this a little but mainly focused the idea that it was not ready in terms of the needs of Nipomo. He cited traffic, oak tree removal, insufficient affordable housing, lack of water, and the community opposition. His discussion alternated between questions and assertions.

Finally, he verbally ran down the list of the 19 unmitigable CEQA Class I impacts (see page 13 below for the list.)

Supervisor Ortiz-Legg presented a list of reasons why she supported the project. These were embedded in her long term experience in the energy industry and economic development matters. Intriguingly, Chair Arnold called on Gibson after Paulding finished. Gibson demurred, stating that he wanted to go last after all the other Supervisors. Ortiz-Legg muttered into a hot mic, “he wants to go last so he can outsmart us.” She summed of her position with: “Don’t let the perfect drive out the good.”

Supervisor Peschong was quick and to the point. He provide some summary reasons for supporting the project and announced he would vote for it when the time came.

When Supervisor Gibson’s turn came, he stated that the project was not ready. He noted that much of the justification for the project is based on affordable housing, which is not really guaranteed by deed restrictions, commitment to accept Section 8 rental certificates, or other conditions. He subsequently proposed that he could support the project if 1) the affordable units could be guaranteed by deed restrictions; and 2) the project could be redesigned to expand the oak woodlands in the middle.





**4. Lawsuit?** Opponents of the project may sue the County in the hope of having the project denied or watered down. The Nipomo Action Committee, Sierra Club, Audubon Society, California Native Plant Society, and Oak Tree Alliance have all expressed opposition to the project. An intervenors, they would probably attempt to obtain an injunction to delay the project while pre-trial discovery and other legal process consume time, which is expensive for the applicant. A condition of the approval is that the applicant pay the County's costs of defending the project, adding further pressure and cost. It is likely that the point of attack would be that the Board exceeded its discretion in adopting its overriding concerns vis-à-vis the CEQA unmitigable Class I impacts.

The Courts are somewhat loath to overturn a legislative act by a city council or board of supervisors. The adoption of the Specific Plan is not an appeal, but an actual legislative act.

**5. Big Picture:** The Dana Reserve project is compact, well designed, and chock full of public benefit. It could be a template for other similar developments. The County could use at least 5 more of this model at the current time. Accordingly the County should:

1. Adopt the concept generically – that is, if you seek a similar plan you get expedited processing.
2. Seek to obtain special State legislation that would specifically provide for a public interest (homes) that override unmitigable CEQA Class I Findings.
3. Designate 300 acres in the community plans for Nipomo Village Center, Oceano, Santa Margarita, and Templeton as opportunity sites. Cal Poly and Questa College should each designate 300 acres for such a development. Questa would have to work with the State to acquire more National Guard land.
4. Promote public policy within the bureaucracy. Future raises for the departmental management responsible for expediting such developments – i.e. Planning, Public Works, CAO, Fire, County Counsel, Public Health, and APCD - would be partially based on their alacrity in recruiting and bringing forward viable developers and projects.

**Background:** The project is the largest housing development proposed in the County in decades. It also contains space for commercial, educational, and recreational facilities. It is located on the west side of US Highway 101, a few blocks south of the interchange with Willow Road in Nipomo. The Planning Commission reviewed the project and voted 4/1, Commissioner Wyatt dissenting, for the Board of Supervisors to approve the project. Two days have been set aside for Board of Supervisors' consideration and action, due to the relatively large size of the project (for SLO County) and the existence of both considerable public support and considerable public opposition.

Many individual citizens and organizations turned out to attempt to influence the Board of Supervisors to approve, modify, or reject the project.

**COLAB supported the project and didn't just mince words about the need for workforce housing.**

- It provides sorely needed homes for a variety of income levels.

- It is proposed on land which the County General Plan has designated for some sort of master planned project for decades.
- The developer has the right to develop the property to its highest and best use. The community has a public interest in allowing this process.
- Where you live when you are young has everything to do with your chances in life -- that is who you associate with, where you go to school , the room in which you do your homework, and who become your role models. Homes provide for family formation and stability.
- We recognize that existing neighbors fear the impacts of a dense enclave in the midst of their lower density neighborhoods. The problem is that the State and County have adopted schemes of land use which generally forbid large scale development of free standing homes with front and back yards, side yards, and privacy. In effect, the type of development characterized by the Dana Reserve has been legislated over the decades by our elected officials in the name of prohibiting “urban sprawl.” Thus, if not here and not now, where and when?
- From a transportation standpoint, it is located just south of the interchange of US Highway 101, a controlled access freeway, and Willow Road, a major east /west Nipomo artery. It can be served by buses which now already run between San Luis Obispo and Santa Maria.
- The land on the site has poor soils and has not been used for row crops or orchards or decades. A few cattle may have grazed there from time to time.
- Accumulative State law related to the housing crisis practically requires that the Board approve the project.
- The Planning Commission recommended the project.
- The staffs recommend approval of the project.
- The Board letter summary stated in part:

### **Project Description**

*The following is an overview of the DRSP and related entitlements. The Planning Commission staff report (Attachment 4) contains a more detailed description of the DRSP, Draft Environmental Impact Report (Draft EIR), and key issues.*

The 2024 Dana Reserve Specific Plan (DRSP) is a primarily residential project with a majority of the Specific Plan Area designated for residential uses. The DRSP would allow development of up to 1,370 single- and multi-family residential units, as well up to 203,000 square feet of village and flex commercial uses (including a hotel, educational/training facilities, and retail/light industrial uses), open space, trails, and a public neighborhood park within the approximately 288-acre Specific Plan Area. Major components of the DRSP include:

- Land use and development standards for residential, commercial, and open space/recreational uses;
- Site and building objective design standards and design guidelines;
- Goals supporting a variety of housing types to allow a range of opportunities for home ownership or rental options;
- Establishment of north-to-south roadway connections through the Specific Plan Area to better connect Tefft Street and Pomeroy Road to Willow Road;
- Implementation of an interconnected network of walking, bicycling, and equestrian trails and facilities; and
- The generation of new employment opportunities and provision of access to day-to-day goods and services through development of a range of commercial uses.

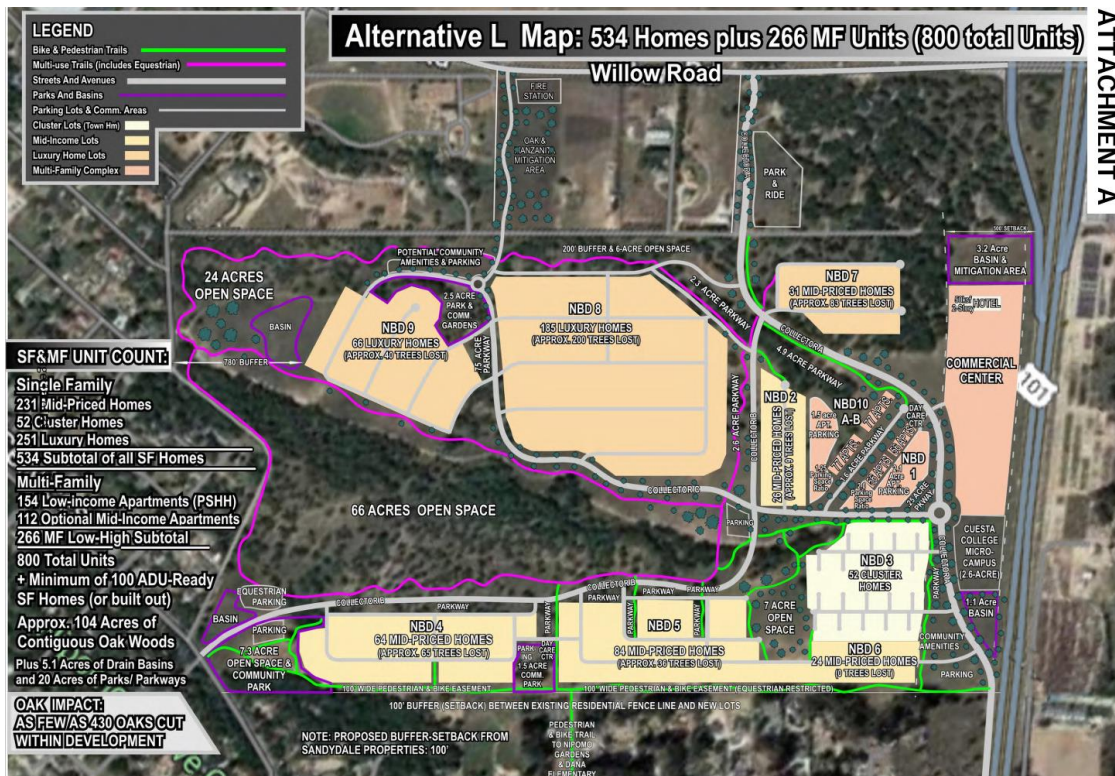
**Figure 1. Land Use Map**



Figure 2. Concept Master Plan



In addition to four CEQA generated alternatives – no project and three smaller projects, a citizen group has generated its own version for consideration. It does not meet the project objectives, and the internal financing margins don't work to facilitate the affordable components of the project.



## **Opposition:**

1. Neighbors in the vicinity oppose the project for the normal reasons – increased traffic, conversion of raw land containing many oak trees to urban uses, rural vistas turning into views of property fences and the backs of new densely packed homes, and more population. Accompanying noise, stray light, and increased water use are also cited. The developer has gone to extraordinary lengths to eliminate or mitigate these.

2. The project EIR lists 19 Significant and Unavoidable CEQA Class I Impacts per the table below. These are in fact obvious factors that result from any conversion of raw land to human habitation. CEQA requires that these be measured and disclosed. They are then included in the Final EIR. Project opponents seize on these to attempt to prevent governing bodies from approving projects. The California Native Plant Society, a local Oak Tree Preservation Group, the Audubon Society, and the Sierra Club have all filed letters stating that the project as presented should be denied or severely diminished on these grounds.

For the Board of Supervisors to approve the project it must adopt findings of overriding concern. These then become the fodder for lawsuits.

### **SIGNIFICANT AND UNAVOIDABLE (CLASS I) IMPACTS**

- Air Quality (3)
- Biological Resources (6)
- Greenhouse Gas Emissions (2)
- Land Use and Planning (3)
- Population and Housing (2)
- Transportation (2)
  
- Growth-Inducing Impacts (1)

### **The Final EIR for the project identifies the following significant and unavoidable impacts of the project:**

*1. The project would conflict with an applicable air quality plan, resulting in a significant impact. Implementation of the proposed project would further divide the jobs-to-housing balance within the project area and would be inconsistent with regional vehicle miles traveled (VMT)-reduction efforts.*

*2. The project would result in a cumulatively considerable net increase of criteria pollutants in exceedance of established San Luis Air Pollution Control District (SLOAPCD) daily emissions thresholds, resulting in a significant impact. During operation, maximum daily operational air pollutant emissions would exceed SLOAPCD's operational significance thresholds. Annual emissions of reactive organic gases (ROG) and nitrogen oxides (NOx) would also exceed SLOAPCD's recommended operational significance thresholds.*

3. *The project would conflict with an applicable air quality plan and would result in a cumulatively considerable net increase of criteria pollutants in exceedance of established SLOAPCD daily emissions thresholds, resulting in a significant cumulative impact.*

4. *The project could directly or indirectly impact special-status plant and wildlife species, resulting in a significant impact. Project activities, including tree removal, grading, demolition, utility installation, paving, etc., could result in impacts to special-status species and their habitat.*

5. *The project could directly and indirectly impact California Rare Plant Rank (CRPR) 4 and Watch List plant species, including California spineflower, sand buck brush, and sand almond.*

6. *The project will directly impact Burton Mesa chaparral, resulting in a significant impact. The project would result in the loss of 35 acres of Burton Mesa chaparral habitat on-site.*

7. *The project will directly impact coast live oak woodland, resulting in a significant impact. The project would result in the loss of approximately 75 acres of coast live oak woodland habitat on-site.*

8. *The project will result in direct and indirect impacts to coast live oak woodland, coast live oak forest, and individual oak trees, resulting in a significant impact.*

9. *The project would have cumulatively considerable impacts related to biological resources, resulting in a significant cumulative impact.*

10. *The project would conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases, resulting in a significant impact. The project would generate VMT above existing per capita thresholds, which would conflict with the San Luis Obispo Council of Governments (SLOCOG) 2019 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS) intended to reduce greenhouse gas (GHG) emissions through VMT-reduction strategies.*

11. *The project would result in a cumulatively considerable impact to greenhouse gas emissions, resulting in a significant cumulative impact.*

12. *The project would adversely affect the local jobs-to-housing ratio within the project area and would be inconsistent with Land Use Planning Policy L-3 of the San Luis Obispo County Clean Air Plan (CAP), resulting in a significant impact.*

13. *The project would result in the net loss of CRPR 4 and Watch List plant species, native oak woodland, and sensitive habitats; therefore, the project would be potentially inconsistent with goals and policies of the County of San Luis Obispo General Plan Conservation Open Space Element pertaining to preservation of biological resources and Policy 3.8 of the Parks and Recreation Element, resulting in a significant impact. The project would be potentially inconsistent with County COSE Goal BR 1, Policy 1.2, BR Policy 1.4, BR Policy 1.9, Policy BR 2.6, Goal BR 3, Policy BR 3.1, Policy BR 3.2, Policy BR 3.3, and several Implementation Strategies set forth in the County COSE.*

14. *The project would result in cumulative impacts associated with inconsistency with goals and policies identified within the County of San Luis Obispo General Plan Conservation and Open*

*Space Element, Framework for Planning (Inland), LUO, and South County Area Plan regarding preservation and no net loss of sensitive biological resources and preservation of rural visual character, resulting in a significant impact.*

*15. The project would induce substantial unplanned population growth in the Nipomo area, resulting in a significant impact.*

*16. The project would result in a cumulatively considerable impact related to substantial and unplanned population growth, resulting in a significant cumulative impact.*

*17. Buildout of the Specific Plan Area would exceed the County VMT thresholds and therefore would not be consistent with State CEQA Guidelines Section 15064.3(b). VMT per employee would be incrementally reduced compared to existing conditions; however, the project-related increase in residential VMT per capita and overall VMT would exceed the County VMT thresholds, resulting in a significant impact.*

*18. The project would result in a cumulatively considerable impact to transportation and traffic, resulting in a significant cumulative impact.*

*19. The project would result in substantial growth inducement associated with the proposed project's population as well as the potential to induce additional spatial, economic, or population growth in a geographic area.*

#### **The Statement of Overriding Considerations:**

**For projects which would result in significant environmental impacts that cannot be avoided, CEQA requires that the lead agency balance the benefits of these projects against the unavoidable environmental risks in determining whether to approve the projects. If the benefits of these projects outweigh the unavoidable impacts, those impacts may be considered acceptable (State CEQA Guidelines Section 15093[a]).** CEQA requires that before adopting such projects, the public agency must adopt a Statement of Overriding Considerations setting forth the reasons why the agency finds that the benefits of the project outweigh the significant environmental effects caused by the project. This statement is provided below.

#### **REQUIRED FINDINGS**

*1. Environmental Determination. The Board of Supervisors hereby certifies that the Final EIR adequately identifies the project's potentially significant impacts, alternatives to the project, and recommended mitigation measures.*

*2. Final EIR Findings. Based upon all the evidence, the Board of Supervisors makes the following findings in certifying the Final EIR. a. The Final EIR has been completed in compliance with CEQA and was considered by the County prior to any approvals of the project. b. The Final EIR reflects the independent judgment of the County. c. For most of the significant effects identified in the Final EIR, the approved mitigation measures contained in the Final EIR will avoid or substantially lessen the identified adverse environmental impacts of the project to a level where they are not significant and have been incorporated into the project. d. Not all*

significant effects identified in the Final EIR can be mitigated to a level where they are not significant. The significant effects related to air quality, biological resources, greenhouse gas emissions, land use and planning, population and housing, transportation, and include growth-inducing impacts, will not be fully mitigated to a degree where they are not significant with the incorporation of all of the identified feasible mitigation measures contained in the Final EIR. However, the Board of Supervisors finds that the adverse environmental effects are acceptable and makes a statement of overriding considerations for those significant and unavoidable environmental impacts.

3. *Statement of Overriding Considerations.* The Board of Supervisors has identified a number of overriding economic, social, and other public benefits of the project that, in the Board's judgment, make the significant and unavoidable impacts identified in the Final EIR acceptable. These benefits are described below. The substantial evidence supporting the enumerated benefits of the Project can be found in the preceding findings, in the Project itself, and in the record of proceedings as defined herein, including the County's General Plan. Each of the overriding considerations set forth below constitutes a separate and independent ground for finding that the benefits of the Project outweigh its significant adverse environmental effects and is an overriding consideration warranting approval. Thus, if a court were to find that any particular benefit is not supported by substantial evidence, the Board of Supervisors would rely on whatever benefit(s) that the court did find were supported by substantial evidence. The overriding benefits of the Project include the following: a. The California Legislature has found and declared that "The availability of housing is of vital statewide importance." (Gov. Code § 65580.) The California Legislature has required that every city and county "designate and zone sufficient vacant land for residential use with appropriate standards, in relation to zoning for nonresidential use, and in relation to growth projections of the general plan to meet housing needs for all income categories as identified in the housing element of the general plan." (Gov. Code § 65913.1.) The Governor of California has declared that the shortage of housing for residents of California is a crisis.

(1) In February 2019, SLOCOG accepted the California's Department of Housing California Governor Gavin Newsom State of the State Address, Feb. 19, 2020, available at <https://www.gov.ca.gov/2020/02/19/governor-newsom-delivers-state-of-the-state-address-on-homelessness/> and Community Development's RHNA allocation of 10,810 additional housing units for the 10-year planning cycle.

(2) The RHNA is mandated by State Housing Law as part of the periodic process of updating local housing elements of the General Plan. Under the housing allocation adopted by SLOCOG in February 2019, the County is to contribute 3,256 new dwelling units over the course of the 10-year planning cycle.

(3) The project will assist the County in meeting its housing allocation targets under state law and consistent with Housing Element Objective HE-2.0. If approved the project will provide 156 deed-restricted affordable housing units available to very-low- and lower-income households in two separate neighborhoods (10A and 10B). The Applicant would install improvements to the lots, including utilities stubbed to the property lines, mass grading, and installation of all frontage improvements, including curb/gutter/sidewalks, drainage and stormwater compliance associated with perimeter street runoff, sidewalks, streetlights, water mains, sewer mains, and dry utilities.



*b. CEQA Guidelines Section 15021 points to housing specifically as a factor to be considered when balancing a variety of public objectives. Section 15021(d) states: “CEQA recognizes that in determining whether and how a project should be approved, a public agency has an obligation to balance a variety of public objectives, including economic, environmental, and social factors and in particular the goal of providing a decent home and satisfying living environment for every Californian. An agency shall prepare a statement of overriding considerations as described in Section 15093 to reflect the ultimate balancing of competing public objectives when the agency decides to approve a project that will cause one or more significant effects on the environment.”*

*c. Housing Element Objective HE-2.00 states the County will facilitate the development and preservation of housing that is affordable to households of moderate-income or lower, households of workforce-income, and seniors. The proposed project will help the County achieve this objective by providing 383 multi-family units in NBDs 1 and 2 that, although subject to market trends, are expected to be affordable by design at the moderate and workforce income levels based on market studies conducted by the Applicant.*

*d. The DRSP provides for a variety of housing types and costs to meet the needs of renters and buyers with a variety of income-levels, including single-family, townhomes, and multifamily options, consistent with Housing Element Objective HE-1.00.*

*e. The lack of available housing in the county, especially workforce housing, currently impacts the ability for employers to attract and hire qualified staff. The project emphasizes providing housing of all types, sizes, and range of affordability addressing the County and State critical housing shortage.*

*f. The DRSP will allow for the construction of ADUs and Junior ADUs (JADUs) as permitted uses in all areas of the DRSP area that allow for residential uses, consistent with state ADU law. It is anticipated that approximately 152 ADUs or JADUs could be developed within the DRSP area over the life of the project. A minimum of 100 ADUs will be constructed by the project during initial phases of development. The County’s Housing Element included a market study that showed 50 percent of ADUs are affordable at the low income level and 50 percent of ADUs are affordable at the moderate income level. Therefore, the 100 ADUs to be constructed will add 50 low income and 50 moderate income units to the county’s housing supply. If all 152 ADUs are built, they will add 2SLOCOG, Staff Report, Feb. 6, 2019, approximately 76 low income and 76 moderate income units to the unincorporated county’s housing supply.*

*g. As part of the DRSP, a local preference program for home buyers and renters will be included in the marketing of the units within the Neighborhoods 1, 2, 3, 4, 5, and 6. The local preference program will give first priority to individuals who live or work in the South County (identified by the boundaries of the Lucia Mar Unified School District), children of South County residents, first time homebuyers, and buyers who can demonstrate a reduction in vehicle miles travelled by living in the DRSP area rather than their existing residence.*

*h. The DRSP will provide a \$3.2 million dollar donation to the Community Foundation San Luis Obispo for down payment assistance of between 3.5% and 10% of the home’s purchase price to qualified first time homebuyers. The donation would provide financing assistance to local, first-time homebuyers and priority buyers described in subsection e. (first priority to individuals who live or work in the South County [identified by the boundaries of the Lucia Mar Unified School District], children of South County residents, first time homebuyers, and buyers who can*

*demonstrate a reduction in vehicle miles travelled by living in the DRSP area rather than their existing residence). All buyers will be required to provide proof of a demonstrated financial need to qualify for down payment assistance.*

*i. The DRSP will preserve the rural-urban interface by restricting structures in Neighborhoods 7, 8, and 9 to single-story where located adjacent to existing single-family residences and by clustering residences in Neighborhood 3 to the north of the neighborhood with a 110-foot buffer to the residences to the south, consistent with the goals of the South County Area Plan.*

*j. The DRSP will designate approximately 21 percent, or about 62 acres, of the DRSP area for recreational and open space uses, including a 4.8-acre privately maintained public park for residents of the DRSP area and the County, a 1-acre equestrian trailhead for residents of the DRSP and the County, semi-public and private recreational amenities, approximately 3.3 miles of publicly-accessible equestrian trails, and approximately 3.8 miles of publicly-accessible off-street pedestrian trails, consistent with Parks and Recreation Element Policy 2.5, Objective C, Policy 3.12, and Policy 3.13, and the goals of the South County Area Plan. The project would also provide needed funding for enhancement of existing offsite park and recreational facilities through payment of Quimby fees.*

*k. The DRSP would offer for dedication an open space and conservation easement on a 388-acre property known as Dana Ridge (Assessor Parcel Numbers 090-031-003 and 090-031-004) located approximately 2.1 miles east of the DRSP Area for the permanent conservation of approximately 288 acres of coast live oak woodland that is intermixed with approximately 120 acres of chamise chaparral, 7.5 acres of manzanita scrub, and 20 acres of grassland. The area to be permanently protected at Dana Ridge includes approximately 14,000 mature oak trees, rare Santa Margarita manzanita, and other rare plant species.*

*l. The DRSP would preserve in perpetuity through recordation, known cultural and archaeological resources present within the DRSP area.*

*m. The DRSP would include five connection points to the surrounding community, which would provide alternative emergency evacuation routes for the existing community, including a through connection from West Tefft Street to Willow Road via extension of North Frontage Road. Caltrans and County Public Works have identified the need for a parallel route to US 101 to relieve traffic congestion. Collector A would meet this need.*

*n. The DRSP includes pedestrian and bicycle paths and multi-modal boulevards separated by landscaped medians throughout the DRSP area, providing pedestrians and bicyclists with off-street circulation options that connect open space and recreational areas with housing and commercial areas, consistent with County's LUCE Goals 3, 4, 9, and 11.*

*o. The project would create new construction-related and permanent jobs in the project area. Planned commercial development and upkeep of the DRSP area would provide jobs in close proximity to housing.*

*p. Consistent with the goals of the South County Area Plan, the DRSP would provide a variety of commercial and industrial uses to generate local business activities, increase sales and property tax revenues, and provide for the functional needs of the community.*

q. As required by the County's General Plan, the DRSP contains policies and standards that will facilitate appropriate development of land, protection of open space, and provision of adequate public facilities consistent with the County's LUCE.

r. The DRSP would include an approximately 2-acre land dedication within the DRSP area for the construction of a future fire station to serve the South County and Nipomo areas. The Applicant would install improvements to the lot, including utilities stubbed to the property lines, mass grading, and installation of all frontage improvements, including curb/gutter/sidewalks, drainage and stormwater compliance associated with perimeter street runoff, sidewalks, streetlights, water mains, sewer mains, and dry utilities. Additionally, the Applicant is not seeking Public Facility Fee reimbursement that the Applicant would otherwise be entitled to in exchange for the land donation.

s. The DRSP would provide an approximately 4-acre land donation for a satellite community college. The Applicant would install improvements to the lot, including utilities stubbed to the property lines, mass grading, and installation of all frontage improvements, including curb/gutter/sidewalks, drainage and stormwater compliance associated with perimeter street runoff, sidewalks, streetlights, water mains, sewer mains, and dry utilities.

t. The DRSP would provide a 0.5-acre land donation for a daycare center to serve the DRSP area and surrounding community. The Applicant would install improvements to the lot, including utilities stubbed to the property lines, mass grading, and installation of all frontage improvements, including curb/gutter/sidewalks, drainage and stormwater compliance associated with perimeter street runoff, sidewalks, streetlights, water mains, sewer mains, and dry utilities.

u. The DRSP would facilitate further implementation of the Nipomo Supplemental Water Project consistent with the recommendation of the Nipomo Mesa Management Area by bringing water onto the Nipomo Mesa and applying it to land uses within the mesa, a majority of which would be recaptured through wastewater collection and treated at the NCSO Southland wastewater treatment facility, where it can percolate back into the Nipomo Mesa subbasin.

4. The Mitigation Monitoring Program, attached as Exhibit B, has been reviewed by the Board of Supervisors in conjunction with its review of the Final EIR, and is hereby adopted. It shall be carried out by the responsible parties by the identified deadlines.

**Accordingly, the County finds that the Project's adverse, unavoidable environmental impacts are outweighed by these considerable benefits.**

### **Could the County Declare a State of Emergency?**

It did back in 2013 in order to take control of the Paso Basin water issue. Isn't the shortage of housing just as dangerous an issue?

### **Planning and Building and County Counsel Departments Worked Hard on this Application**

The record that was accumulated in relation to this project is vast. The analytical work of the staff is impressive. The accumulative complexity, including the intersection of so many laws and rules, is monumental.

## A Tough Issue for Supervisor Paulding

The Supervisor has many constituents opposed to the project. He also has many, including business groups, educational institutions, and not-for-profits, as well as regular constituents, who support it. As noted above, Gibson’s Planning Commissioner Wyatt opposed the project. In the end Paulding voted to deny the project while asking that it be sent back to the Planning commission for redesign. Gibson sought to kill the project by imposing deed restrictions on the affordable housing which might render it unbankable. He also suggested expanding the amount dedicated to oak tree forest, which would upend the internal financial flows. Of course, all of the Supervisors have made housing a stated priority. Supervisor Ortiz-Legg held the key on this one.

**Item 30 - Any Supervisor may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, Supervisors may request staff to report back to the Board at a subsequent meeting concerning any matter or may request that staff place a matter of business on a future agenda. Any request to place a matter of business for consideration on a future agenda requires the majority vote of the Board.** There were no requests to examine new services or other issues.

### Planning Commission Meeting of Thursday, April 25, 2024 (Completed)

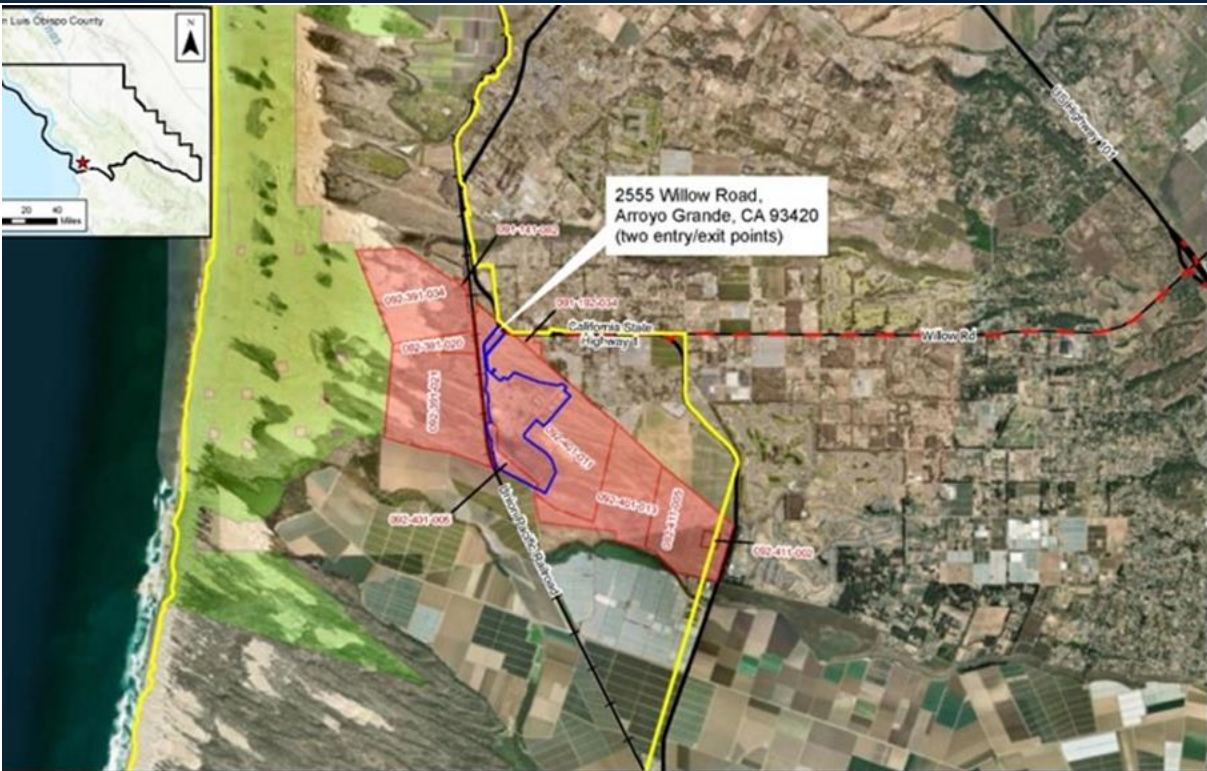
**Item 5 - A study session regarding the Phillips 66 Santa Maria Refinery Demolition and Remediation Project and the Draft Environmental Impact Report (EIR). The Applicant, Phillips 66 Company (Phillips), is seeking a Development Plan/Coastal Development Permit (DP/CDP) to allow for demolition and remediation of the Santa Maria Refinery (SMR) located at 2555 Willow Road in Arroyo Grande.** As noted in the staff report, the County in 2017 denied an application to expand the amount of tank car parking, on the grounds that tank cars are too risky. There was vast and coordinated statewide push by anti-oil activists and leftists in general to have the permit denied. Subsequently, Phillips determined to close the plant.

The County does not seem to have formulated a policy for a subsequent industrial use. There will of course be the usual push to convert the site to a passive preserve for various thistles and birds.

**Table 1.** Project Schedule

Activity	Year										
	2023	1	2	3	4	5	6	7	8	9	10
Decontamination and Abatement	■										
Project: Above Ground Demolition		■	■								
Project: Remediation* - most soil movement			■	■	■	■					
Project: Continued Remediation as needed**			■	■	■	■	■	■	■	■	+
Ongoing Remediation (not part of Project)***											
NIWS Restoration		■	■	■	■	■					
Slops Oil Remediation						+					

Source: Phillips 66 Application 2023



## EMERGENT ISSUES

### Item 1 - California's Red Ink is Negatively Impacting Municipalities Large and Small.

#### **Political hypocrisy should not shock anyone** **By Wayne Avrashow, April 23, 2024**

The State of California is hemorrhaging red ink with a massive budget shortfall. The non-partisan Legislative Analyst Office estimates the deficit at \$73 billion; Governor Gavin Newsom claims to be optimistic and pegs the shortfall at \$38 billion. A gap of \$30 billion is more than a *bit* of optimism.

If the deficit is closer to the Analyst Office's projections or any economic slowdown occurs, cities and county governments will bear the brunt. Newsom's budget proposal, which will be modified by the legislature, includes delays to programs in behavioral health, reductions in parks and open spaces, libraries, childcare, education, and transportation, all of which will directly impact local government.

There are "reversions," or cuts, of approximately \$1 billion in various housing programs this year and \$1.7 billion over the following years. Political hypocrisy should not shock anyone. We are undoubtedly in a housing crisis, and the State has mandated a specific number of affordable housing units for each city. Yet the "reversions" in housing aid result in a demand by the State of each city but pulls back needed financial assistance.

The State's fiscal shortfall negatively impacts municipalities large and small. I began my career in decision-making levels of Los Angeles city and county government and now reside in Rancho Mirage in the Coachella Valley.

Los Angeles is confronting what the *Los Angeles Times* termed a "budget mess." The city of nearly four million will have to freeze hiring, cut services, and raise fees. San Francisco is confronting a \$245 million shortfall this year and a \$555 million deficit next year. Mayor London Breed's budget director stated, "We're in a tough spot."

The Governor's proposed budget does not include any raids on local government. Yet the legislature will explore every option before the June 15 deadline. Cities must anticipate this challenge and be proactive.

Let's look at my hometown of Rancho Mirage (near Palm Springs), which has 18,000 residents. The Rancho Mirage City Council adopted a budget with an "assumption that the local economy will continue to thrive." Thrive? Maybe.

No doubt local budgets will get squeezed, but let's protect our priorities:

1) Los Angeles has three Council members who voted against raising salaries for the Los Angeles Police Department. Anything is possible with those self-described "super progressives." Yet budgets for police, fire, and emergency medical technicians should not be reduced. Public safety is the number one job for municipal governments.

2) Infrastructure is never sexy but always vital. The state deficit delayed an \$8 million grant to Palm Desert for flood retention basins from the State's Regional Early Action Planning (REAP) program. Delaying infrastructure programs recalls the old "pay me now or pay me later" television ad. Look for cities to mobilize and lobby their state representatives to protect critical funding to resolve problems today and minimize damage tomorrow.

3) The super-majority Democratic California legislature is never termed as pro-business. Yet local governments depend on revenue from the sales and bed tax/transit occupancy tax. Stubborn inflation and the work-at-home sea change have spiked office vacancies, and the ripple effect has been vacant storefronts and retail uses. Local governments should engage with their local business community to retain existing businesses while attracting and encouraging new ones. Despite California's budget woes, special interests continue to push for more funding. Newsom's proposed budget allocates \$22,850 per student, yet California Now is pressing for an additional \$23 billion annually in education spending. Look for the potent teacher's union to flex its political muscles.

Newsom's proposed budget is misguided in two areas.

The budget proposal delays the minimum wage increase for healthcare workers. What is wrong with the picture when fast food workers enjoy a state-mandated wage increase but are not essential healthcare employees? Whether at Eisenhower Hospital in the Coachella Valley, Cedars-Sinai in Los Angeles, or elsewhere, balancing the budget on the backs of historically underpaid critical workers is counterproductive to the health of every Californian.

Second, the bullet train is a massive vacuum sucking public dollars. The Governor's budget allocates \$4.2 billion to continue building the 120-mile segment from Madera to north of Bakersfield. Is this the greatest boondoggle in California history?

California imposes more than enough taxes and regulations. Yet State Controller Malia Cohen has set her sights on Shohei Ohtani, the baseball wunderkind with a massive \$700 million contract with the Los Angeles Dodgers. Ohtani deferred \$680 million in salary until 2034-43. Controller Cohen has called on the United States Congress to mandate Ohtani pay taxes in California even if he returns to Japan, with California's tentacles reaching Tokyo.

You can check out of California, but you can never leave.

*Wayne Avrashow is a Rancho Mirage resident. He began his career as a top aide/Chief of Staff for two Los Angeles City Councilmembers and served on two government commissions. He has been an attorney for 30 years and an Amazon Bestselling novelist. He can be reached at [walaw@sbcglobal.net](mailto:walaw@sbcglobal.net)  
Spread the news:*

**Item 2 The Life of a Central Coast Farmer – By Andy Caldwell, Santa Barbara Current, April 28, 2024**

Family farms are disappearing across America including here on the Central Coast. That's because farming is subject to more risk than virtually any other sector of our economy.

Nonetheless, two organizations have published a "study" (read: attack) on local farmers, contending that being a farm laborer is a dangerous occupation, that farmworkers are not earning a living wage (while ignoring the seasonal nature of the work and insinuating racial inequity), and that somehow, it is up to farmers to keep increasing wages to keep up with inflation caused by "Bidenomics," as if money is no object. The "studies" also cite the lack of affordable housing (who isn't complaining about that?), and get this, they also complain about the costs associated with illegal immigrant status.



California farmers are subject to greater unique costs and risks than farmers in other states. CA Farmers have been forced to purchase new diesel-fueled equipment (trucks and tractors), and soon they will be required to replace their equipment again with electric trucks and tractors. Along with the unpredictable costs of fuel, packaging, fertilizer costs and the like, weather patterns can destroy a crop overnight. Strawberries, for instance, cost some \$40,000 per acre to produce. Do the math. A 1,000-acre strawberry farm has production costs of \$40 million.

Farmers are also struggling with the same inflation hurting businesses and consumers alike. Ironically, CA farmers are also struggling with the highest farm labor rates in the country. Regarding a living wage, as the "study" indicates, most farmworkers come here from Mexico. Our local farmworkers, on average, earn more per hour here than they earn for an entire day in Mexico. Moreover, strawberry workers can earn up to \$30 per hour by piece-rate compensation. Nevertheless, our farmers must compete with these and other foreign producers whose wages and production costs are orders of magnitude lower than ours.

What is completely lost in this discussion? Profit margins. Artificially raising the labor rates for farmworkers will have a greater disparate effect as the recent "living wage" for fast-food

workers, namely, companies going out of business. Farmers don't have the luxury to raise the price of the fruits and vegetables they harvest to keep pace with inflation because they are price-takers, not price-makers. And because of major chain grocery store consolidations, there are fewer buyers in the marketplace. Farmers are forced to take the price stores are willing to pay, regardless of the costs the farmers have incurred in growing the produce.

With respect to the hazards associated with farm labor, the one true risk assessment having to do with the dangers of any particular occupation is reflected in the cost of worker's compensation rates. "Work comp" is the insurance employers must buy to cover workplace injuries. Whereas, the "study" would have you believe that farm labor is as dangerous as construction, the truth is worker's compensation rates for construction are four times higher than farm labor rates.

Tragically, regarding the cost and availability of farmworker housing, farmers have been more than willing to construct housing, except for some "extenuating" circumstances. Here on the Central Coast, one farm housing project was burned to the ground by an arsonist during construction. A federal agency blocked another construction project in deference to tiger salamander habitat. Further, the county generally prohibits the construction of farmworker housing on ag lands because the land is not zoned for "development."

Farmers could solve their labor costs and our area housing shortages by doing what others have done all over the state. They could sell their land to developers resulting in more homes and fewer farms and farm labor jobs.

But who wants that?

**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**

**SOCIALISM'S SURVIVAL: THE ENDURANCE OF AN**  
**IDEOLOGICAL PARADOX**  
***WE REMEMBER THE PAST. ARE WE STILL CONDEMNED TO***  
***REPEAT IT?***

**BY ROGER KIMBALL**

I have written about the death and rebirth of socialism periodically over the years. But as André Gide said in another context, "Toutes choses sont dites déjà, mais comme personne n'écoute, il faut toujours recommencer": everything has already been said, but since no one was listening, it is necessary to say it again.



Really, the socialist impulse is a hardy perennial. How could something so frequently and thoroughly discredited persist in the hearts of men? Some think it has something to do with the gullibility of the human animal, some (but I repeat myself) with the persistence of the utopian dream. I suspect there are many explanations, of which the raw desire for power plays an unedifying but also underrated role. I also favor the explanatory power of original sin, which has profound psychological as well as theological application to many of the more farcical aspects of human experience and what is more farcical than socialism?

At any rate, the career of socialism is a powerful argument for the phenomenon of life after death. Remember: the death of socialism in the United States (except on college campuses) had been solemnly pronounced over and over during the 1980s and 1990s. But for the past several years, we have seen multiple sightings of the beast.

Back in 2018, for example, the actor Jim Carrey told Bill Maher: “We have to say yes to socialism—to the word and everything. We have to stop apologizing.”

I’m pretty sure that no one told this poor fellow that, were socialism to be instituted in the United States, one of the first things that would happen is that people like Mr. Carrey would be instantly pauperized.

Did I say “poor” fellow?

As of 2023, Mr. Carrey had an estimated net worth of \$180 million. But what are the two fundamental pillars of socialism?

One: The abolition of private property.

Two: The equalization of wealth.

I can’t forbear to point out that Mr. Carrey actually starred in a movie called “Dumb and Dumber,” which is about “two unintelligent but well-meaning friends from Providence, Rhode Island.”

Talk about art imitating life.

Mr. Carrey’s self-congratulatory naïveté is repeated everywhere these days. It’s an attitude that’s especially prevalent among historically innocent beneficiaries of the free market whose lives have been blissfully untouched by the blunt and unforgiving imperatives of socialist dominance.

Given the prevalence among the tender-hearted of socialist fantasy, on the one hand, and animus toward the free market, on the other, I thought it might be useful to say a few words in defense of the latter.

In The Wealth of Nations, Adam Smith noted the paradox, or seeming paradox, of the free market, aka capitalism: that the more individuals were left free to follow their own ends, the more their activities were “led by an invisible hand to promote” ends that aided the common good.

Private pursuits conducted to public goods—that is the beneficent alchemy of the free market. (I forbear to say “capitalism” because the term, though not coined by Marx, was popularized by him as a synonym for “exploitation,” when in fact its operation has been almost wholly about liberation.)

In The Road to Serfdom and other works, Friedrich Hayek expanded on Smith’s fundamental insight, pointing out that the spontaneous order created and maintained by competitive market forces leads to greater prosperity than a planned economy.

The sentimentalist can’t wrap his mind, or his heart, around that datum.

He (or she) can’t understand why “society” shouldn’t favor “cooperation” (a pleasing-sounding arrangement) over “competition” (much harsher), since in any competition there are losers, which is bad, and winners, which may be even worse. The unhappy truth is that socialism is a version of sentimentality. Even so hard-headed an observer as George Orwell was susceptible. In The Road to Wigan Pier, Orwell argued that since the world “potentially, at least, is immensely rich,” if we developed it “as it might be developed . . . we could all live like princes, supposing that we wanted to.”

Never mind that part of what it means to be a prince is that others, indeed most others, aren’t royalty. (Or, as that admirable logician W. S. Gilbert put it: “When everyone is somebody, then no one’s anybody!”) As Hayek observed, the socialist, the sentimentalist, can’t understand why, if people have been able to “generate some system of rules coordinating their efforts,” they can’t also consciously “design an even better and more gratifying system.”

Central to Hayek’s teaching is the unyielding fact that human ingenuity is limited, that the elasticity of freedom requires the agency of forces beyond our supervision, and that, finally, the ambitions of socialism are an expression of rationalistic hubris. A spontaneous order generated by market forces may be as beneficial to humanity as you like; it may have greatly extended life and produced wealth so staggering that, only a few generations ago, it was unimaginable.

Still, it isn’t perfect. The poor are still with us. Not every social problem has been solved. In the end, though, the really galling thing about the spontaneous order that free markets produce isn’t its imperfection but its spontaneity: the fact that it’s a creation not our own. It transcends the conscious direction of human will and is therefore an affront to human pride.

The urgency with which Hayek condemns socialism is a function of the importance of the stakes involved. As he put it in his last book, The Fatal Conceit, the “dispute between the market order and socialism is no less than a matter of survival” because “to follow socialist morality would destroy much of present humankind and impoverish much of the rest.”

We get a foretaste of what Hayek meant whenever the forces of socialism triumph. There follows, as night follows day, an increase in poverty and a diminution of individual freedom. The curious thing is that this fact has had so little effect on the attitudes of intellectuals and the politicians who appeal to them. Are you listening, Joe Biden?

No merely empirical development, it seems—let it be repeated innumerable times—can spoil the pleasures of socialist sentimentality. This unworldliness is tied to another common trait of

intellectuals: their contempt for money and the world of commerce. The socialist intellectual, especially the well-heeled one, eschews the “profit motive” as something beneath his dignity. He recommends instead increased government control of the economy. He feels, Hayek notes, that “to employ a hundred people is... exploitation, but to command the same number [is] honorable.”

Not that intellectuals, as a class, don't like possessing money as much as the rest of us. But they look upon the whole machinery of commerce as something separate from, something indescribably less worthy than, their innermost hearts' desires.

Of course, there's a sense in which this is true. However, many intellectuals fail to appreciate two things. First, the extent to which money, as Hayek put it, is “one of the greatest instruments of freedom ever invented,” opening “an astounding range of choice to the poor man—a range greater than that which not many generations ago was open to the wealthy.”

Second, intellectuals tend to ignore the extent to which the organization of commerce affects the organization of our aspirations. As Hilaire Belloc put it in *The Servile State*, “The control of the production of wealth is the control of human life itself.”

The really frightening question wholesale economic planning raises isn't whether we're free to pursue our most important ends, but who determines what those “most important ends” are to be. Is it battling “climate change?” Abolishing “racism?” Forbidding gas stoves or air conditioning? “Whoever,” Hayek notes, “has sole control of the means must also determine which ends are to be served, which values are to be rated higher and which lower—in short, what men should believe and strive for.”

There has been a great deal of agitation over inflation, rising interest rates, and troubling news from the banking industry lately. Probably, there's more agitation to follow. We've been there, done that. Do we have to go through it again? There's some irony in the fact that Hayek's great opponent, John Maynard Keynes, provided a most penetrating criticism of the top-down rationalism that he himself propounded in economic matters.

Writing about Bertrand Russell and his Bloomsbury friends, Keynes tartly observed: “Bertie in particular sustained simultaneously a pair of opinions ludicrously incompatible. He held that in fact human affairs were carried on after a most irrational fashion, but that the remedy was quite simple and easy, since all we had to do was to carry them on rationally.” What prodigies of existential legerdemain lay compacted in that phrase “all we had to do!”

To my ears, anyway, it's redolent of one of the most nauseating epithets in recent memory: “It takes a village.” We all know that more government intervention and control means high taxes, greater inefficiency, and economic stagnation. We've seen it happen dozens of times. We remember the past. Are we still condemned to repeat it?

*Roger Kimball is editor and publisher of The New Criterion and the president and publisher of Encounter Books. He is the author and editor of many books, including The Fortunes of Permanence: Culture and Anarchy in an Age of Amnesia (St. Augustine's Press), The Rape of the Masters (Encounter), Lives of the Mind: The Use and Abuse of Intelligence from Hegel to Wodehouse (Ivan R. Dee), and Art's Prospect: The Challenge of Tradition in an Age of*

Celebrity (Ivan R. Dee). Most recently, he edited and contributed to Where Next? Western Civilization at the Crossroads (Encounter) and contributed to Against the Great Reset: Eighteen Theses Contra the New World Order (Bombardier). This article first appeared in the American Greatness of April 21, 2024.

## **THE CASE FOR AN INCLUSIVE ENERGY STRATEGY**

*By encouraging energy development on all fronts simultaneously, humanity can eliminate energy poverty, which is one of the most problematic obstacles to peace and prosperity*

**BY EDWARD RING**

The justification for rapidly transitioning the global energy economy to renewables is to avert a catastrophic environmental crisis. It is based on the premise that anthropogenic greenhouse gas emissions, primarily from the combustion of coal, natural gas, and oil, are altering our atmosphere, which in turn is leading to a host of negative consequences too numerous to mention.

It is possible nowadays to find almost anything, from crime and disease and mental health to species extinctions, deforestation and disappearing coral reefs, being attributed to climate change. And if you research almost anything involving the design of civilization, not just the production and consumption of energy but housing, mining, ranching, farming, shipping, transportation, waste management, water treatment, etc., the data most prominently reported are always carbon and CO<sub>2</sub>. The actual units of energy or water, or tonnage of product, or any other practical data necessary to inform management and logistics, has now become secondary. It's all about carbon.

This may or may not be a compelling and appropriate redirection of our intellectual resources, but it is a distraction from what remains necessary, which is cutting through the avalanche of carbon data to get at how much energy we use and how much energy we need. And while some revanchist holdouts actually still believe atmospheric CO<sub>2</sub> is not an existential threat, but in fact is an existential necessity, and are still willing to engage in debate over what they still view as an open question, there is no debate, anywhere, over the fact that we need adequate energy supplies if we are to continue to have a civilization. The only debate in that regard is how much energy do we need.

To that end, there are two encouraging avenues towards a consensus on energy strategy. The first is to agree on energy solutions that adequately address climate change concerns but make economic sense anyway. The second, which follows from the first, is to identify emerging technologies that will maximize energy efficiency. Anytime there is a cost-effective way to get the same energy service from less raw fuel input, the more efficient solution has an economic advantage. And this is where there are compelling arguments for electrification.

### The Case for Electrification

The best way to illustrate why using electricity wherever possible can be a universally preferable energy solution is based on how much energy is lost using combustion-based solutions. In the United States, based on statistics from the Energy Information Administration, when using coal,

oil and natural gas, 2/3rds of the raw energy input is lost to heat, friction, and exhaust. Examples of this are found in the most widely relied-upon applications. A coal or natural gas fired power plant still only averages 33 percent efficiency. A gasoline fueled vehicle typically only converts about 25 percent of the energy embodied in a gallon of gas into traction to move it down the road.

With electricity, these ratios are often flipped. Electricity generated by solar or wind energy goes directly into the transmission lines, where, just as with any electricity generator, about 5 percent is lost between the source and the end user. Unlike coal and natural gas, solar and wind power is intermittent and requires battery storage, but in that round-trip cycle of charging and discharging, the electricity going back out still retains 80 percent of the electricity that went in.

These are clear advantages. They suggest that by electrifying major sectors of the economy, including most transportation and residential applications of energy, it would be possible to enjoy the same level of energy services while only expending half as much raw energy input. But there are also big challenges to electrification.

With respect to producing electricity, there is the need to occupy massive amounts of space for wind and solar farms. In the case of solar farms, they have to be overbuilt in order to still deliver adequate power during the short days of winter. Wind turbines, which require even more space than solar, would have to sprawl over thousands of miles, including offshore areas. They are decentralized sources of power, which means they require huge investments in distribution systems. They deliver intermittent power and require battery storage facilities.

There are also not-so-obvious problems with electrification—specifically, the so-called embodied energy in these solar panels, wind turbines, and batteries. It takes a tremendous amount of energy to make them, transport them, and install them, and yet they only have a useful life of 20-30 years. This energy debt has to be paid back before these technologies can be counted as renewable. They also consume far more resources in their manufacture than conventional energy generators, and they are expensive to recycle.

These concerns, however, are not an argument against electrification; they are only about how to generate electricity. For example, if nuclear power were supplying more electricity to the grid, there would be no need for excessive new transmission lines or battery farms, and nuclear power plants can last 60 years or longer.

On the end-user side, there are also problems with electrification. EV batteries are expensive and use a lot of resources. They are so heavy that EVs are causing unanticipated wear on roadways and far more pollution from tire fragments. And, of course, they take too long to charge. When it comes to residential electrification, heat pumps are an efficient solution in warmer climates, but they won't work in a Minnesota winter. Heat pumps operate by extracting heat from one place—outdoors—then concentrating it, because it may be cold outside, to transfer it into your home. That's fine in California in January, when it's a bitter 48 degrees outside. But there simply isn't enough heat in the air when it's 20 below zero outside. The colder it gets outdoors, the more a heat pump has to work.

The Case for Fossil Fuels

There is an immutable reality confronting proponents of renewables, which is that fossil fuel still provide 80 percent of global energy. This reality is compounded by two additional facts. First, the most favored renewables, wind and solar, only account for 7 percent of global energy production; the rest, in roughly equal proportions, are big hydroelectric turbines and nuclear power stations. Second, for everyone on earth to consume just half as much energy as Americans do, global energy production would have to double.

To reference units that energy economists rely on, according to the Energy Institute's Statistical Review of Global Energy, in 2022 total raw energy inputs worldwide were just over 600 exajoules. Taking into account a projected global population of 10 billion people by 2050 and a per capita energy input of 100 gigajoules (about one-third of the current U.S. per capita energy input), global energy production must rise to 1,000 exajoules in just 28 years. To do that purely with wind and solar sources of energy would require a 25X increase from the amount of installed base today. Even if there were space enough to do this, the resource consumption would make today's global mining impact trivial by comparison. And based on a 20-30 year service life for wind and solar installations, by the time it was completed, you would have to start all over again.

Adding to these cautionary facts is the rising awareness, alluded to already, that renewables aren't always renewable. The most egregious example of this may be biofuel plantations around the world, which already consume approximately 500,000 square miles in exchange for only displacing 2 percent of oil production. For all practical purposes, biofuel is fully built out. And as previously noted, there is significant negative environmental impact from most renewables, certainly including current biofuel, battery, solar, and wind technology.

The good news is there is enough fossil fuel to supply, just based on proven reserves, 500 exajoules of power per year for another 100 years. Taking into account estimated undiscovered reserves (including Abiotic oil) in the United States onshore and offshore and in the rest of the world is likely to double that estimate. That allows plenty of time to research and develop alternative sources of energy, but without fossil fuel providing at least half of our energy, delivering adequate energy to everyone on earth, i.e., achieving a minimum worldwide total of 1,000 exajoules of energy per year, is probably impossible.

As we pursue breakthrough energy technologies such as advanced fission power and fusion, our ability to more efficiently harness fossil fuel continues to progress. Combined cycle natural gas power plants now achieve over 60 percent conversion efficiencies, and the latest designs (that use a heat exchanger that can harvest higher temperatures from the first turbine's exhaust) promise to deliver even higher conversion efficiencies. Similarly, the latest hybrid automotive designs, using high-compression engines, regenerative braking, and innovative transmissions, have gasoline-to-traction conversion efficiencies approaching 50 percent.

### Our Magnificent Future

This is just the beginning. An all-of-the-above energy development strategy means that no promising leads are excluded, and no technologies need be deployed before they're ready. There are technologies emerging that can convert raw coal into clean burning natural gas or zero emission hydrogen. There are stationary battery solutions that use abundant and inexpensive iron, sulfur, and water and last longer than lithium-ion batteries. There are solid state

batteries being developed for EVs and hybrids that have higher energy density, can tolerate more cycles before degrading, and can be charged in minutes.

Looking further into the future reveals wondrous innovations that we can already imagine attaining feasibility. With abundant energy, we no longer have to be concerned about how much power is necessary to run desalination plants to turn millions of acre feet of ocean water into fresh water. With abundant energy, we can electrolyze hydrogen from water, extract CO<sub>2</sub> from the atmosphere, and blend them into a liquid hydrocarbon fuel.

Most significant of all, of course, is the impact abundant energy will have on the quality of life for everyone on earth. Abundant energy is, by definition, almost always affordable energy. And a global energy grid that offers an inclusive assortment of energy options—renewables, nuclear, and fossil fuels—is also a resilient grid, able to withstand disruptions because multiple alternative sources of energy are always present.

By adopting an inclusive, all-of-the-above energy strategy, sustainable abundance in all things is possible because energy is the foundation of general economic growth. Hence, delivering affordable energy translates into everything becoming more affordable, and that, ultimately, is the prerequisite for global equity among peoples and nations. By encouraging energy development on all fronts simultaneously, humanity can eliminate energy poverty, which is one of the most problematic obstacles to peace and prosperity. In so doing, we shall make all other challenges, daunting though they may be, a little bit easier to overcome.

*Edward Ring is a senior fellow of the Center for American Greatness. He is also the director of water and energy policy for the California Policy Center, which he co-founded in 2013 and served as its first president. Ring is the author of Fixing California: Abundance, Pragmatism, Optimism (2021) and The Abundance Choice: Our Fight for More Water in California (2022).*



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