



### WEEKLY UPDATE FEBRUARY 4 - 10, 2024



# 15TH ANNUAL DINNER & FUNDRAISER

THURSDAY, MARCH 21, 2024 MADONNA INN EXPO CENTER

### STRAIGHT SHOOTING FROM OUR SHERIFFS

The central coast's two most prominent lawmen will team up to enlighten us on the current wave of challenges and opportunities facing law enforcement. The epochal woke assault on justice and behavioral standards combined with budget and staffing limitations underscore the dangerous trend. This will be an undiluted straight shooting forum of major relevance.

5:00 PM SOCIAL HOUR & OPEN BAR 6:15 PM FILET MIGNON DINNER & WINE

AUCTION WILL BE HELD AFTER DINNER (AUCTIONEER TODD VENTURA)

\$150/ PERSON \$1,500/ TABLE (SEATS 10)



Ian Parkinson, SLO County Sheriff



Bill Brown, SB County Sheriff

For tickets:

On-Line Reservations & Payment can be made at www.colabslo.org/events.asp or

Mail your check to: COLAB SLO County, PO Box 13601, SLO, CA 93406 Cocktail Attire Optional - More info at (805) 548-0340 or colabslo@gmail.com

# THIS WEEK PAGE 3

#### **BOS MEETING**

INTRO OF ORDINANCE REQUIRING WATER SAVING DEVICES IN LOS OSOS

### COUNTY FEE INCREASES – THE SELF-FULFILLING PROPHECY

PLANNING AND BUILDING FEE INCREASES

AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR (ACTTC), PLANNING AND BUILDING, AND SHERIFF-CORONER CANNABIS FEES

BOARD MEMBER COMMENTS
THINK UP NEW STUFF TO BOTHER YOU

#### **SLO COUNTY COUNCIL OF GOVERNMENTS**

LEGISLATIVE PROGRAM PANDERS TO CO<sub>2</sub> REDUCTION, SEA LEVEL RISE, AND MULTI-MODAL (BIKES, BUSES, ETC.)

PLANNING COMMISSION
PERFECT HOTEL SITE BEING SOCIALIZED

#### CALIFORNIA COASTAL COMMISSION

NOTHING BAD FOR SLO THIS MONTH

LAST WEEK
PAGE 21

# NO BOS MEETING OTHER AGENCY BOARDS OFF

### EMERGENT ISSUES SEE PAGE 21

#### JUDGE FINDS SLO COUNTY CLERK RECORDER OVERCHARGED FOR RECOUNT

BIDEN TAKES A DESTRUCTIVE CALIFORNIA IDEA NATIONAL
THE STATE'S LABORATORY OF POLICY CHAOS HAS PRODUCED ANOTHER
MISBEGOTTEN EXPERIMENT FOR PROGRESSIVES TO REPLICATE ELSEWHERE

### THE 2 REASONS CALIFORNIA'S YIMBY REFORMS ARE FAILING

#### COLAB IN DEPTH SEE PAGE 29

# SHOCKING! TOTALITARIAN POLICIES FROM CALIFORNIA LAWMAKERS THIS WEEK

CALIFORNIA'S GOING FULL COMMIE
BY KATY GRIMES

TAPPING THE BRAKES ON ELECTRIC VEHICLES
TESLA WILL FIX ITS COLD-WEATHER WOES, BUT AN ALL-EV
FUTURE IS STILL DEAD ON ARRIVAL
BY MARK MILLS

### ANNOUNCEMENTS SEE PAGE 39

SLAY THE DEATH TAX

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

#### Board of Supervisors Meeting of Tuesday, February 6, 2024 (Scheduled)

Item 1 - Introduction of a request by the County of San Luis Obispo (LRP2022-00004) to amend Title 8 of the County Code (the Health and Sanitation Ordinance) and Title 19 of the County Code (the Building and Construction Ordinance) to update the plumbing fixture requirements for the water offset programs within the Los Osos Groundwater Basin Plan Area. Exempt from CEQA. Hearing date set for February 27, 2024.

**EARLY WARNING:** This item sets a hearing for February 27, where the Board will consider ordinance amendments requiring a variety of water saving devices in Los Osos. These would be required for any renovations or new construction. Showerheads, low flow toilets, sink aerators, and clothes washers will all have new restrictions. The installations will be subject to verification inspections by County personnel. There is controversy building in regard to the ordinance.

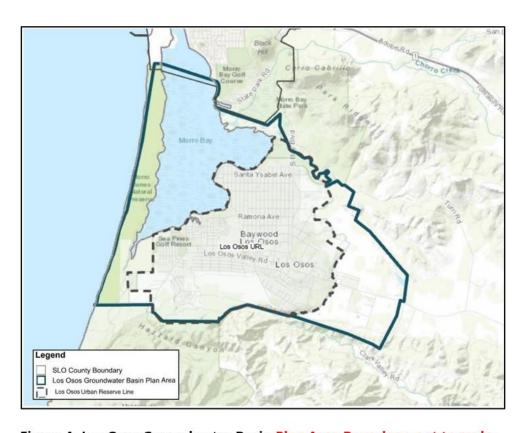


Figure A. Los Osos Groundwater Basin Plan Area Boundary, not to scale.

#### Fee Increases in General - Items 24 and 25 Below:

**Item 24** below pertains to Planning and Development fees. The issue was deferred from the overall fee adoption hearing in December. Supervisor Ortiz-Legg had questions regarding some of the administrative overhead fees. **Item 25** pertains to fees for permitting various types of cannabis projects.

#### Background: County fee increases - the self-fulfilling prophecy

A second dose of the annual County's annual fee increase ritual will be driven during Tuesday's Board of Supervisors meeting. The County negotiates higher salaries and then pleads the need to raise the fees to cover some or all of the cost. Meanwhile, your one lot subdivision takes 2 years and \$50,000 in fees as well as your own applicant costs for engineers, architects, environmental experts, and a Native American monitor.

The underlying theory is that users of government services that do not befit the public at large should pay for them so as not to consume tax supported services, which benefit everyone. Accordingly, citizens should pay fees for services such a public golf courses, beach parking, airport operations, document filing, hunting and fishing licenses, gun licenses, and hundreds more.

On the other hand, services such as policing, fire protection and suppression, public prosecution and defense of criminals, jail, snow plowing, some health services, social services, and public education are regarded as beneficial to the entire society and are largely covered by taxes.

There is a gray area in between, where services such as flu shots, local parks, libraries, etc., are often funded by both taxes and fees. These often are set on a graduated basis to subsidize the poor.

Public transit was once entirely supported by charges but has now become mostly subsidized by general taxes and the rip off of gas taxes. Roads are funded by a combination of general taxes, user charges, excise taxes, and tolls.

The underlying problematic historical trend is the evolution of local government regulation from tax supported to fee and excise tax supported over the past 70 years. Originally, governments viewed land development, agricultural expansion, and commerce as beneficial. But as so-called safety, zoning, and aesthetic regulations expanded massively, academics and public administrators preached the gospel that "users" should pay the costs of being regulated, that is permitted.

This theory has been exponentially expanded under the regime of environmentalism in recent decades through the California Environmental Quality Act (CEQA), CO<sub>2</sub> reduction mandates, and bias against the conversion of land to suburban development. That bias has resulted in the stack-and-pack scheme, which in turn has generated thousands of banal box-like 3 and 4 story apartment and condo buildings next to highways and railroads throughout the state.

The housing crisis, permanent homelessness, and the decline of the family are all major destructive bi-products.

#### The underlying problems include:

- There are too many regulations.
- The regulations are horribly complicated and subjective.

- The cost of administering the regulations is too high, due to featherbedded processes and government unions controlling the government bodies that determine the efficiency, velocity, and cost of the regulations.
- Bias against development by college educated bureaucrats who have been brainwashed by the leftist industrial complex at university planning schools.
- NIMBY elites.
- Powerful elitist environmental groups who contribute to political campaigns on the one hand and sue over development decisions on the other.

The key operative departments include the Ag Commissioner, Planning and Development, Public Works, Fire, and the Environmental Health Division of the Public Health Department. The County Counsel's office is an underlying controller, secretly advising the others in the name of liability prevention.

Once again, the Board should stop the dance and require the subject departments to demonstrate in public the process and cost for key components, such as a minor use permit, building permit, or well permit. These should be done in flow chart format, with the time and price of each step documented.

Since most plans are produced and stamped by licensed architects and engineers, backed up by other subject specific experts, how does the County, using liberal arts planners, public administrators, and environmentalists, actually have the expertise to judge a project? It does this by setting up its own subjective regulatory scheme under which the applicant can be treated arbitrarily and must play regulatory roulette while the game board is constantly manipulated.

Why not try a fair game? A project that is in the proper zone will automatically be approved within no later than 90 days, unless the County can document actual violation of public health and safety.

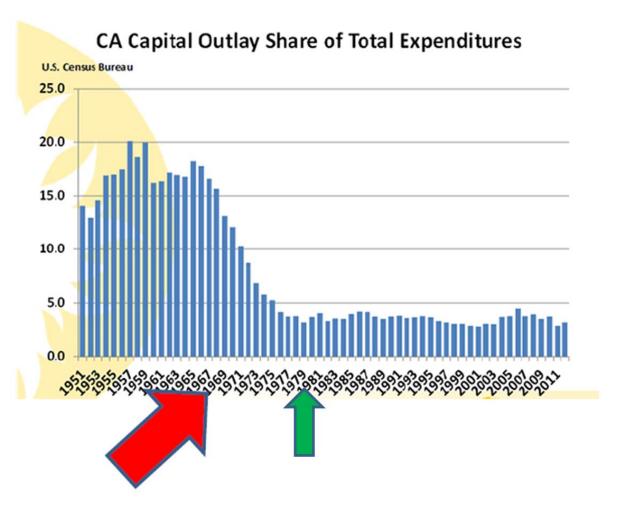
### The funding trap: Taxes, Fees, Exactions, and the Hidden Tax for Applicant Processing Experts.

As noted above, the permitting process has become far too complex and onerous. Over the decades this has led to cities and counties having to employ an ever increasing number and variety of professional experts to interpret and manage the process. Environmental groups and affluent NIMBY elites have added complexity and costs through state mandates such as CEQA, the Coastal Act, carbon reduction mandates, affordable housing mandates, and removal of vast tracts of land from eligibility to be developed for ever.

Exactions (called fees but really a tax on development) are justified as being necessary to fund infrastructure development related to the new development.

By the early 1970's it became apparent that basic taxes would not be available to cover permitting costs and exactions, as the introduction of public employee collective bargaining

began to exponentially eat up local government general revenue sources such as the property tax, sales tax, and hotel tax. Tax-and-spenders often attempt to attribute this major structural change to Proposition 13; however, as the chart below demonstrates, the damage had been done well before Proposition 13 and its follow-on legislation, AB8 took effect. Funding that had once gone to infrastructure now went to employee salaries and benefits. The chart demonstrates the history of capital expenditures in budgets for all California governments.



The red arrow points to the year when government unions began to bargain for wages, benefits, and conditions of work. Proposition 13 passed in 1978 and was implemented in 1980.

Sample permitting fees for a typical ADU or a Single family Home on the next Page below:

#### How Much Will It Cost To Process My Residential Construction Permit?

MY RESIDENTIAL CONSTRUCTION PERMIT?
The fees for construction permits are set by the county fee ordinance each year. They are based on the cost of processing your application. Fees vary depending on the size and type of construction proposed. This brochure will give you a general estimate of costs for typical single family residences that do not need special planning, coastal, flood hazard, or other reviews. If you wish a more accurate estimate, or fees for other project types, please call the Dept. of Planning and Building at (805) 781-5600 and ask for a Land Use Technician.

Sub-Permit (1)	FEE				
Septic	\$774				
Minor Grading	\$616				
(1) Sub-permits for minor grading and septic systems for new structures are linked to the building permit. Stand-Alone permit fees may vary.					
Grading Permit (2, 3) FEE					
51 to 5,000 cubic yds and <10% slope	\$1,649 <sup>(4, 5</sup>				
C 10 /6 Slope	\$4,642 (4, 5				
Major Grading with Environmental Exemption	\$4,642 (4,5)				

- grading permit (cut plus fill).
- (s) Major Grading is defined as:
   greater than 1 acre disturbance, and/or
   grading on slopes greater than 10%, and/or
   more than 5,000 cubic yards.
- (4) NPDES fees for disturbance > 1 acre add \$929 for < 5000 cubic yds or add \$1,452 for > 5,000 cubic yds.
- (5) Retaining Wall fee -add \$436 per Engineered retaining wall add \$339 per Non-Engineered retaining wall.

		Acces	SORY DWELL	ING UNIT	SINGLE FAMILY DWELLING			SINGLE FAMILY DWELLING				MANUFACTURED HOME (6, 7)	
FEE CATEGORY	TYPE OF FEE	500 sf ADU	750 sf ADU	1,200 sf ADU 500 sf Garage 200 sf Porch	1,500 sf SFD 450 sf Garage 200 sf Porch	2,500 sf SFD 550 sf Garage 200 sf Porch	3,500 sf SFD 650 sf Garage 200 sf Porch	GUEST HOUSE 600 SF <sup>(8)</sup>	ADU 1,200 SF	SFD 1,200 SF			
<b>Building Division</b>	Inspection Fees	\$445	\$667	\$1,691	\$1,914	\$2,893	\$3,872	\$534	\$1.541	\$1.541			
	Plan Check Fee	\$640	\$959	\$2,432	\$2,752	\$4,160	\$5,568	\$768	\$1,541	\$1,541			
	Well Potability Test (discount if on community water)	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224	\$224			
Public Works	Intake, Review	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317	\$317			
Cal Fire	Fire Plan (County Fire Response Area)	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637	\$637			
County Applied to all Primary Dwellings and to ADU ≥ 750 sf	Public Facilities Fees Public Facilities Fees Fire Component		\$2,515 \$1,065	\$2,515 \$1,065	\$6,309 \$2,407	\$6,309 \$2,407	\$6,309 \$2,407		\$2,515 \$1,065	\$6,309 \$2,407			
CWMP	Recycling	\$203	\$203	\$203	\$203	\$203	\$203	\$203					
State Fees	SMIP Tax (Earthquake) BSAF (Bldg Standards)	\$10 \$4	\$15 \$4	\$38 \$11	\$43 \$12	\$64 \$19	\$86 \$26	\$12 \$4	\$10 \$3	\$10 \$3			
Planning Division	Zoning Review	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199	\$199			
	Addressing	\$261	\$261	\$261	\$261	\$261	\$261		\$261	\$261			
Growth Mgmt	Allocation				\$32	\$32	\$32			\$32			
Other Services	Technology Surcharge	\$133	\$174	\$364	\$407	\$589	\$770	\$130	\$123	\$126			
Estimated Fees *		* \$3,073	* \$7,241	* \$9,958	* \$15,717	* \$18,314	* \$20,911	* \$3,028	* \$6,925	* \$12,095			
	Estimated First installment due when submitting application	\$2,278	\$2,597	\$4,070	\$4,422	\$5,830	\$7,238	\$2,145	\$1,638	\$1,670			
	(6) Pre-1976 Manufactured Homes also require a Minor Use Permit. The fee is \$2.205 and requires a hearing that												

takes approx. 4 to 6 months to process.

(7) Manufactured Home plan check and inspection fees combined under fixed fees (MH - Double Wide, Electrica Service New, Gas Systems)

#### Other permitting fees

#### ADDITIONAL FEES

County Public Works (781-5252)	FEE
Stormwater Review	\$363+ C&I Agreement
Curb, Gutter, & Sidewalk	\$654 + Deposit + C&I Agreement
Flood Hazard Review	\$487
Encroachment (Driveway)	\$1,170
Encroachment (Utility)	\$654
Encroachment (General)	\$538
Road Fees	Fee Varies

School Fees	FEE
Paid to the school district in which your project is located. Proof of payment required at time of permit issuance.	\$4.50 per sq. ft. (Approximate for residential development)

#### OTHER COSTS

Water and Sewer Hook-up	FEE
Check with your Community Service District for water and sewer hook-up fees.	Fees vary by CSD. May be up to, or exceed, \$20,000.

#### WATER USE OFFSET FEES

Nipomo Mesa (NMWCA)	COST
Single Family Dwelling	\$3,290
Accessory Dwelling Unit	\$1,645
Guest House	\$553

#### REMODELS AND ADDITIONS

Square Footage	COST
<1,000 sf	Fees vary by scope of work.
1,000 sf	\$3,748
1,500 sf	\$4,928
2,000 sf	\$6,108

	Square	
Structure	Footage	*Approx. Cost
Carport (no el	ectrical)	
	up to 499 sf	\$1,183
Barn/Garage		
	499 sf	\$2,136
	1.000 sf	\$4,163
	3,000 sf	\$9,714
	5,000 sf	\$15,265
Pre-Manufact	ured Ag Building	1
	1,000 sf	\$3,960
	3,000 sf	\$9,510
	5,000 sf	\$15,062
Balcony/Deck	s	
1	Balcony/Deck	\$842
2	Balcony/Decks	\$1,249
Covered Porc	:h	
1 Covered Po	orch (< 300 sf)	\$831
1 Covered P	orch (300+ sf)	\$1,349
2 Covered Pon	ches (<300 sf)	\$1,227
2 Covered Pon	ches (300+ sf)	\$1,745
Swimming Po	ol and Spa	
	1 Pool/Spa	\$1,381

Scanning Fee	FEE
Scanning Surcharge for Building plan submitted via	\$348
hard copy	

#### SEPARATE SUBMITTALS

Fire Sprinklers

Renewable Energy	COST
Roof Mount	\$451
Ground Mounts	\$451
Energy Storage System for Existing PV	\$451
Energy Storage System (NO for Existing PV)	\$497
EV Chargers	\$262
Fire Suppression	COST
Fire Sprinklers	\$397

<sup>\*</sup> Approximate permit cost is for all Planning, Building Plan Review, Inspection, Public Works Review, and Fire Agency reviews. Projects in different areas of the County may be subject to other fees specific only to that area or district.

#### EXPRESS PERMIT COSTS

(Online permits are restricted to CA Licensed Contractors only and only in zones classified RMF, RR, RS, and RSF.)

Repair Type	COST
Add / Repair Electrical	\$262
Electrical Panel Replacement (200 Amps Max; No Relocation)	\$324
Forced Air Unit Replacement (Air Conditioning)	\$366
Forced Air Unit Replacement (Heating)	\$304
Interior DWV Repair	\$336
Residential Microinverter	\$304
Wall Covering Repair	\$304
Water Heater Replacement	\$262
Water Piping Repair or Replacement	\$262

Online permits are restricted to CA Licensed Contractors only.

Contractor License Verification is required before applying for first Express Permit.

This guide is designed to provide general information only. It is not a county ordinance or policy and has no legal effect. The county fee ordinance determines the actual cost of processing applications.

If you have questions about your fees, please call (805)781-5600 and ask for a Land Use Tech.

A USER'S GUIDE TO:

#### RESIDENTIAL **PERMIT FEES**



SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING COUNTY GOVERNMENT CENTER SAN LUIS OBISPO, CA 93408 (805) 781-5600 WWW.SLOPLANNING.ORG

Revised 03/08/2017

#### Don't forget public facilities fees:

Approximate permit cost is for all Planning, Building Plan Review, Inspection, Public Works Review, and Fire Agency reviews.
 Projects in different areas of the County may be subject to other fees specific only to that area or district.

2023 PUBLIC FACILITIES FEES										
ADJUSTED RESIDENTIAL (per unit) NON-RESIDENTIAL (per 1000 Sq')									Sq')	
Fee Category	Sin	Single Family Multi-Family			Co	mmercial		Office	Ir	ndustrial
Parks	\$	2,737	\$	1,925		-		-		-
Sheriff	\$	807	\$	561	\$	284	\$	631	\$	203
General Gov't	\$	1,209	\$	842	\$	426	\$	945	\$	303
Fire	\$	2,359	\$	1,640	\$	832	\$	1,844	\$	594
Library	\$	811	\$	581	\$	82	\$	183	\$	59
Admin Fee 2.0%	\$	158	\$	111	\$	32	\$	72	\$	23
Total Fees	\$	8,081	\$	5,660	\$	1,656	\$	3,675	\$	1,182

#### **Or Road Fees**

											,					0						
Γ	ee Area	Sent to Advisory Council		(Effe	ctiv	oposed Fe e March 1, Retail Per pht)	202	4) Other Per pht)		Account Balance s of 7/1/22	No. of Permits Subject to Road Fees	Fee	es Received	ı	nterest	E	xpenses		Account Balance of 6/30/23	Major Work Effort		
E	tero Bay	Nov-23	\$	3,822	\$	3,822	\$	3,822	\$	80,016	3	\$	6,691	\$	1,467	\$	403	\$	87,772	LOVR Corridor Plan		
	Avila	Nov-23	\$	12,032	\$	12,032	\$	12,032	\$	780,449	6	\$	121,683	\$	14,093	\$	13,497	\$	902,727	Avila Beach Drive Interchange		
Г	Area A	Nov-23	Nov-23		\$	615	\$	306	\$	471												
ast	Area B			\$	1,158	\$	306	\$	471													
North Coast	Area C			\$	1,480	\$	306	\$	471	\$	41,894	1	\$	1,056	\$	729	\$	403	\$	43,276	N/A	
Ž	Area D		\$	683	\$	306	\$	471														
L	Area E		\$	329	\$	306	\$	471														
Sa	n Miguel	Nov-23	\$	7,060	\$	7,060	\$	7,060	*	1,029,252	9	\$	37,114	\$	17,867	\$	403	\$	1,083,830	N/A		
South	Area 1	Nov-23	\$	14,025	\$	3,895	\$	5,993	\$	1,453,455	24	\$	291,690	\$	28,128	\$	11,731	\$	1,761,542	Mesa @ Tefft Signalization		
So	Area 2	1101-23	\$	11,733	\$	5,300	\$	8,154	\$	3,557,109	19	\$	244,832	\$	61,818	\$	151,514	\$	3,712,245	Los Berros Road Widening		
Templeton	Area A/B	Nov-23	\$	9,881	\$	9,881	\$	9,881	\$	320,254	19	\$	230,812	\$	4,290	\$	374,342	\$	181,014	Vineyard Corridor Plan		
Temp	Area C	1101-23	\$	9,881	\$	9,881	\$	9,881	\$	2,076,218	,,	\$	1,557	\$	35,631	\$	5,174	\$	2,108,233	The ford Corroot Flori		
St	ate Route 227	n/a	Fe	es Calcula	ated	d per Indiv	idual	l Projects	*	465,304	14	\$	53,432	\$	8,592	\$	-	\$	527,329	N/A		

Or other exaction fees.

See Footnotes 1, 3, 4, 5, 38, 39 and specific notes cited for individual items

Fee			
Code	Fee Description	Amount	Footnotes and Comments
U01A	Affordable Housing - In-Lieu Fee **		See Title 29. Changes made in separate report to Board of Supervisors.
U01B			
U02A	Affordable Housing - Impact Fee **		See Title 29. Changes made in separate report to Board of Supervisors.
U02B			
WA01	Offset Clearance (Agricultural) - Paso Robles GWB	\$ 531.00	See Title 22.
Z11	Lodge Hill Erosion Control / Forest Mangement	\$ 400.00	See Footnote 30 set by ordinance.
WN1A	Offset - Nipomo Mesa Water Conservation Area	\$ 13.16 per daily gallon	See Title 19.
WN1B	Offset - Nipomo Mesa Water Conservation Area - Admin	¢ 200.00	See Title 19.
WINTE	Onset - Niponio Mesa Water Conservation Area - Admin	\$ 200.00	See Title 19.
W01A	Offset - Paso Robles Groundwater Basin	\$ 13.14 per daily gallon	See Title 19.
		. 3.0	
W01B	Offset - Paso Robles Groundwater Basin - Admin	\$ 119.00	See Title 19.
T40	Parkland Fee (Quimby Fee) - Residential Multiple Family	\$ 705.00 per dwelling unit	See Footnote 33 set by General Svcs.
T42	Parkland Fee (Quimby Fee) - Residential Single Family	\$ 926.00 per dwelling unit	See Footnote 33 set by General Svcs.
	Public Facility Fees		See Footnote 32 set by Board of Supervisors.
-	Technology Surcharge	6% of applicable fees	The surcharge will be added to all services and permits that the Department of
	Technology Suicharge	0 % of applicable fees	Planning and Building provides

<sup>\*\*</sup> This fee was repealed effective July 7, 2022

Item 24 - Hearing to consider an ordinance implementing Planning and Building Fees in the County Fee Schedule "B" for Fiscal Year 2024-25. The proposed permitting fees are detailed bellow. When the Board considered fee increases back in November, Planning and Development fees were deferred to a future meeting due to various questions about redundancy. These included the Initial Study Fee, the 30% Fee for Contract Management, and the Technology Fee. These are actually fees on fees, in that they are assessed on top of the actual fees charged for permit processing. They cover "overhead" costs. Remember that overhead fees for utilities, building maintenance, support from other departments, and so forth are already charged through the "annual cost allocation plan." Planning is charged about \$2.9 million in overhead by this internal transfer. The staff report defends the three fees and recommends that the Board adopt them as well as the rest of the P&B proposed fees. The overall impact is a 21% increase for 2023 to 2024.

The staff has returned with arguments for maintaining the overhead fees, including the Technology Fee, Contract Management Fee, and Initial Study Fee. Excerpts are listed below:

Initial Study Deposit FY 2022-23 was the first fiscal year that the Department's new Fee Structure was in place. The key change was the separation of Environmental Review fees from Land Use Permit fees. Since this new Fee Structure was in place, staff have been able to use actual data to reevaluate several fees for the proposed FY 2024-25 fee schedule. As a result of this effort, staff updated several time and motion studies to reflect more accurately how applications are currently processed. One of these updates resulted in an increase to the deposit for Environmental Initial Studies (indicated as "Environmental - Initial Study Fee (deposit).

30% Administrative Fee for Contract Management - In the Planning Division, outside consultants are primarily used for the following: • When the Department lacks the in-house expertise Examples of this include Environmental Impact Reports (EIRs), expanded Initial Studies, and peer reviews of technical studies (archaeology, biology, geology), and legal lot verification for certificates of compliance. • To balance workload Due to staff vacancies and the experience level of our planners, we will rely on consultant services to write staff reports, including findings and conditions, prepare environmental documents (e.g., initial studies), and present at hearings. As far as case types, this includes general plans amendments, minor use permits, conditional use permits, initial studies, and subdivisions. The Department has the

expertise to process this work but, given staff vacancies and experience level, it would result in substantially longer processing times.

This one is apparently separate and on top of the one above.

**The Administrative Fee** covers department staff time (of various classifications) associated with the following:

- Procurement of Professional Service Contracts, including but not limited to obtaining cost estimates from consultants.
- Preparing and reviewing contracts for services with internal and external staff, including Counsel.
- Coordinating the final execution of contracts and amendments to appropriate parties.
- Coordinating and preparing the staff reports for contracts that need Board approval. This includes staff time to review the Board item and for staff to add this item to the Board's agenda.
- Managing and tracking contract limits on Purchase Orders which includes the creation of new purchase orders and changing existing purchase orders based on changes in project scope and contract amendments.
- Creating and reconciling the Environmental Trust Accounts which includes working with applicants to request additional funds, where applicable.
- County-Wide Overhead costs which include services provided by County Counsel and the ACTTCPA and other services provided by the County.

COLAB Note: Is this one due to the County Cost Plan \$1.9 million charged to Planning.

• Department Overhead to cover the indirect costs that aren't directly billed to the applicant, which includes the Records Management team's time for the planning and coordination of all of our Department's Hearing Bodies, including the Planning Commission and other Management staff time that is not directly billed to the applicant, as well as the carrying cost of consultant invoices.

**Technology Fee -** The Department's Fee Schedule also includes a Technology Surcharge to support the cost of staff to manage EnerGov/PermitSLO, the County's permit tracking software system, and to pay for technology upgrades and replacement. The technology fee will be assessed at 8.6% (up from 7.6% from the prior fiscal year) of the total permit fee. The increase is primarily due to increases in Salaries and Employee Benefits and Consumer Price Index (CPI) increases. EnerGov is the system used to process land use and building permits, as well as being the system of record for land use and building permits. Through EnerGov, the Department can offer online options for submitting permit applications, applicants can monitor the progress of permits and the public can access records in real time and submit suspected code violations. As the ability to issue and track permits is a requirement of land use and construction agencies, it is critical that the Department has a technology solution that is accurate, reliable and supports the public's interest in self-service, online submittal, electronic review, and corrections, as well as provides access to publicly available records.

And you thought automation should make things faster, better, and lest costly.

#### Planning and Building - Fund Center 142

Planning and Building provides land use planning, development and permit review, and resource management and monitoring for the unincorporated areas of the county.

<b>Board Discretion</b>				Fees at				
Туре	Current						New	full cost
	total	Unchanged	Increasing	Decreasing	New	Deleted	total	recovery
Full	241	35	179	15	10	12	239	218
Partial	0	0	0	0	0	0	0	0
None	5	5	0	0	0	0	5	1
Total	246	40	179	15	10	12	244	219

	Pi	roposed Fee Ch	anges	
Fee Indicator No.	Fee	FY 23-24 Fee	Proposed FY 24-25 Fee	Explanation
	Agricultural Offset Clearance Fee			•
	- Water Duty Factor – RTB			
1002	Deposit	-	\$3,570	New
	Agricultural Preserve -Notice of	-		
1005	Full Non-Renewal		\$754	New
	Agricultural Preserve - Contract	-		
	Cancellation and/or Preserve			
	Disestablish - RTB Deposit			
1004			\$3,856	New
	Scanning surcharge for Building	-		
24041	Commercial Plan submitted via			
	hard copy		\$207	New
	Scanning surcharge for Building	-		
24042	Residential Plan submitted via			
	hard copy		\$102	New (fee consolidation)
	Electrical Service, New / Meter	-		
21004	Replacement		\$347.00	New (fee consolidation)
	Generator / Compressor	-		
21009	Installation		\$494.00	New (fee consolidation)
23004	Air Handler / Boiler / Chiller	-	\$359.00	New (fee consolidation)
23010	Furnace - New or Replacement	-	\$326.00	New (fee consolidation)
	Awning / Canopy / Covered	-		
24004	Porch (supported by building)		\$426.00	New (fee consolidation)

Proposed Fee Changes								
Fee Indicator No.	Fee	FY 23-24 Fee	Proposed FY 24-25 Fee	Explanation				
21002	Compressor Installation	\$426.00	-	Fee Consolidation				
21003	Electrical Service, New	\$300.00	-	Fee Consolidation				
	Electrical Service - Meter		-	Fee Consolidation				
21005	Replacement	\$300.00						
21008	Generator Installation	\$426.00		Fee Consolidation				
23003	Air Handler	\$310.00	-	Fee Consolidation				
23005	Boiler	\$310.00	-	Fee Consolidation				
23006	Chiller	\$310.00	-	Fee Consolidation				
23009	Furnace - New	\$281.00	-	Fee Consolidation				
23011	Furnace - Replacement	\$281.00	-	Fee Consolidation				
	Awning / Canopy (supported by		-	Fee Consolidation				
24003	building)	\$368.00						
24013	Covered Porch	\$368.00	-	Fee Consolidation				
	Scanning Surcharge for Building		-	Fee Consolidation				
43007	Plans Submitted via Hard Copy	\$348.00						

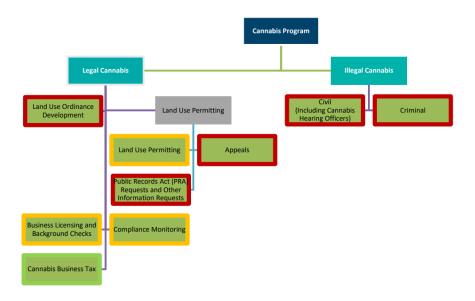
	Significant Fee Increases								
Fee Indicator No.	Fee	FY 23-24 Fee	Proposed FY 24-25 Fee	% Change					
4003	Continuance - All Hearing / Board Types	\$133	\$943	609%					
17004	Environmental - Initial Study (RTB deposit)	\$6,534	\$15,381	135%					
17011	Geologic Review - Tier I	\$1,936	\$3,096	60%					
17012	Geologic Review - Tier II	\$2,483	\$3,589	45%					
3004	Project Modification - Tier I	\$706	\$1,289	83%					
3005	Project Modification - Tier II	\$1,358	\$2,533	87%					
8002	Lot Line Adjustment - Minor	\$1,241	\$3,254	162%					
20015	New Construction - Residential (multifamily) – Plan Check	\$1.05	\$1.74	66%					
20016	New Construction - Residential (multifamily) - Inspection	\$1.01	\$1.22	21%					
20003	New Construction - Assembly, High Hazard, Institutional- Plan Check	\$1.71	\$2.08	22%					

	Fee Groupin	g Fee Increas	es by Fee Grouping		
	Fee Grouping	% Change	Ехр	lanation	
New Cons	truction Plan Check and Inspection Fees	8%	Increase in Salaries, CF	PI, and other related change	
	Fixed Fees _ Mechanical	14%	Increase in Salaries, CF	I, and other related change	
F	ixed Fees _ Plumbing/Gas	14%	Increase in Salaries, CF	I, and other related change	
	Fixed Fees _ Electrical	14%	Increase in Salaries, CF	PI, and other related change	
	Fixed Fees _ Grading	14%	Increase in Salaries, CF	I, and other related change	
Fixed	Fees _ Building Miscellaneous	14%	Increase in Salaries, CF	I, and other related change	
Fixed Fees _ Other Building (Fire-rated and Time extension)		14%	Increase in Salaries, CPI, and other related char		
Land Use and Other Fees		8%	Increase in Salaries, CPI, and other related		
20006	New Construction - Business, Mercantile – Plan Check	\$1.69	\$1.96	16%	
20007	New Construction - Business, Mercantile - Inspection	\$1.08	\$1.37	27%	
20012	New Construction - Factory and Industrial, Storage – Plan Check	\$0.53	\$1.80	240%	
20013	New Construction - Factory and Industrial, Storage - Inspection	\$0.41	\$1.27	210%	
20024	New Construction - Shell – Plan Check	\$0.89	\$1.25	40%	
20025	New Construction - Shell – Inspection	\$0.72	\$0.88	22%	
43009	Technology Fee	7.6%	8.6%	12%	

	Sig	nificant Fee Dec	reases	
Fee Indicator No.	Fee	FY 23-24 Fee	Proposed FY 24-25 Fee	% Change
1003	Agricultural Preserve - Application for Land Conservation Contract (New, Replacement, or Amendment)	\$5,594	\$2,206	(61%)
1006	Agricultural Preserve - Notice of Partial Non-Renewal (J25)	\$2,157	\$1,486	(31%)
1007	Agricultural Preserve - Williamson Act Land Conservation Contract - Compliance Review with APRC Hearing/Referral Response (J27)	\$3,087	\$865	(72%)
1008	Agricultural Preserve - Williamson Act Land Conservation Contract - General Compliance Review (building permits, vacation rentals) (J26)	\$1,209	\$182	(85%)
20021	New Construction - Residential Accessory Structure – Plan Check	\$1.70	\$0.98	(42%)
20022	New Construction - Residential Accessory Structure - Inspection	\$0.87	\$0.68	(22%)

	Significant Fee Decreases								
Fee Indicator No.	Fee	FY 23-24 Fee	Proposed FY 24-25 Fee	% Change					
20036	New Construction - Utility & Misc (commercial accessory structure) – Plan Check	\$1.14	\$0.97	(15%)					
20037	New Construction - Utility & Misc (commercial accessory structure) – Inspection	\$0.76	\$0.69	(9%)					
20027	New Construction - Tenant Improvement (A, H, E, I) – Plan Check	\$3.15	\$1.36	(57%)					
20028	New Construction - Tenant Improvement - (A, H, E, I) Inspection	\$1.89	\$0.96	(49%)					
20033	New Construction - Tenant Improvement (F, S) - Plan Check	\$1.91	\$1.17	(39%)					
20034	New Construction - Tenant Improvement (F, S) - Inspection	\$1.35	\$0.82	(39%)					
26002	Construction Waste Management Plan (CWMP) – Non-Compliance Fine	\$20 Per Ton	\$1.00 per square foot	N/A					

Item 25 - Hearing to consider an ordinance amending Auditor-Controller-Treasurer-Tax Collector (ACTTC), Planning and Building, and Sheriff-Coroner Cannabis Fees in the County Fee Schedule "B" for Fiscal Year 2024-25. The Hearing is likely to be contentious as the cannabis growers and applicants have become more and more frustrated with the costs and lengthy timelines. What has been the impact on the black market? Remember, the main reason cited by cannabis activists statewide was that legalization would eliminate the black market and thereby reduce pressure on the criminal justice system and free up space in jails.



#### **Funding Key**

Outlined in Red = Funded partially or fully by the General Fund:

- Land Use Ordinance Development No way to fund through user fees (funded by the General Fund)
  - PRA's Limited ability to charge user fees (funded by the General Fund)
  - Appeals Limited ability to charge user fees (partially funded by the General Fund)
- Illegal Cannabis No way to fund through user fees cost recovery/restitution/administrative fines only against responsible parties (majority funded by the General Fund)

Outlined in Yellow = Should be fully offset by user fees

Outlined in Green = General Fund revenue (Development and Administration of Tax - no way to fund through fees)

#### **Auditor Controller**

Auditor-Controller-Treasurer-Tax Collector Cannabis Fees							
Proposed Fee   Fee Amount   Percent Decrease							
Fee Description	Current Fee		Decrease				
Cannabis Tax Compliance Program	\$3,918	\$3,303	(\$615)	-15.7%			

#### **Planning and Building**

Planni	ing and Building C	annabis Fees		
Fee Description	Current Fee	Proposed Fee	Fee Amount Increase	Percent Increase
Amendment to Approved Land Use Permit - Cannabis Deposit (R26cn)	\$8,662	\$9,587	\$925	10.7%
Appeal (Cannabis) – Approval / Denial of a Cannabis-Related Land Use Permit, or Request for Review of an Environmental Determination (A30cn)	\$850	\$850	\$0	0%
Business License Review - "Cannabis" (L01cn)	\$300	\$307	\$7	2.3%
Zoning Review - "Cannabis" (L04cn)	\$404	\$409	\$5	1.2%
Conditional Use Permit / Development Plan - "Cannabis" (RTB Deposit plus Processing Costs) (L45cn)	\$13,455	\$14,921	\$1,466	10.9%
Minor Use Permit - Tier II - "Cannabis" (RTB Deposit plus Processing Costs) (L31cn)	\$11,266	\$12,187	\$921	8.2%
Minor Use Permit -Tier III - "Cannabis" (RTB Deposit plus Processing Costs) (L32cn)	\$12,496	\$13,755	\$1,259	10.1%
Pre-Application Meeting - "Cannabis" (L52cn)	\$1,443	\$1,581	\$138	9.6%
Pre-Application Meeting with Site Visit - "Cannabis" (L53cn)	\$1,652	\$1,818	\$166	10.0%
Environmental - Exemption (Cannabis) (EX01cn)	\$1,588	\$1,756	\$168	10.6%
Environmental - Initial Study - Cannabis (RTB deposit plus processing costs) (ISO1cn)	\$12,907	\$13,940	\$1,033	8.0%
Cannabis Greenhouse - Plan Check	\$.56 per sq foot	\$.98 per sq foot	\$0.42	75.0%
Cannabis Greenhouse - Inspection	\$.42 per sq foot	\$.68 per sq foot	\$0.26	61.9%
Cannabis Hearing Docket Fee (H10cn)	\$365	\$404	\$39	10.7%

#### **Sheriff's Office**

She	eriff's Office Cann	abis Fees	Sheriff's Office Cannabis Fees							
Fee Description	Current Fee	Proposed Fee	Fee Amount Increase	Percent Increase						
Cannabis Business Application (Cultivation) Phase 1	\$12,600	\$14,142	\$1,542	12.2%						
Cannabis Business Application (Cultivation) Phase 2	\$12,030	\$12,311	\$281	2.3%						
Cannabis Business Application (Non-Cultivation) Phase 1	\$12,600	\$14,142	\$1,542	12.2%						
Cannabis Business Application (Non-Cultivation) Phase 2	\$10,991	\$11,204	\$213	1.9%						
First Year Site Visits (Cultivation)	\$11,570	\$12,884	\$1,314	11.4%						
First Year Site Visits (Non-Cultivation)	\$9,423	\$9,640	\$217	2.3%						
Cannabis Business License Background for Added Partner	\$3,079	\$3,973	\$894	29.0%						

Annual Cannabis Business Fee (Cultivation)	\$18,702	\$20,493	\$1,791	9.6%
Annual Cannabis Business Fee (Non-Cultivation)	\$15,441	\$16,214	\$773	5.0%
New Location Background (Cultivation)	\$18,804	\$16,675	(\$2,129)	-11.3%
New Location Background (Non-Cultivation)	\$16,931	\$15,223	(\$1,708)	-10.1%
Cannabis Business Employee Background	\$628	\$764	\$136	21.7%
Cannabis Labor Contractor Background	\$3,302	\$3,542	\$240	7.3%
Major Violation	\$16,396	\$19,483	\$3,087	18.8%
Minor Violation	\$4,958	\$5,436	\$478	9.6%
Notice of Nuisance	\$1,244	\$1,397	\$153	12.3%

#### New Fees - Proposed

Sheriff's Office New Cannabis Fees				
Fee Description	<b>Current Fee</b>	Proposed Fee		
First Year Site Visits (Testing Facility)	\$0	\$2,818		
Annual Cannabis Business Fee (Testing Facility)	\$0	\$4,784		

#### **Financial Impact**

Legal Cannabis Fee Estimated Budget FY 2024-25

	FY 2024-25 Projected Expense*	FY 2024-25 Fee Revenue**	General Fund Support
ACTTCPA	\$123,882	\$123,882	\$0
Planning and Building	\$122,056	\$106,333	\$15,723
Sheriff-Coroner	\$1,809,229	\$865,471	\$943,758
Total	\$2,055,167	\$1,094,015	\$959,481

The tax revenue is not listed here. Does the tax revenue even cover the 1 million general fund subsidy?

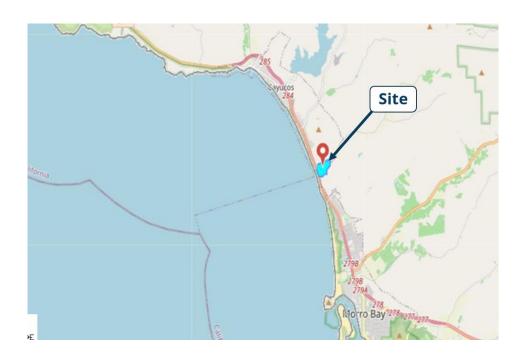
SLO County Council of Governments (SLOCOG) Meeting of Wednesday February 7, 2024 (Scheduled)

Item F5 - Draft 2024SLOCOG State & Federal Legislative Platform & Central Coast Coalition (CCC) Legislative Platform. This contains the usual litany of efforts to obtain more Federal and State funding. There is no mention of seeking a ½ cent sales tax for transportation to enhance the County's competitiveness.

There are references to some of the climatist sacred cows, such as CO<sub>2</sub> reduction and sea level rise.

#### Planning Commission of Thursday, February 8, 2024 (Scheduled)

Item 4 - Determination of conformity with the County General Plan for the acquisition of a 17.36-acre parcel (APN 073-075 019) from the Cayucos Sanitary District for a future park, coastal access, and open space uses as identified in the County General Plan's Park and Recreation Element. The parcel sits between the community of Cayucos and the City of Morro Bay. The County Estero Area Plan, which is consistent with the County's Local Coastal Program and General Plan, identifies this area as the Estero Marine Terminal with policies promoting the use of the property for recreational activities such as parks and bicycle trails. What a waste. What a great site for a beautiful 5 star hotel, which would generate millions of new dollars in sales taxes, property taxes, and hotel taxes each year. These in turn could be used to moderate the relentless pressure for fee increases. Open space is a sacred cow. The coast line in this section is already full of access points and this land is actually across the street (Hwy 1). A hotel with a bar, several restaurants, and a deal on pool use and beach club membership for local residents would actually increase access more than a vacant weed lot hammered by the northwest wind.











This could never be permitted today. Coral Casino, Santa Barbara/Montecito Make life beautiful, not ideological.

California Coastal Commission meetings of Wednesday, February 7, 2024, Thursday, February 8, 2024, and Friday February 9, 2025 (Scheduled)

There are no controversial matters pertaining to SLO County on the Agenda. Southern California Gas is seeking a permit to repair a pipe at Old Creek, which was damaged in last year's winter storms. The staff recommends approval. The item will be considered during the Friday meeting.



#### LAST WEEK'S HIGHLIGHTS

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

In a serendipitous coincidence, the other agencies were also off this week. Many will return to action next week.

#### **EMERGENT ISSUES**

Item 1 - Judge finds SLO County Clerk Recorder overcharged for recount January 30, 2024



SLO County Clerk Recorder Elaina Cano

#### By KAREN VELIE

A judge ruled Tuesday that the San Luis Obispo County Clerk-Recorder's Office overcharged a citizen for a recount of the 2022 county supervisor race between incumbent Bruce Gibson and Dr. Bruce Jones.

After Gibson defeated Jones by a mere 13 votes in the November election, Darcia Stebbens requested the recount. Stebbens then terminated the recount after less than a fourth of the district's precincts had been counted, noting issues with transparency and costs.

Before the recount was halted, <u>Clerk-Recorder</u> Elaina Cano agreed to count one ballot that her staff had failed to properly tally. The contested ballot, however, did not end up being tallied in the recount.

After Stebbens had paid the county \$48,898 in estimated charges, Cano sent her a bill for an additional \$4,448. Stebbens refused to pay the charges, alleging Cano had failed to provide itemized bills and documents requested with the recount. Cano then filed a small claims court suit against Stebbens, which Cano won.

Stebbens appealed, and the case moved to Superior Court Judge Rita Federman. Even though Stebbens pointed out multiple issues in which she asserted Cano overcharged her, for example a charge for a court filing that did not occur, the judge said she lacked the jurisdiction to consider Stebbens' claim for reimbursement of additional false charges.

Judge Federman determined Cano charged \$5,088 for overtime hours for herself and two other staff members, even though her office never paid those costs. The court determined Cano overcharged for the recount and that Stebbens does not owe the county any additional money.

This article first appeared in the January 31, 2024 edition of Cal Coast News.

#### Item 2 - Biden takes a destructive California idea national - by Will Swaim

### The state's laboratory of policy chaos has produced another misbegotten experiment for progressives to replicate elsewhere.

Gavin Newsom doesn't need to run for president in order to shape national policy. The Biden administration has made clear it'll follow California off a cliff, taking Newsom's campaign against independent contractors national with a March 2024 Department of Labor rule change.

"Misclassifying employees as independent contractors is a serious issue that deprives workers of basic rights and protections," acting federal labor secretary Julie Su declared in her department's January 9 announcement. "This rule will help protect workers, especially those facing the greatest risk of exploitation, by making sure they are classified properly and that they receive the wages they've earned."

That's pretty much what <u>Su had said</u> in 2019. Back then, she was Governor Newsom's secretary of labor. In signing Assembly Bill 5 (A.B. 5), her boss said he was ending the scourge of "employee misclassification" — the practice, Newsom said, by which rapacious companies hire as freelancers men and women who should be called "employees" and who should therefore benefit from the entire Domesday Book of California and federal employment regulations.

The Biden administration appears undeterred by the lessons of recent history. The California law unleashed chaos in the state's politics and courts. Politicians delegated to union leaders the power to hand out exemptions to politically favored groups. Lawyers, doctors, psychologists, dentists, podiatrists — almost anybody with an advanced degree was exempt. When newspapers editorialized against the new law — noting that they rely on freelance photographers, reporters, editors, designers, and delivery people — they, too, were excluded from the new regulations. Suddenly free from the dead hand of state regulators, the newspapers turned as one and editorialized in favor of the new law. A federal judge <u>said</u> the process was shot through with "corruption," "backroom dealing," "pure spite," and "naked favoritism."

But more important, A.B. 5 crushed tens of thousands of California business owners — those who operate as independent contractors as well as those who employ or otherwise rely on them. Now Biden and Su plan to bring the crazy to every American state.

"The chilling effect alone will put many independent contractors out of work," predicts Karen Anderson, a writer, editor, photographer, and creator of the Facebook group Freelancers Against

AB5. She points out that the new federal rule is a "a mind-boggling 339 pages," so complex that even freelancers exempted from California's byzantine A.B. 5 will find themselves jettisoned by employers who don't want the compliance hassles associated with the sprawling federal rule.

"As usual with government overreach, it's the little guy who gets hurt, like the one-person business or the mom and pop who are not allowed to contract with a fellow independent professional, or who get audited by the Employment Development Department or the Division of Labor Standards Enforcement for alleged misclassification violations that result in astronomical fines and penalties," says Anderson.

When he signed A.B. 5, Newsom <u>said</u> the new law would stop companies from "wrongly classifying" workers as "independent contractors rather than employees," a "misclassification" that "erodes basic worker protections like the minimum wage, paid sick days and health insurance benefits." But then he roared when he probably ought to have said nothing: "Assembly Bill 5 is an important step, . . . a next step is [*sic*] creating pathways for more workers to form a union, collectively bargain to earn more, and have a stronger voice at work — all while preserving flexibility and innovation."

Originally aimed at the Silicon Valley gig economy — at independent drivers that provide the backbone for such businesses as Uber, Lyft, and DoorDash — A.B. 5 was always about enhancing union power. Its author, Lorena Gonzalez, was a San Diego—area Teamsters official when she entered the state assembly in 2013. Upon Newsom's signing of her bill, she was delighted by the prospect of thousands of gig drivers herded into corporate employment where they would be more easily targeted for unionization. She declared that California, "one of the strongest economies in the world, . . . is now setting the global standard for worker protections for other states and countries to follow."

What happened next? Uber, Lyft, and DoorDash spent \$200 million on a successful 2020 state ballot initiative to exempt themselves from the law. When the smoke cleared, the only businesses laboring under the burden of A.B. 5 were those too small to fight back.

Anderson says it's a certainty that the new federal regulation will do for all Americans what Newsom's law did for Californians. She points to her list of 600 California business types thrown into chaos by A.B. 5. It's a heartbreaking catalogue of men and women — including speech pathologists, teachers of English as a second language, SAT proctors, translators, writers, and actors — whose own government destroyed their piece of the American dream.

Lili Von Shtupp (please let this be her real name and not merely a <u>movie reference</u>) told Anderson, "I am a 54-year-old disabled female burlesque dancer, emcee, magician, and producer. With eight minutes work as a dancer onstage, it's impossible to characterize me as an employee. I work for some companies once a year." Speaking directly to the state's union-backed politicians, Von Shtupp said, "AB 5 has devastated my coming back to work after being diagnosed with a degenerative illness. I can't be hired at a 40-hour-a-week job as I cannot have the flexibility to deal with my illness or receive an hourly pay rate to survive part time. I also

can't drive. I am the textbook small-business entrepreneur. AB 5 has effectively made it impossible for me to work and support myself with dignity."

"I ran L.A.'s No. 1 weekly burlesque show for twelve years. Now I sit home writing my elected representatives begging for the right to work," Von Shtupp <u>added</u>.

A.B. 5 author Lorena Gonzalez has since left the state assembly to become president of the Teamsters-affiliated California Labor Federation. <u>From that lofty promontory, she crowed</u> that Su's rule change will dispatch regulators to "prevent [California businesses] from shopping around to a different state with laxer rules."

One of those former Californians is trucker Tom Odom.

Odom was born and raised in California, where he grew his <u>trucking business</u>. But Newsom drove a stake through Odom's business by signing A.B. 5, prohibiting him from working in the state. When I caught up with him to discuss the big news out of the U.S. Department of Labor, he was laboring — picking up cargo in Deming, N.M., a remote crossroads town famous for the Silver Spike, the commemorative hardware driven into the spot where the Southern Pacific railroad met the Atchison, Topeka and Santa Fe in the New Mexico Territory in 1881.

Odom left California last year, joining more than a million Californians abandoning the state in a mass migration so historic that it has become known as the "California exodus." He moved his business to Tennessee, but he and Mrs. Odom think they'll ultimately settle in Texas. They're hampered for the moment because they've struggled to sell their place in the Central Valley town of Madera.

The pending federal rule change would have him cornered again.

\* \* \*

There's still hope that the federal rule change will die an ignominious death. Kevin Kiley, a California Republican who opposed A.B. 5 while in the state assembly, has raised the alarm since he joined Congress in 2023. Though a freshman, he's already chairman of the House Workforce Protections Subcommittee, and in that capacity has endlessly blasted both the proposed change in labor law and Julie Su, the force behind the new rule.

<u>Kiley knows Su too well</u>. "The highest position at DOL continues to be held by an official who does not have enough support to be confirmed to lead the agency on a permanent basis," Kiley and House Education and the Workforce Committee chairwoman Virginia Foxx (R., N.C.) <u>wrote</u> just before Su's formal announcement of the rule change.

"Many of the objections to Ms. Su's nomination come from her . . . allowing fraudsters to steal \$32 billion in unemployment insurance from California taxpayers," the lawmakers noted. "Ms. Su was also the chief enforcer of AB 5, a California law that mirrors current federal anti-worker proposals like H.R. 20, the [PRO Act], and DOL's proposed independent contractor rule. AB 5 denied workers the freedom to earn a living as they choose, costing thousands of workers their jobs."

Kiley says he'll block — or at least slow — the implementation of the rule with a Congressional Review Act (CRA) resolution in the House; Bill Cassidy (R., La.) announced he'll do the same in the Senate. A CRA resolution would require volumes of paperwork from the agency and a congressional hearing before the rule can take effect. Even if it passes both chambers, however, it's a near certainty that Biden would veto the resolution.

Representing freelancers all over the U.S., the Sacramento-based <u>Pacific Legal Foundation</u> is suing to block enforcement. "The Biden administration has upended the straightforward [employment] rule and replaced it with an interpretation so vague and uncertain that only the DOL itself can tell if an independent contracting relationship exists. It has made this change with a wholly inadequate justification, leaving millions of contractors twisting in the wind."

In a separate lawsuit, the <u>Financial Services Institute</u>, the Associated Builders and Contractors, the Associated Builders and Contractors of Southeast Texas, and the Coalition for Workforce Innovation say the new rule would be so complex as to make it close to impossible to classify any business as an independent contractor.

There's even rearguard action inside the California assembly. There, in the place where the madness broke out, first-term assemblywoman Kate Sanchez (R.) <u>announced</u> this week that she's introducing a bill to repeal A.B. 5.

\* \* \*

His trucking business effectively banned in California, Tom Odom takes some comfort from the news that the resistance is gathering strength. Complying with A.B. 5 cost him "thousands of dollars"; the proposed federal regulation will likely cost him thousands more — if he can figure out its implications.

But Odom worries for the rising generation. "It's not about me anymore," he says. "I've got one or two years left, maybe just two or three" before retirement. He could "avoid a lot of headaches" by hitting the eject button now and retiring. But he supports legal cases and indulges calls from the occasional reporter "for the younger guys who want to do what I did."

What he did would be remarkable in most other parts of the world. Odom was raised in East Los Angeles, then as now a tough neighborhood. "We were so poor that I recall my parents were occasionally on welfare," he says. He dropped out of high school at 16, joined the military at 18,

and after a short hitch "bounced around from minimum-wage job to minimum-wage job." "I had no education, so what was I going to do? Get a big corporate job?" When his in-laws asked him to join their family trucking business, he did so "driving team" — industry parlance for driving long distances with a partner. While his father-in-law slept, Odom drove their rig hundreds of miles; while Odom slept, his father-in-law took the wheel and drove hundreds more. "We never stopped," he says, under conditions that might strike some of us as remarkably close to hell.

But Odom loved it. He tried a brief stint as a full-time employee at a firm that required him to join the Teamsters Union. The experience persuaded him that he'd never work as an employee again. In 1996, he put down \$10,000 he had saved to purchase two trucks and begin his own independent trucking firm. He loved the flexibility, including the power to accept or reject offers to move cargo for any shipper. He plugged into an organization that provided discounts on insurance, tires, and fuel and offered free trailers, safety oversight, and accounting.

"Here I was, an uneducated kid from East Los Angeles, and now I own my business and I'm making \$100,000 per year after expenses," Odom says. "There's no way that kid is going to make that kind of money in any other business."

Talking to me from the cab of his truck in Deming, he runs through a list of recent outrages — the limitless power of government represented by *Chevron* deference, the related struggles of Northeast fishermen forced to carry onboard federal regulators, and other innovative government encroachments on daily life. These, and his own experience with A.B. 5, have turned the lifelong trucker into something of a public-policy expert and critic of government regulation — another unintended but utterly predictable consequence of California's laboratory of policy chaos.

This article originally appeared in National Review.com.

Will Swaim is president of the California Policy Center and co-host with David Bahnsen of National Review's "Radio Free California" podcast.

#### Item 3 - The 2 reasons California's YIMBY reforms are failing

#### Why Is California's Building Boom Limited to ADUs?

California YIMBY, one of the OG YIMBY groups that advocate for zoning reform in California, has released <u>a new report</u> heralding the building boom kicked off by an accessory dwelling unit (ADU) reform.

Since the California Legislature got serious about eliminating local restrictions on granny flats, in-law suites, and the like in 2016, ADU production has increased by 15,000 percent. In 2022, they made up a quarter of California's housing production, according to the report.

It's truly a YIMBY success story. The sad fact is that it might be California's only major YIMBY success story.

Since 2016, the California Legislature has passed dozens of bills that remove regulatory barriers to housing production. And since 2016, overall housing production has increased only modestly, according to permitting data from the state Department of Housing and Community Development (HCD). When ADUs are subtracted from the mix, permitting activity has more or less flatlined.

The state is permitting about as much housing today as it was in the 1990s, and much less than it was in the 1980s or early 2000s, <u>according</u> to U.S. Census Bureau numbers. (It is at least producing more than the recession-ravaged early 2010s.)

Meanwhile, indicators of the state's housing shortage—including the ratio of rents and home prices to incomes, the percentage of cost-burdened households, measures of housing underproduction, and homelessness rates—are all flashing red.

So, what's going on? Why haven't other YIMBY housing laws kicked off a boom in new duplexes and transit-adjacent apartments as they have with ADUs?

I'd boil it down to two basic problems. Firstly, many YIMBY reforms have focused on handing down better bureaucratic mandates to local governments who have no interest in reforming their own housing laws. Secondly, the Legislature lards down what could be productive housing laws with endless interest group carveouts and handouts.

#### **State Orders, Local Controls**

On paper, California does have an elaborate, decades-old system requiring local governments to plan for more housing called Regional Housing Needs Assessment (RHNA).

The state hands down housing production goals to localities. Localities then produce plans called housing elements to meet those goals. Housing elements identify sites where new housing will be allowed, and outline the regulatory "constraints" on new construction localities will eliminate.

For a long time, RHNA was kind of a joke. A <u>major focus</u> of YIMBY reforms has been on improving the once-useless system.

New laws try to make state production goals reflect actual market demand, and ensure housing elements more realistically plan for growth. State bureaucrats more closely vet local housing elements. New state enforcement units are putting pressure on local governments to follow through with removing regulatory constraints.

The hope is that a souped-up RHNA will make all of California's local governments more accommodating of new housing.

RHNA's approach is premised on the idea that localities won't do this on their own. The problem is even a souped-up RHNA still leaves them in the driver's seat.

The state might review and certify housing elements, but localities are still the ones responsible for writing them, implementing them, and then approving individual housing projects. That leaves plenty of wiggle room for localities to loosen constraints on housing construction on paper while maintaining them in practice.

The state can theoretically strip localities out of "substantial compliance" with state housing law of state grants, force them to allow "builder's remedy" projects, or even petition a court to rewrite their housing element.

For all the excitement about "builder's remedy" projects, none have actually been approved. Local governments have proven pretty adept at blocking them or forcing the developer to settle for a smaller project.

Outside the few communities purposefully thumbing their nose at the state, there's also a lot of legal uncertainty about when jurisdictions are actually out of "substantial compliance" with state housing law and thus subject to state remedies.

San Francisco was arguably still substantially compliant with state housing law last year when it was dragging its feet on passing reforms the state was telling the city it needed to adopt in order to meet its RHNA goals.

If the remedies for floating RHNA don't clearly apply to San Francisco—the subject of a scathing state audit finding the city takes over three years to approve housing projects—that suggests even a reformed RHNA is kind of toothless.

#### Pork Barrels Full of Poison Pills

Even when the California Legislature does try to pass direct reforms forcing local governments to allow certain types of housing projects, interest group wrangling in the Legislature often ensures these bills don't produce many new units.

New housing is a valuable thing. The groups that are in a position to say no to it aren't keen on giving away their veto for free. As a result, state bills allowing builders to route around local zoning standards or skip environmental review end up getting loaded down with all sorts of carve-outs and poison pills.

To appease unions, state-streamlined projects have to pay union wages. To appease environmentalists, they have to be built to the highest green design standards. To appease tenant advocates, they can't replace existing rental housing. To appease affordability advocates, they need to include money-losing affordable units. To appease NIMBYs, these projects can only go in certain areas and exceed local density caps by only so much.

At a certain point, all these special interest handouts end up eating up the value of whatever regulatory relief state law offers. When higher construction and financing costs are already putting <u>serious headwinds</u> on construction, these handouts are proving particularly fatal to new development.

#### What is to be done?

According to the California YIMBY report, ADU reform was a success because it set clear, permissive statewide standards that were binding on local governments and easy for builders to comply with.

The state should do that with all types of housing. Instead of relying on the "<u>rickety and complicated conveyor belt</u>" that is RHNA to hand down planning targets that local governments

then try to skirt at the risk of potentially severe but legally uncertain penalties, the state could just tell local governments they have to approve certain types of housing.

And when the state does pass laws telling local governments to approve certain types of housing, those laws should come without a bunch of cost-increasing labor, affordability, and environmental provisions. Better yet, the state could directly permit housing projects without the need to trouble NIMBY local governments at all.

These are of course useless prescriptions in the same way that it's kind of useless to say the way to lose weight is to diet and exercise. It's no secret what the state's problems are or what effective solutions would be.

Many YIMBY reforms keep underperforming because passing clean, effective reforms is politically impractical.

The California YIMBY report stresses that even with ADUs, housing reform is a process. It took over 30 years of marginal tweaks and fixes to get the state's ADU laws working right. The same will likely be true for other YIMBY zoning reforms.

The trouble is that California doesn't have 30 years to get housing policy right. Its problems are too immediate and too severe.

I'm not sure what could be done to speed up the process of reform.

Perhaps YIMBY lawmakers should gamble on politically riskier, but more impactful bills. Fewer will pass, but the ones that do will have a greater impact.

California also has a ballot initiative process that can allegedly be used to route around a special interest-captured legislature. YIMBYs haven't really used it but they should. Offer up a ballot initiative legalizing 10-unit market-rate apartments on all residential land with no setbacks, parking requirements, impact fees, or prevailing wage mandates and see if voters go for it.

Maybe that won't work, but the current pace of reform isn't working either.

Christian Britschgi is a reporter at *Reason* who covers property rights, housing policy, transportation policy, and regulation. His writing has appeared in *The American Conservative*, *The College Fix*, *The Lens*, *Watchdog.org*, *The Orange County Register*, the *Daily News*, the *New York Post*, *Jacobite*, and *The Wall Street Journal*. His reporting has been cited by *The New York Times*, *The Washington Post*, *The Atlantic*, and the U.S Congress' Joint Economic Committee. This article first appeared in the January 30, Reason.

#### **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

## SHOCKING! TOTALITARIAN POLICIES FROM CALIFORNIA LAWMAKERS THIS WEEK

### CALIFORNIA'S GOING FULL COMMIE BY KATY GRIMES

Last week the Globe <u>reported</u> on the left's admiration of Vladimir Lenin on the 100 year anniversary of his death. Tony Rennell <u>wrote</u> in the UK Daily Mail in his article, "Why does the gullible Left still lionize Lenin as a benign intellectual and the acceptable face of Communism when he ruthlessly murdered his opponents in their thousands, starved two million Russians to death and wrote the playbook for Stalin?"

While that level of barbarism is not taking place in America, every day active card-carrying members of the left who hold public office propose and pass policies to not only limit the people's freedoms and choices, but impose policies that are harmful – and then they tell you it's for your own good.

The march to Marxism is in play.

Here are just a few proposals from this week:

#### **Limiting indoor temperatures**

The Globe <u>reported</u> that the Los Angeles County Board of Supervisors <u>approved an</u> <u>ordinance</u> this week that would set up a maximum indoor temperature for rental units during hot months of the year. You read that right – Los Angeles lawmakers want all renters limited on how cool they can keep their homes.

But it's only to help people "not experience discomfort."

"According to <u>Supervisors Hilda Solis and Lindsey Horvath</u>, the ordinance would help residents to not experience discomfort because of high temperatures, and, most critically, to not be in medical danger for days when the temperature goes into the 90s and above." Solis and Horvath also falsely claim because of climate change, the number days with a temperature above 94 degrees in L.A. is going to go up in the next few decades from an average of 7 days to an average of 21 days a year.

It wasn't that long ago the people were told they should not have air conditioning at all – because of climate change – and using AC will only further pollute the air. That was so stupid that they pivoted and now propose limiting the temperatures in every rental property in L.A. County, despite that the ramifications would likely require significant capital expenditures in older buildings, and will have a financial impact on owners and residents.

It's these kind of inane meddling regulations that cause the cost of residential rental properties to go up, showing you that they don't really care about the plight of low income people and affordable housing.

#### **Auto speed limiters**

Notice how these proposals "limit" what you can do?



Senator Scott D. Wiener. (Photo: Kevin Sanders for California Globe)

A bill authored by Senator Scott Wiener (D-San Francisco) to require all cars in California to have speed limit restricters installed to only ten miles per hour above the speed limit was introduced in the Senate this week, the Globe <u>reported</u>.

<u>Senate Bill 961</u> would specifically require certain vehicles, commencing with the 2027 model year, to be equipped with an intelligent speed limiter that would limit the speed of the vehicle to 10 miles per hour over the speed limit.

Wiener says his SB 961 also requires side guards on trucks. His sister bill SB 960, requires California to make state-owned streets safer for pedestrians, cyclists and bus riders. That means fewer lanes for cars, less street parking, and more invasive, dangerous bike lanes on major thoroughfares.

"CA, like the U.S., is in the midst of a spike in road deaths. Deaths are up 19% nationally & 22% in CA in past few years," Wiener <u>wrote</u> on X/Twitter. "4,400 people die on CA roads each year. If the U.S. had similar safety policies to other wealthy nations, 25k fewer people would die on our roads each year."

By the way -750 people die every day in California - that's 273,750 Californians dying every year, from all sorts of medical issues, accidents, murders, or just naturally.

Sen. Wiener's justification tells the real story: "This speed limiting technology already exists. The European Union is moving in this direction & the National Transportation Safety Board has recommended adopting the requirement nationally."

This totalitarian globalist is now carrying water for the EU. That should freeze your insides.

#### California's reality: We need Big Oil

"We have created a regulatory environment in California where it is nearly impossible to dig, drill, develop, mine, log, graze grow, or manufacture anything," Ed Ring says at the Globe this week.

"Despite being a sunny, solar friendly state, with ample areas <u>blessed with high wind</u>, California still derives 50 percent of its total energy from crude oil. Another 34 percent comes from natural gas. This fossil fuel total for California energy, 84 percent, actually *exceeds* the <u>world average</u> for 2022, which – including coal – came in at 82 percent."

As Ring reveals, "half the fuel Californians rely on to power their civilization comes from crude oil. And yet California's state Legislature has declared war on oil, along with natural gas. And here, it gets even more interesting."

Californians import 93 percent of their natural gas, and 76 percent of their crude oil. Not only is California dependent on crude oil and natural gas to power the state, we should be drilling for it in oil/gas rich California.

"Since half of California's energy comes from oil, it's easy to quantify the impact if problems arise with the supply from any of these nations. More to the point, why aren't we drilling here in California? Won't our drilling practices be more environmentally responsible? And won't it benefit the environment to not have dozens of oil tankers perpetually <u>belching bunker</u> <u>fuel</u> exhaust off the coast of Long Beach, and that only after they've belched their way across the Pacific Ocean?"

What will happen to California when the left succeeds in banning oil and natural gas? "What California's policymakers have not come to terms with is we are importing nearly everything relating to energy production in California. Not just crude oil and natural gas, but wind turbines and blades, photovoltaic panels, and batteries. How is this considered sustainable?" Ring asks.

Here is how it happened and is continuing:

<u>In June 2020</u> the California Air Resources Board (CARB) approved regulations to require automakers to sell more electric commercial trucks, with the ultimate goal of all new trucks sold in rather state to be zero-emission by 2045.

<u>Under the new</u> "advanced clean trucks" rule, the number of new zero emission electric trucks would increase each year beginning in 2024. By 2035, the zero emission rule has a target of 40% of tractor trailers, 55% of pickup trucks, and 75% of delivery vans. All government-owned trucks would also need to be electric by 2035.

Every car company in California will have to have an electric or hydrogen-powered option by 2024, with CARB currently aiming for net-zero emissions in California by 2050.

As California Globe has reported for several years, and has been covering since 2011:

- In 2011, California passed the Renewables Portfolio Standard setting the mandate at 33 percent renewable energy by 2020.
- When it became clear that California was nearly there, in 2015, the Legislature moved the bar again and passed <u>SB 350</u> the "Clean Energy and Pollution Reduction Act of 2015." <u>SB 350</u> by Sen. President pro Tem Kevin de Leon (D-Los Angeles), requires the state to procure 50 percent of electricity from renewable energy and double energy efficiency savings by 2030.
- In 2018, Gov. Jerry Brown signed <u>Senate Bill 100</u>, setting a **100 percent** clean electricity goal for the state, and issued an executive order establishing a new target to achieve carbon neutrality both by 2045.

Power outages and rolling blackouts are coming more frequently as California has taken nuclear power plants offline, and hydroelectric dams offline, while increasing renewables mandates for wind and solar.

Michael Shellengerger <u>has been warning</u>, "California's bet on renewables, & its shunning of natural gas & nuclear, is directly responsible for the state's blackouts and high electricity prices." And lastly, Assemblyman Issac Bryan (D-XX) introduced "a Green Amendment to the California Constitution that will affirm the right to clean air, water, and a healthy environment for every Californian."

#### **Stop The Energy Shutdown**

<u>A referendum has qualified</u> for the 2024 ballot called "Stop The Energy Shutdown," sponsored by California oil producers and energy workers.

The "Stop The Energy Shutdown" referendum was initiated in response to <u>Senate Bill 1137</u>, introduced by Sacramento politicians, and rushed just five days before the end of the 2022

legislative session. SB 1137 aimed to terminate domestic oil production, impacting approximately 15,500 oil wells and endangering the livelihoods of 55,000 Californians. The rushed passage of SB 1137 did not include an assessment of its potential impacts on gas prices, local community revenues, the financial well-being of oil industry workers, or the environmental consequences of increased oil tanker traffic from the Middle East. There was no allowance for expert testimonies from impacted parties, engineers, or health experts who could have provided insights into California's oil industry operations.

Lawmakers and the governor cheat when their agenda is threatened. They suspend their own "clean air" regulations when they want a new arena or development built. They jam really bad bills through the legislative process, bypassing public input and committee consultant analysis, making a mockery of the process. But they hold you to these regulations.

This must be stopped.

#### "From each according to his ability, to each according to his needs"

California is rich in natural resources which once powered the state: natural gas deposits in the Monterey Shale formation; geothermal energy, abundant rivers and waterways such as the San Joaquin River Delta and hydroelectric dams; the Pacific coastline; 85 million acres of wildlands with 17 million of those used as commercial timberland; mines and mineral resources, vast farming and agricultural lands, and hunting and fishing.

Southern California Edison, Pacific Gas & Electric and San Diego Gas & Electric filed a proposal in April 2023 to install a fixed-rate electric bill system for those under the three largest power companies in the state, the Globe <u>reported</u>. The real plan is to create income-based utility billing rather than utility bills based on electricity and gas consumption. The utility companies are now proposing income-based utility billing so that higher-income earners pay for more than they use, subsidizing the rates for lower income customers.

"From each according to his ability, to each according to his needs," Karl Marx wrote in his Communist Manifesto. In a nutshell, Marx said productive, hard-working and successful people must sacrifice to less productive, and unproductive people.

Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, and the co-author of <u>California's War Against Donald</u> <u>Trump: W</u> This article first appeared in the California Globe of January 26, 2024.

# TAPPING THE BRAKES ON ELECTRIC VEHICLES TESLA WILL FIX ITS COLD-WEATHER WOES, BUT AN ALL-EV FUTURE IS STILL DEAD ON ARRIVAL BY MARK MILLS

It's been a rough few months for electric vehicle fans. During the January cold snap, social media sites were filled with sarcasm and pictures of Teslas stranded by freezing temperatures. Lots of "dead robots out there," one wag put it.

In mid-January, the rental car company Hertz, previously an eager early adopter of fleet electrification, announced a big sell-off of EVs that it had only recently purchased, mainly because they proved far more expensive to maintain than advertised. The same week, Ford slashed EV production, having earlier pulled back on planned battery factories. Both Ford and GM now face higher labor costs, having negotiated epic United Auto Workers pay hikes that now include previously excluded battery factories. Adding to the woes, unsold EVs are piling up on dealer lots, spurring aggressive discounting. The big sales benefit buyers but deepen the already-massive losses of manufacturers.

Finally, in the fusillade of bad news, as Fortune reports, "no one wants to buy used EVs," leaving EV used-car values in free fall. That's a problem for auto companies because their finance arms have been left holding the bag on fictitious residual values for leased vehicles. According to one industry executive, the situation "has the potential to destroy billions" of dollars in value for auto firms.

And now leasing has soared to over half of all EV sales, as it's the only way to capture the federal \$7,500 tax credit for most EVs. How so? By law, that credit is supposedly available only when purchasing vehicles built with materials sourced primarily in the U.S. This domestic-sourcing feature is what it took, reportedly, to get West Virginia senator Joe Machin on board to pass the all-partisan Inflation Reduction Act, because, as he surely knew, nearly all battery materials are currently foreign-made and will remain so for ages. However, the final legislation had a surreptitious exception allowing the credit for leased vehicles built with foreign materials. Evidently, the pen is mightier than the miner.

All this bad EV news, advocates claim, is merely a symptom of a nascent industry's growing pains. There's some truth to that, especially for the kinds of engineering issues amenable to rapid resolution. Reliability and supply chains will improve with experience and redesigns. You can bet Elon Musk has tasked his impressive engineers to improve Tesla's cold-weather resilience to avoid future embarrassment. And America just might, one fine day, allow domestic mining to expand and to build new refineries for the minerals needed for batteries—and for everything else.

Meantime, EV boosters note, "people keep buying them." Again, true. Last year saw record EV sales, even if outside of China it's still a Tesla story; over half of all EVs sold in the U.S. were Teslas. Even though the trumpeted high growth-rates are an arithmetical outcome of growth from small beginnings—something one always sees in the early days of a new product—there's no doubt that tens of millions more consumers will happily buy an EV.

What is in doubt—in fact, what won't happen—is realizing the aspiration of an accelerating transition to an EV-dominated future. Separating aspiration from reality wouldn't matter if this were just a debate between advocates and skeptics making private bets. This debate matters because hundreds of billions of dollars in public spending will be deployed via the misnamed Inflation Reduction Act to push EVs into markets—and because a proposed rule from the EPA, with comparable legislation in more than a dozen states, will make it impossible to buy a new car unless it's an EV within the decade. The unprecedented magnitude of government intervention gives EV enthusiasts confidence that it will all "spur consumer demand."

But government diktats and largesse can't change reality. The putative EV revolution will stall out for three main reasons, and not because of "dead robots" or the other road bumps in recent news. What will happen is that we'll run out of money, we'll run out of copper, and car drivers will run out of patience in putting up with inconveniences. But before unbundling these truths about the practical limits of EV dominance, we have to deal with some of the myths that anchor all EV enthusiasms.

It's received wisdom in many social media corners that "Big Oil," worried that EVs will radically cut oil use, is somehow funding anti-EV "misinformation." As World Economic Forum sages have declared, "rapid growth of electric vehicles (EVs) will potentially disrupt the traditional oil market." Credit the Wall Street Journal's Dan Neil for noting that "some of my fellow travelers suspect there must be a conspiracy to trash-talk electrification in the media, funded by Big Oil. I take a contrary view: It didn't take a conspiracy to make EVs look bad." Rarely have truer words been written about EVs.

EV enthusiasts at BloombergNEF claim that "EV adoption cut demand for oil by 1.8 million barrels in 2023." At the same time, the International Energy Agency (IEA) reports that global gasoline consumption in 2023 blew past the pre-lockdown 2019 peak, even with roughly 30 million EVs on the world's roads, up from near zero a decade ago.

Discerning analysts will note that, globally, EVs still account for barely 2 percent of all vehicles—thus, the admonition to wait. Consider, then, the case of Norway, where EVs now account for close to 25 percent of all cars. Even there, overall on-road oil consumption has remained flat instead of collapsing. Even assuming an impossibly high goal of replacing half of the world's cars with EVs, simple arithmetic shows that doing so would eliminate only a skosh more than 10 percent of global oil demand. That's not nothing, but it's hardly the end of oil. The most that one can say is that EVs will moderate the growth in oil use.

But the myth that anchors the entire edifice of subsidies, mandates, and policies to force-feed EVs on everyone is that they will radically cut CO2 emissions. Again, from the IEA: "Electric vehicles are the key technology to decarbonize road transport." The BloombergNEF team touted that, according to its calculations, EVs in 2023 avoided "122 megatons of carbon-dioxide emissions."

Facts and context matter. The world in 2023 saw, according to NOAA, a new peak in global CO2 emissions. The claimed 122 megatons cut by EVs sounds big, but it amounts to only 0.03 percent of global emissions. For context, oil-burning war-machines in Ukraine are adding at least that much CO2 to the atmosphere yearly. Moreover, the 122-megaton figure is a calculation, not a measurement. No one really knows how much, or how little, EVs reduce global CO2 emissions.

The problem is that you can't measure an EV's CO2 emissions. That's totally unlike conventional cars, where emissions are directly measurable by the quantity of gasoline used. Further, gasoline emissions are the same wherever or whenever a car is driven, or fueled, or even built. EVs obviously don't burn gasoline, and thus those emissions are, equally obviously, avoided. But there are emissions associated with EVs, and, according to the technical literature, everything about those numbers is highly variable, requiring estimates, guesses, and assumptions about when an EV is driven, when and where it's recharged, and especially where the materials came from to build it in the first place.

In the real world, as opposed to the realm of PowerPoint presentations, that emissions accounting is hard to nail down because it entails information not just about consumer behaviors and grid operations but also about activities in the labyrinthine global supply chains. Much about that data is proprietary or opaque, and much of it originates with Chinese industries.

The CO2 emissions arising from building an EV before it gets driven revolve around a simple fact: a typical EV battery weighs about 1,000 pounds. That half-ton battery is made from a wide range of minerals, including copper, nickel, aluminum, graphite, and lithium. Accessing those minerals requires digging up and processing some 250 tons of earth per vehicle. All that mining, processing, and refining uses hydrocarbons and emits CO2. The critical fact found in the technical literature is that those upstream emissions vary by 300 percent or more, depending on where and when materials are mined and processed. At the higher end of known ranges, upstream battery emissions can wipe out emissions avoided by not driving a gasoline car.

Every claim made about EVs reducing emissions, whether from automakers or governments, is a rough estimate at best—and sometimes an outright guess based on averages and assumptions. In every study, one finds that authors have cherry-picked a value, typically a low one. As for the future, all the variables relevant to mining and processing battery minerals point to upstream emissions rising.

Advocates respond that, whatever the emissions benefits, it will soon all be free because EVs will be easier and cheaper to buy and use. EVs, they assert, are simpler vehicles, and thus inherently cheaper to build than their gas-fueled counterparts. But EVs aren't simpler; they're just differently complex. The booster's narrative claims that the transition to EVs is the equivalent of going from horse-and-buggy to the car, and thus an "inevitable shift," in the words of Energy Secretary Jennifer Granholm. The better analogy is that an EV is the equivalent of changing a horse's food.

Yes, conventional cars have complex thermo-mechanical systems. Engines and automatic transmissions contain hundreds of components, mated with a simple fuel tank and pump. EVs, inversely, have a simple electric motor, but the battery pack is a complex electrochemical system made from hundreds or thousands of parts, including sensors, safety systems, cooling or heating systems, and a boatload of power electronics.

One shouldn't be surprised that the data show that building EVs entails no less labor; it just shifts it to different components and places. Tesla, the world's biggest non-Chinese EV maker, employs about 90 people per 1,000 cars produced per year. About 80 people are employed per 1,000 conventional cars produced. Neither figure includes the upstream labor for the materials supplied to the factories.

A conventional car's weight is 85 percent steel and iron, wherein that upstream supply chain employs less than one person per 1,000 vehicles produced. Most of an EV's weight lies in more exotic minerals, especially aluminum and copper. That upstream supply chain employs roughly 30 people per 1,000 EVs. Nearly all that labor is offshore.

The underlying materials requirement is the single constraint that will cause the EV stall-out before other factors kick in. All the world's mines, both currently operating and planned, can supply only a small fraction of the 700 percent to 4,000 percent increase in various minerals that will be needed to meet the wildly ambitious EV goals. The IEA estimates that we'll need hundreds of new mega-mines to feed factories across the "transition" landscape, and that it takes 10 to 16 years to find, plan, and open a new mine.

It bears noting that buying basic materials accounts for more than half the cost of building an EV battery. That means the future price of EVs will be dominated by the future costs of those basic materials, which, in turn, depends on guesses about the future of foreign mining and minerals industries. Consider just copper, the pillar of electrification. EVs use 300 percent to 400 percent more copper than conventional cars. Industry data show that the world will need twice as much copper as it will be producing well before aspirational EV goals are reached. Unsurprisingly, one major mining CEO observed that the coming chasm between demand and supply could trigger a ten-fold copper price hike. That alone would add about \$15,000 to the cost of building an EV.

This is not a question of whether planet Earth has enough copper or other minerals; nature has abundance in all domains. The issue is one of industrial infrastructures. We have no evidence that the necessary decades-long mega-investments to expand mining have begun anywhere—certainly not in the U.S. Thus far, EV boosters have waved away the minerals challenges with facile rhetoric about recycling and, in a sure sign of technological naiveté, invoking the promise of seabed mining.

And we haven't talked about the other engineering-economic problems with accelerating the EV revolution, such as building enough chargers, expanding the electric grid, and hoping consumers will tolerate radical increases in inconveniences.

The inconvenience of EVs boils down to the reality of very long refueling times, not range. So-called fast charging isn't fast; it takes 30 to 60 minutes, compared with five minutes to fill a gas tank. Most consumers will chafe at such long waits. And each supercharger costs about three times as much as a gasoline pump. The oft-touted \$7 billion that the Biden administration is spending on fast chargers won't come close to meeting the need; the government's own national labs show that we'll need more like \$100 billion in superchargers if EVs reach just 10 percent of all cars.

At-home, overnight charging, using lower-cost slow chargers, currently accounts for 90 percent of all EV users, nearly all of whom have two or three cars and a garage. But only one-third of U.S. households have a garage. Of course, enthusiasts assert that charging points can be added at parking lots and roadsides. All of it will require staggering neighborhood-grid upgrades that have neither been funded nor included in the Inflation Reduction Act's lollapalooza of spending.

And that doesn't count eye-wateringly expensive grid upgrades needed for on-road superchargers. To be clear, this is not about energy, but about the hardware needed to deliver the energy, especially grid-scale transformers. Today, a roadside fuel station puts an electric power load (again, not energy) on the grid equal to just one 7-Eleven store. A typical EV fueling station will have the power demand of a stadium. Highways need tens of thousands of fuel stations. Making on-road refueling as convenient, simple, and cheap as the gasoline network isn't possible with current technology.

EV boosters typically greet all these obstacles and limits with the assertion that technological progress will solve them. For some of these items, there's some truth to that assertion. But for EVs to become ubiquitous, we'll need quantum-leap innovations, and history shows that mandates, taxes, and subsidies aren't how we get that kind of progress. All they do, instead, is lock in yesterday's technologies and waste money.

None of this is to deny that there will be millions more EVs purchased, whether the government interferes or not. EVs offer interesting, useful, and even fun features for many consumers, just as do sports cars and myriad other vehicle models. But the rate of EV adoption will slow long before there's a battery-dominated future because, again, we'll run out of money, copper, and political tolerance for enriching other nations—especially China, where 50 percent to 90 percent of the critical materials are now produced and will be for years yet, no matter how lawmakers rewrite the sourcing regulations. And if proposed EPA rules for an EV-dominated future do become law, count on millions of very unhappy consumers, otherwise known as voters.

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#### **ANNOUNCEMENTS**

### Slay the Death Tax

HJTA needs about 1.2 million signatures by February 5th to qualify the Repeal the Death Tax Act for next November's ballot

By Katy Grimes, January 16, 2024

Last week when Gov. Gavin Newsom was sharing his proposed 2024-2025 budget, he insisted that he was opposed to a proposed wealth tax. And sure enough, <u>Assembly Bill 259</u> by Assemblyman Alex Lee (D-Palo Alto), which will impose an annual "worldwide net worth" tax of 1 percent on net worth above \$50 million, rising to 1.5 percent on net worth over \$1.0 billion, was killed in committee that afternoon.

However, the governor has been mum about another type of wealth tax – California's sneaky Death Tax, which adds a new tax on property inherited by a family member, which was already was taxed over the years of ownership.

In 2020, <u>Proposition 19</u> resurrected the Death Tax on families whose property is left to loved ones when they die, putting their homes, property and businesses at significant risk. While the initiative was cleverly disguised as a benefit for the elderly and disabled communities, Proposition 19 caused far more harm than good.

<u>In May, Senator Kelly Seyarto (R-Murrieta) introduced Senate Constitutional Amendment 4</u>, to restore taxpayers' property rights by reversing the state's "death tax" written into in <u>Proposition 19</u>. Deviously titled "<u>the Property Tax Transfers, Exemptions, and Revenue for Wildfire Agencies and Counties Amendment,</u>"

SCA 4 would have reversed one of the largest property tax increases in state history, a little-noticed provision of Proposition 19 that revoked the ability of families and parents to pass property to their children without any change to the property tax bill, <u>according</u> to the Howard Jarvis Taxpayers Association.

However, <u>Democrats killed Seyarto's SCA 4</u> in a legislative committee. I remember when the Death Tax was first slayed.

"It was 1986 when the parent-child exclusion from reassessment was first added to the state constitution," Susan Shelly <u>recently wrote</u>. "A growing number of Californians were angry to discover that state law treated death and inheritance as a "change of ownership" under Prop. 13, triggering reassessment to current market value just as if it was a sale. The legislature proposed a constitutional amendment that would allow parent-child transfers of a home and a limited amount of other property, such as a small business or a rental property, without reassessment." "The parent-child transfer protection passed by a unanimous vote in both houses of the legislature, and then was approved by 75% of voters statewide."

Howard Jarvis Taxpayers Association <u>elaborates</u> on how Proposition 19 hurts taxpayers: Proposition 19, had two main elements. The first was expanded "portability" of base-year property taxes. Homeowners who are 55 years of age or older, who are victims of a wildfire, or who are disabled may now move to a replacement home anywhere in the state, of any value, and take the base-year property tax assessment of the old home with them to a new home up to three times.

Now to the other part of Proposition 19. Previously under the state constitution, property transfers between parents and children, and sometimes grandparents and grandchildren, were excluded from reassessment. These family members could transfer a home of any value and up to \$1 million of assessed value of other property, such as a small business property, a vacation cabin, or a rental property, without any increase in the property tax bill. This taxpayer protection was added to the state constitution in 1986 by Proposition 58 (parents and children) and in 1996 by Proposition 193 (grandparents and grandchildren) with overwhelming public support.

Proposition 58 was approved by more than 75% of California voters, and Proposition 193 was approved by nearly the same margin. Now, *these taxpayer protections are gone*.

Proposition 19 has replaced 58 and 193 with a very narrow exclusion for family transfers of property. Only a principal residence that the inheriting child occupies as his or her permanent primary residence is eligible for an exclusion from reassessment. Unless the new owner can move in within one year, the property is reassessed to market value. Business properties and rental properties lose the protection entirely.

So, what can be done?

Susan Shelly <u>continues</u>, "the Howard Jarvis Taxpayers Association, where I am on staff as VP of Communications, is collecting signatures to put an initiative on the ballot that would repeal the tax increase that was hidden in Prop. 19, without touching the other provisions in it. The official petition is available at <u>RepealTheDeathTax.com</u> and can be downloaded and printed on one sheet of ordinary letter-size paper. This enables instant distribution of the petition throughout the state. Theoretically, a million people could download the petition at the same time, fill it out and sign it, and have one other registered voter in the household also sign it." It's easy. Click on <u>RepealTheDeathTax.com</u> and/or

#### Click here to DOWNLOAD the official petition RIGHT NOW

RepealTheDeathTax.com has more details **HERE**:

Read the Initiative here.

Please note: You must print and sign the petition with paper and ink. It's not electronic.

Follow the easy instructions. And please note:

#### DEADLINE EXTENDED! Return signed petitions to HJTA postmarked by FEBRUARY 5

Download the official, legal petition to put the **REPEAL THE DEATH TAX** initiative on the November 2024 ballot.

Complete instructions are included in the pdf file.

Get your petition in the mail ASAP – before February 5th.

#### **Katy Grimes**

Katy Grimes, the Editor in Chief of the California Globe, is a long-time Investigative Journalist covering the California State Capitol, and the co-author of <u>California's War Against Donald Trump: Who Wins? Who Loses?</u>

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