



WEEKLY UPDATE
SEPTEMBER 15-21, 2024

COLAB
San Luis Obispo County



Wednesday, October 23rd
5:30—7:30 PM
Thousand Hills Ranch
550 Thousand Hills Rd.
Pismo Beach, CA

FALL
FORUM

Thousand Hills Rd. is off of Price Canyon. Please use caution, as the road is somewhat hidden around a bend in the road and it comes up on you suddenly. Once on Thousand Hills Road, follow the road for approximately one mile to the red roofed barn on right!

**BEER, LOCAL FINE WINES, AND
HOT & COLD APPETIZERS
WILL BE SERVED**

Featuring:
**INSURANCE CRISIS -
THE REPORTS, THE
REASON, AND THE
REALITY...HOW DO WE
FIX IT?**

**HEAR FROM OUR
INDUSTRY EXPERTS,
DAVE BELMONT ADLER
BELMONT GROUP,
TYLER RILEY RILEY &
RILEY, AND DARREN
CAESAR HUB.**



Dave Belmont



Tyler Riley



Darren Caesar

RSVP appreciated by October 16th — there is no charge for this informative event!
Email: colabslo@gmail.com or call (805) 548-0340



**THIS WEEK
SEE PAGE 5**

NO BOARD OF SUPERVISORS MEETING

CENTRAL COAST COMMUNITY ENERGY AUTHORITY

**JOINT POLICY AND OPERATIONS BOARD MEETING
*ELECTROCRATS TO CELEBRATE AT POSH RESORT***

CENTRAL COAST COMMUNITY ENERGY AUTHORITY

**OPERATIONS BOARD MEETING
3CE FY 2024-25 BUDGET ALMOST ¾ OF A \$ 1BILLION**

SLO COUNTY APCD

**STATE BANS SALES OF NEW GAS MOWERS, LEAF BLOWERS &
OTHER TOOLS STARTING IN 2026
*WILL PROVIDE GRANTS TO LANDSCAPERS, GOVERNMENTS, & SCHOOLS TO
STOP USING THE GAS VERSIONS***

LOCAL AGENCY FORMATION COMMISSION

TO BEGIN REVIEW OF DANA RESERVE HOUSING

**LAST WEEK
SEE PAGE 14**

BOS MEETING

**TAX AGREEMENT WITH OCEANO SERVICE DISTRICT
COUNTY TO TAKE OVER FIRE SERVICES - & LOSE MONEY**

**RITA L. NEAL REAPPOINTED COUNTY COUNSEL FOR A NEW FOUR-
YEAR \$2 MILLION CONTRACT**

**BEHAVIORAL HEALTH SERVICE CONTRACTS OK
BUT ILLUSTRATE NEED FOR BIG PICTURE LOOK**

MORE NACIMIENTO PIPELINE LEAKS & REPAIRS

**LEGISLATIVE LOBBIEST REPORT
REDISTRICTING COMMISSION APPROVED
THEY REALLY AREN'T ALLOWED TO TELL HOW BAD IT IS IN SACRAMENTO**

**BIG STUDY ON WIND ENERGY SUPPORT BASES APPROVED
THESE ARE FOR THE SMALLER POST-CONSTRUCTION VERSIONS
WE STILL DON'T KNOW THE ESTIMATED COST OF THE ENERGY**

**HOUSING IN LIEU TAX REPORT
GIBSON TALKED RENEWAL BUT THERE WERE NO TAKERS**

SUPERVISOR REQUESTS

PLANNING COMMISSION CANCELLED

COASTAL COMMISSION PLAYING COY WITH SPACE PLANE



**EMERGENT ISSUES
SEE PAGE 34**

**“PAPER OR PLASTIC?” HOW ONE MARKET
INTERVENTION REQUIRES ANOTHER TO
“CORRECT” THE ORIGINAL ONE**

**SHOULD CALIFORNIA CITIES AND COUNTIES BE
ALLOWED TO BAN OIL DRILLING?**

GOV. GAVIN NEWSOM WILL DECIDE

*As a statewide fracking ban looms, another measure would do more to
curb Big Oil*

**COLAB IN DEPTH
SEE PAGE 40**

KILL THE RICH

Courageous dissident Alexander Solzhenitsyn once stated, "For us in Russia, communism is a dead dog, while, for many people in the West, it is still a living lion." This is truer today than when he wrote it in 1975.

BY MARK TAPSON

THE WOKE PLOT TO DESTROY OUR ECONOMY

BY LLEWELLYN H. ROCKWELL JR.

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HAMON OVERHEAD DOOR COMPANY

THIS WEEK'S HIGHLIGHTS

ALL MEETINGS ARE AT 9:00 AM UNLESS OTHERWISE NOTED

No Board Of Supervisors Meeting on Tuesday, September 17, 2024 (Not Scheduled)

Central Coast Community Energy Authority (3CE) Joint Policy Board and Operations Board Meeting of Wednesday, September 18, 2024 (Scheduled) 1:00 PM - 1 Seascapes Resort Drive, Aptos, Ca.

The Electrocrats will celebrate at a posh resort. They can sit by the pool and soak up seaside views if the conference is too boring. It appears that this meeting is a cheerleading session with no actual business items. SLO County reps Dawn Ortiz-Legg and Rebecca Campbell should be given space on a SLO County Board agenda to report back on where the Electrocrats are taking us.



Seascapes Resort. They didn't go to the Elks Lodge in Salinas.

Item 1 - Workshop of the Policy & Operations Boards

Welcome Address by Senator John Laird, 17th Senate District

Keynote Address by Katerina Robinson, Chief of Staff, California Energy Commission

Panel Discussion: *Challenges and Opportunities in the Clean Energy Landscape*

COLAB NOTE: Keynoter Katerena Robinson was a long term aide to State Senator Nancy Skinner, who is one of the most left members of the Senate. Robinson is a huge promoter of offshore wind energy.

- - *Andrew Campbell, Executive Director, Energy Institute at Haas*
 - *Melicia Charles, Director of State Affairs, CAISO*
 - *Andrew Mills, Director of Data Analytics, CalCCA*
 - *Scott Olsen, Director of Policy, Regulatory & Markets, Western US, Avangrid Renewables*

COLAB Note: Panelist Campbell recently stated:

‘Energy independence’ is a political slogan, not an economic or technical concept with a clear definition,” Campbell said in [a recent interview for Reuters Fact Check](#). “I understand that politicians use the term ‘energy independence’ to imply that a country is insulated from global energy markets. However, this is rarely the case.”

Panel Discussion: Strategies to Advance Climate and Clean Energy Goals

- - *Carlos Blanco, Managing Director of Risk Management & ESG, Ascend Analytics*
 - *Natalie Hanson, Director of Energy Programs, Optony Inc.*
 - *Edson Perez, Senior Principal, Advanced Energy United*
 - *Kathleen Staks, Executive Director, Western Freedom*

3CE Powering the Future

- - *Dewayne Woods, Chief Financial Officer*
 - *Dennis Dyc-O’Neal, Chief Operating Officer*
 - *Catherine Stedman, Chief Communications Officer*
 - *Robert Shaw, Chief Executive Officer*

Central Coast Community Energy Authority Policy Board Meeting of Wednesday, September 18, 2024 (Scheduled) 4:30 PM

Item 12 - Consider supporting the Policy Board's adoption of the Fiscal Year 2024-25 Recommended Budget and the Calendar Year 2025 cost-based rates. The Board will consider the FY 2024-25 Budget. Note that the agency is on an October 1-September 30 fiscal year. The budget will reach almost 3 quarters of a billion dollars. Much of their increase is attributable to the unincorporated San Luis Obispo County and the City of Atascadero coming on line on January 2, 2025.

FY 2024-25 Budget Summary

	Prior Year Actuals 2022-23	Adopted Budget 2023-24	Mid-Year Estimate 2023-24	Requested Budget 2024-25	Recommended Budget 2024-25	Recommended Change from Adopted
Electricity Sales	450,713,404	556,433,448	551,405,974	745,962,356	745,962,356	189,528,907
Interest and Investment Returns	8,184,122	6,400,000	9,950,446	7,000,000	7,000,000	600,000
Other Income	2,356,837	-	88,732	68,400	68,400	68,400
Sub-Total Revenues	461,254,363	562,833,448	561,445,152	753,030,756	753,030,756	190,197,307
Capital Infrastructure Reserve	-	-	-	17,318,000	17,318,000	17,318,000
Total Financing Sources	461,254,363	562,833,448	561,445,152	770,348,756	770,348,756	207,515,307
Cost of Energy	398,746,769	520,297,514	538,515,199	665,267,116	665,267,116	144,969,602
Salaries and Benefits	6,200,592	9,537,076	8,789,063	13,086,907	12,585,841	3,048,765
Services and Supplies	21,646,235	32,998,858	26,839,006	35,249,798	35,177,798	2,178,940
Capital Assets	-	-	210,000	17,318,000	17,318,000	17,318,000
Total Financing Uses	426,593,596	562,833,448	574,353,268	730,921,822	730,348,756	167,515,308
Total Budgeted Change to Net Position	34,660,767	-	(12,908,116)	39,426,934	40,000,000	40,000,000

Fiscal Year (FY) 2024-25 is 3CE's sixth year serving customers across the Central Coast and seventh year of operation. The Recommended Budget for FY 2024-25 aligns with 3CE's mission and goal of meeting 100% of customers' energy demand with reliable, clean, and renewable energy while investing in its communities and ensuring fair and responsible rates. The number of customers served by 3CE will increase in FY 2024-25 with the enrollment of unincorporated San Luis Obispo County and the City of Atascadero in January 2025. To carry out the agency's goals and serve this increased load, the Recommended Budget totals \$730.3 million, with an addition to reserves of \$40.0 million funded by estimated revenues of \$753.0 million and the use of the Capital Infrastructure Reserve of \$17.3 million for capital infrastructure, and the authorization of 56 full-time equivalent (FTE) positions.

Rates:

Residential *

Tiered Rate Plan E-1*

Residential: E-1	PG&E	3Cchoice
Generation Rate (\$/kWh)	\$0.16768	\$0.12400
PG&E Delivery Rate (\$/kWh)	\$0.29049	\$0.29049
PG&E PCIA/FF (\$/kWh)	\$0.00920	\$0.01079
Total Electricity Cost (\$/kWh)	\$0.46737	\$0.42528
Average Monthly Bill (\$)	\$181.72	\$165.35

Monthly usage: 389 kWh

Class	Recommended 2025 Generation Rates*	PG&E Vintage 2017* PCIA	Est. 2025 PG&E Generation Rates	Difference (%)
Residential	\$0.146	\$0.005	\$0.177	-14%
Small Commercial	\$0.125	\$0.005	\$0.164	-21%
Medium Commercial	\$0.121	\$0.005	\$0.168	-25%
Large Commercial	\$0.121	\$0.005	\$0.147	-14%
Small & Medium Ag	\$0.143	\$0.005	\$0.154	-4%
Large Ag	\$0.130	\$0.005	\$0.154	-13%
Business Electric Vehicle	\$0.119	\$0.005	\$0.179	-31%
Standby	\$0.102	\$0.004	\$0.117	-9%
Streetlights	\$0.117	\$0.004	\$0.139	-12%

*3CE on average rates in PG&E service area

*PG&E service area estimated surcharges (PCIA and franchise fees), based on 2017 customer vintage class

Increasing Liquidity to Meet Reserve Targets and Maintain Credit Rating The Recommended Budget includes adding an estimated and maintained \$40.0 million to cash reserves to bring 3CE's reserves to 77% of the target by September 31, 2025. The addition to reserves aligns with targets established in the finance policies adopted by the Policy Board on June 26, 2024. The instability of market prices for energy, Renewable Energy Credits (RECs), and Resource Adequacy necessitate healthy reserves. In addition, the CPUC's continued propensity to consider impactful regulatory changes that disrupt CCA hedging strategies and interject significant market uncertainty threatens to increase costs.

Estimated Reserve Balances at Year-End	FY 2023-24	FY 2024-25
Strategic Reserve	128,722,322	151,386,285
Energy Rate Stabilization Reserve	96,247,101	113,083,138
Renewable Energy Innovation and Initiatives Reserve	-	500,000
Capital Infrastructure Reserve	17,318,000	-
Total	242,287,423	264,969,423

SLO County Air Pollution Control district Meeting of Wednesday, September 18, 2024 (Scheduled)

Item B-3 - Gas Powered Lawn and Garden Equipment Buy Back Program. The State has banned the sale of new gas powered lawn mowers, leaf blowers, and related equipment starting in 2026. The APCD has received a state grant to implement a buy-back program of existing equipment used by landscapers, not-for-profits, governments and schools.

Starting in January 2024, a California Air Resources Board (CARB) measure requires that most newly manufactured small off-road engines such as those found in leaf blowers, lawn mowers and other equipment be zero emission. This requirement, an amendment to CARB's existing small off-road engine regulation, applies to manufacturers and will impact new equipment (model year 2024 and later) only. While Californians can continue to operate their current CARB-compliant gasoline-powered equipment, that equipment continues to produce a significant amount of harmful emissions to the operator and the community.

Figure 2: Maximum Eligible Funding Amounts by Each Type of Eligible Electric Equipment

Maximum Eligible Funding Amount per Piece of Equipment (and associated batteries and chargers)	
Electric Equipment Type	Amount
Chainsaws, Trimmers, Edgers, Brushcutters	\$700
Leaf blowers, Leaf vacuums	\$1,400
Walk-Behind Lawn Mowers	\$1,500
Ride-on or Stand/Sit Mowers	\$15,000

The APCD will have \$190,000 of your State tax money for the first cycle.

Local Agency Formation Commission (LAFCO) Meeting of Thursday, September 19, 2024 (Scheduled)

Item B -1 - Study Session on the Annexation of Dana Reserve Specific Plan Project to Nipomo Community Services District. The fate of the Dana Reserve project is now in the hands of LAFCO. This study session does not constitute the hearing to approve or reject the annexation. It is prefatory to providing the LAFCO Commissioners the opportunity to study the project and receive initial community input. The actual hearing and vote will be scheduled about 30 days after the Commission has determined that all the required information has been submitted. Hopefully they will do that during this session.

- The County has approved land use permits for the project.
- The Nipomo Community Service District (NCS D) has approved water, sewer, and refuse collecting for the project.
- Both the County and the NCS D have approved a tax exchange agreement that assists the District in providing services to the project.

LAFCO has the authority under State law to determine the following in deciding whether or to approve the annexation of the project to the NCS D:

Table 2: LAFCO Summarized Mandatory Factors Per Government Code Section 56668 & 56668.3

• Affordable Housing	• Need for Services	• Impact on Adjacent Areas
• Consistency with General Plans and Regional Transportation Plans	• Impacts to Agricultural Lands / Open Spaces	• Environmental Justice
• Consistency with LAFCO Policies	• Sphere of Influence	• Other Agency Comments
• Ability of agencies to provide services	• Availability of water supplies	• Population and Land Use
• Comments from landowner voters or residents	• Existing information about existing land use	• Definite Boundaries
• If in the interest of landowners or present/future inhabitants	• Any resolutions raising objections filed by an affected agency	• Any other matter which the commission deems material

The LAFCO policies that must be considered are extensive.

Policies have been adopted by the Commission to assist in the review of proposals. In furtherance of the Government Code, these policies, standards, and procedures allow the Commission to continue to exercise its powers in a manner that encourages and provides planned, well-ordered, and efficient urban development patterns with appropriate consideration of preserving open-space lands within those patterns within the context of this specific region (Government Code Section 56300(a)(b)). Some notable policies that may apply to this annexation are provided below. The Commission must balance its policies and goals against a variety of needs and overall benefits the annexation would provide.

2.1.1. The Commission shall endeavor to balance the need to efficiently provide public services with the sometimes-competing interests of discouraging urban sprawl, preserving prime agriculture land and open space (Gov. Code Section 56001 and 56301).

2.1.4. Jurisdictions are encouraged to create places to live that integrate various land uses as a way of providing for a diverse social and economic community.

2.1.6. The Commission will recognize and preserve clearly defined, long-term agricultural and open space areas established by the County or other jurisdictions to preserve critical environmental areas and to bolster local economies (Gov. Code Section 56001). This may be

accomplished using agricultural easements, open space easements, conservation easements, or other mechanisms, that preserve agricultural or open space lands in perpetuity.

2.1.10. Impacts on affordable housing, impact of the creation of new jobs on affordable housing stock, within the annexation area and in neighboring jurisdictions. Demonstration that the effects of the proposed project on affordable housing have been mitigated (Gov. Code Section 56001). The Commission recognizes that providing a range of housing opportunities for persons and families of all incomes is an important factor in promoting orderly development.

2.1.11. In any proposal requiring water service, the Commission requires that the agency to which the annexation is proposed should demonstrate the availability of an adequate, reliable and sustainable supply of water. In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase. In cases where a proposed annexation will be served by an onsite water source, the proponent should demonstrate its adequacy (Gov. Code Section 56668 (k)).

2.3.2. Prior to annexation of territory within an agency's Sphere of Influence, the Commission encourages development on vacant or underutilized parcels already within the boundaries of a jurisdiction. The agency should provide LAFCO with a build-out estimate or inventory and document how it was prepared.

B-1-12 San Luis Obispo LAFCO September 19, 2024. The proposed annexation represents a logical and reasonable expansion of the district.

2.3.5. The proposed annexation reflects the plans of the adjacent governmental agencies. 2.3.6. The proposed annexation does not represent an attempt to annex only revenue producing property.

2.3.8. The district has the capability of meeting the need for services and has submitted studies and information documenting its capabilities.

2.10.9 The Commission shall balance preventing negative environmental effects while providing a decent home and satisfying living environment for every San Luis Obispo County resident. LAFCO Factors When processing a proposal, LAFCO has broad discretion over any anne

It can be seen that even after years of processing and approval by the County and the NCSD, the Commission, LAFCO could reject the annexation, thereby killing the project. A further barrier is that in this case the Commission must override 19 CEQA Class I unmitigable environmental impacts. It should be noted that the Board of Supervisors did this on a 3/2 vote with Supervisor Paulding, who is on LAFCO, in opposition.

CEQA

Class I Significant and Unavoidable Impacts

COLAB Note: It is impossible to convert raw land to development without generating most of these impacts.

The environmental impacts discussed below are comprised of those which are Class I Significant and Unavoidable. For full details of all impact analysis and mitigation, please refer to the EIR included in Attachment B.

- Air Quality
 - **AQ Impact 1:** The project would conflict with an applicable air quality plan.
 - **AQ Impact 3:** The project would result in a cumulatively considerable net increase of criteria pollutants in exceedance of established SLOAPCD daily emissions thresholds.
 - **AQ Impact 9:** The project would result in cumulatively considerable impacts related to air quality.
- Biological Resources
 - **BIO Impact 1:** The project could directly or indirectly impact special-status plant and wildlife species.
 - **BIO Impact 4:** The project could directly and indirectly impact CRPR 4 and Watch List plant species, including California spineflower, sand buck brush, and sand almond.
 - **BIO Impact 14:** The project will directly impact Burton Mesa chaparral.
 - **BIO Impact 15:** The project will directly impact coast live oak woodland.
 - **BIO Impact 18:** The project will result in direct and indirect impacts to coast live oak woodland, coast live oak forest, and individual oak trees.
 - **BIO Impact 20:** The project would have cumulatively considerable impacts related to biological resources.
- Greenhouse Gas Emissions
 - **GHG Impact 3:** The project would conflict with an applicable plan, policy, or regulation adopted for the purpose of reducing the emissions of greenhouse gases.
 - **GHG Impact 5:** The project would result in a cumulatively considerable impact to greenhouse gas emissions.
- Land Use and Planning
 - **LUP Impact 3:** The project would adversely affect the local jobs-to-housing ratio within the project area and would be inconsistent with Land Use Planning Policy L-3 of the San Luis Obispo County Clean Air Plan.
 - **LUP Impact 5:** The project would result in the net loss of CRPR 4 and Watch List plant species, native oak woodland, and sensitive habitats; therefore, the project would be potentially inconsistent with goals and policies of the County of San Luis Obispo General Plan Conservation Open Space Element pertaining to preservation of biological resources and Policy 3.8 of the Parks and Recreation Element.
 - **LUP Impact 10:** The project would result in cumulative impacts associated with inconsistency with goals and policies identified within the County of San Luis Obispo General Plan Conservation and Open Space Element, Framework for Planning (Inland), Land Use Ordinance, and South County Area Plan regarding preservation and no net loss of sensitive biological resources and preservation of rural visual character.
- Population and Housing
 - **PH Impact 1:** The project would induce substantial unplanned population growth in the Nipomo area.
 - **PH Impact 5:** The project would result in a cumulatively considerable impact related to substantial and unplanned population growth.

- Transportation
 - **TR Impact 3:** Buildout of the Specific Plan Area would exceed the County VMT thresholds and therefore would not be consistent with State CEQA Guidelines Section 15064.3(b). VMT per employee would be incrementally reduced compared to existing conditions; however, the project-related increase in residential VMT per capita and overall VMT would exceed the County VMT thresholds.
 - **TR Impact 9:** The project would result in a cumulatively considerable impact to transportation and traffic.
- Growth Inducing Impacts
 - **GI Impact 1:** The project would result in substantial growth inducement associated with the proposed project's population as well as the potential to induce additional spatial, economic, or population growth in a geographic area.

No wonder housing is in such short supply and so expensive in California. The deck is totally stacked against it.

The Commission:

City Members

Ed Waage, *City of Pismo Beach* | Term: December 2027

Vice Chair - Steve Gregory, *City of Paso Robles* | Term: December 2025

Alternate Carla Wixom, *City of Morro Bay* | Term: December 2026

County Members

Debbie Arnold, *District 5* | Term: December 2025

Jimmy Paulding, *District 4* | Term: December 2027

Alternate Dawn Ortiz-Legg, *District 3* | Term: December 2027

COLAB Note: Since the Board of Supervisors approved the project, will Paulding vote for the Board's adopted policy or his own preference that the project be substantially reduced or denied? Or should Ortiz-Legg sit in, since she voted for the project?

Special District Members

Chair - Marshall Ochylski, *Los Osos CSD* | Term: December 2026

Robert Enns, *Cayucos Sanitary District* | Term: December 2024

Alternate Ed Eby, *Nipomo CSD* | Term: December 2025

Public Members

Regular Member - Vacant

Alternate David Watson | Term: December 2024

The Project:

Figure 1: 2024 DRSP proposed Concept Master Plan¹



LAST WEEK'S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, September 10, 2024 (Completed)

Item 5 - Submittal of a resolution accepting the exchange of property tax revenue and annual tax increment for the transfer of fire protection services from the Oceano Community Services District (OCSD) to the County of San Luis Obispo. The Board approved the agreement 5/0 on the consent calendar. Supervisor Paulding, in whose district the

issue resides, praised all the agencies and staffers who worked on the matter. In effect, he just led the agencies and County to give his district a new \$1 million and growing piece of the general fund every year, forever.

Background: The County negotiated a property tax exchange agreement with OCSD to help offset costs of the County agreeing to take over Fire and all hazard emergency services for the district. The County will in turn contract with the Five Cities Fire Authority to provide the actual service.

Key points of the deal included:

The County will receive 96.15% of the District's portion of the property tax to help offset its costs for taking over the services. The most recent audited financial statements (FY 2022-23) for the District indicate that it received \$1,286,944 in taxes and assessments. There is no breakdown in the report. Thus, it is not possible to determine how much property tax the County will actually receive.

The County Board letter is deficient in that it does not disclose how much **property tax** net of the assessments the County will receive. It presents only abstract percentages.

If the divestiture request is approved by LAFCO, OCSD will retain 3.85% of all current tax revenue, and future property tax increment, after transfers to the Educational Revenue Augmentation Fund (ERAF), and the remaining 96.15% of all current tax revenue, and future property tax increment, shall be transferred to the County.

2. The Board letter does disclose that the County will begin paying \$1.8 million for the service that will only grow over the years.

*On September 12, 2023, the Board of Supervisors received a staff report on the County's option to assume fire responsibility as named in OCSD's application of divestiture, and directed staff to develop a plan for service to provide fire service to the community of Oceano and its surrounding areas from the Five Cities Fire Authority (FCFA) Arroyo Grande and Grover Beach stations via a contract including two person staffing in the approximate amount **of \$1.8 million** annually, including County indirect cost, to provide an equivalent level of service to the OCSDs current service level.*

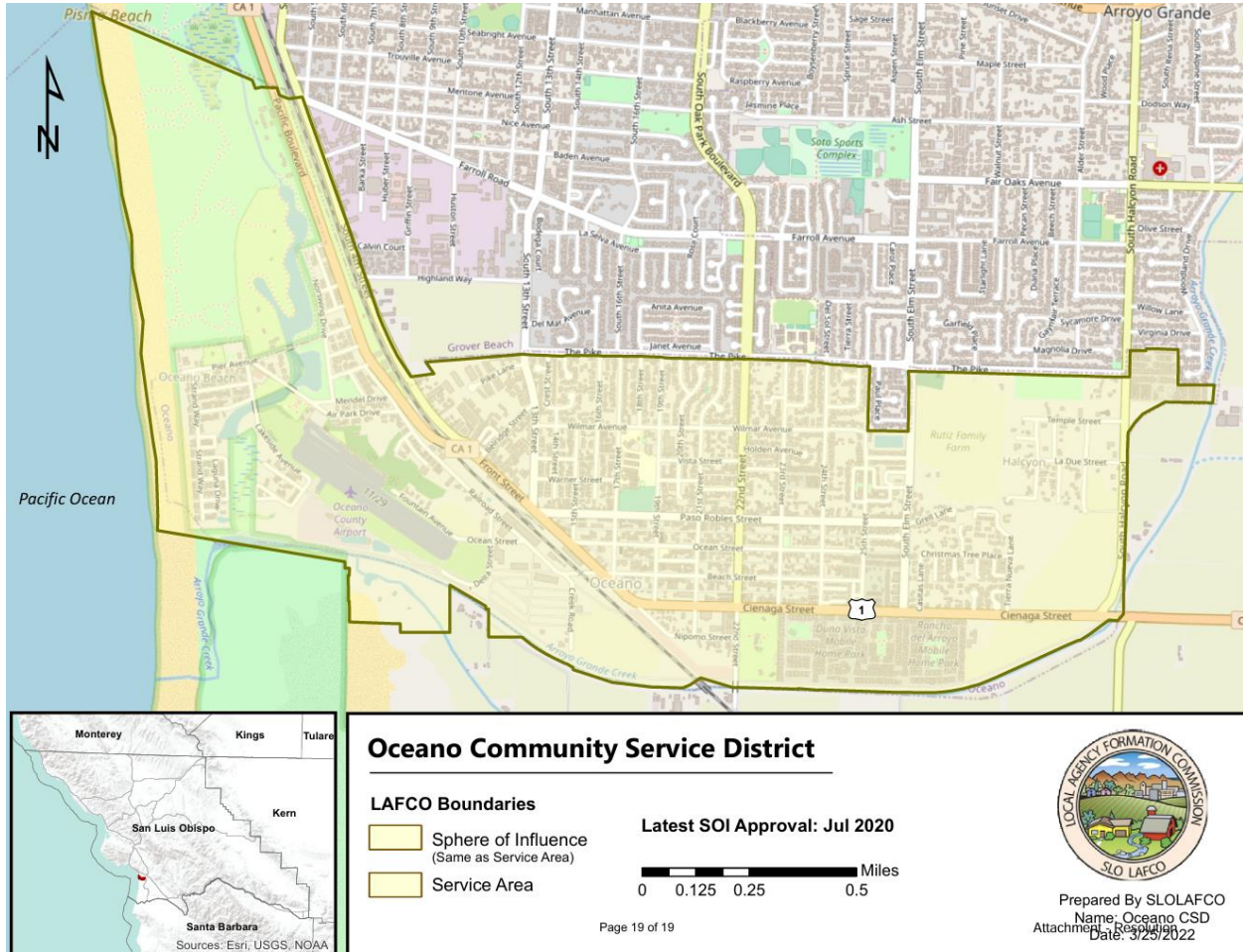
3. Even if all of the \$1.286 million is property tax (which it is not), the County will have to fund a substantial gap (\$800,000?). This will be paid for by the general taxpayers of the entire County. It will grow inexorably each year.

4. The Oceano Community Service District has a substantially unfunded pension liability. Some of this has to be related to its Fire services over the years. Is the District or is the County going to pay off this liability?

Big Picture

The smaller and weaker districts are the canaries in the coal mine. Gradually, they will collapse and the County will have to pick up the services. Eventually, the smaller and weaker cities will also collapse under the pressure of salary increases and pension liability costs. As we asked in last week's highlights, below, what is the County's long range Revenue Plan? Given the inexorable growth of salaries, benefits and staffing levels, what does the County need to do to

raise the revenues to cover these costs over 5, 10, 20, and future years. Are tax increases the only solution? Are service cuts inevitable? How does the REACH Economic Development Plan tangibly relate, if at all?



Item 6 - Submittal of a resolution reappointing Rita L. Neal as County Counsel for a four-year term beginning September 30, 2024. The Board approved the contract unanimously. Members praised her work and commitment to the County.

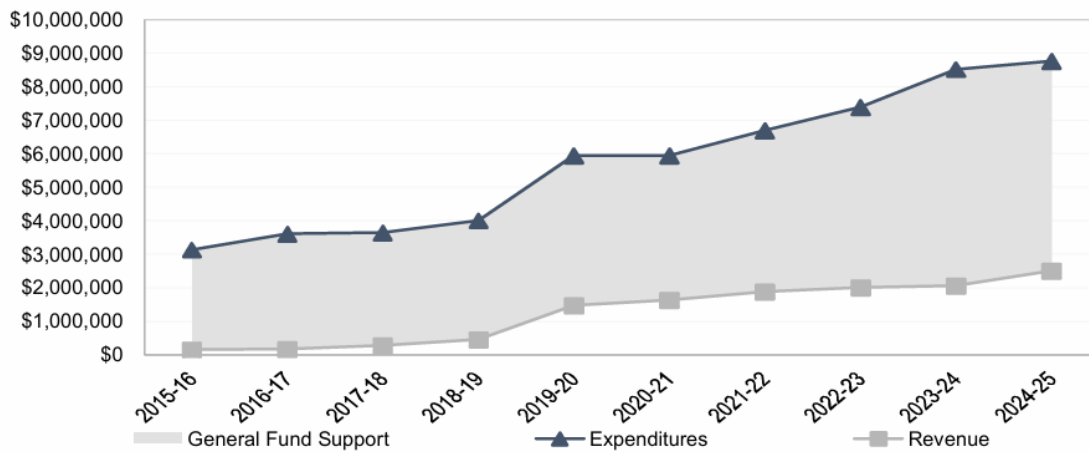
The write-up stated in part:

Approval of this reappointment does not result in an increase in salary or benefits. The adopted FY 2024-25 budget includes full-year funding for the County Counsel position. The salary range for the County Counsel is \$224,844 to \$286,992 per year. The budgeted full year salary for Ms. Neal is \$286,992 and \$192,014 per year in benefits, which reflect the same rate(s) for benefits that are provided to general management employees (payroll unit BU09), and in accordance with the applicable San Luis Obispo County Code Sections(s) 2.48.180 and 2.48.034. Sufficient authority and funding exists in the FY 2024-25 Fund Center 111 – County Counsel adopted budget to cover these expenses. The FY 2024-25 partial year cost of the reappointment of Ms. Neal beginning September 30, 2024, is \$359, 254 for both salary and benefits.

The County Counsel’s Budget has more than doubled in the last 9 years. The County has also paid out millions in major legal settlements on jail deaths, construction contract disputes, and employee harassment settlements. Neal advised the Board of Supervisors in closed session to surrender the lawsuit on redistricting. The prior Board majority had adopted a legal redistricting plan that was challenged by leftists who wanted to preserve the prior decades gerrymandering plan.

	FY 2024-25 Recommended	Change from FY 2023-24 Adopted	% Change
Expenditures	\$8,758,394	\$237,736	3%
Revenue	\$2,503,797	\$439,457	21%
General Fund Support	\$6,254,597	\$(201,721)	(3)%
Staffing Levels	45.00 FTE	(1.00) FTE	(2)%

Ten Year Budget History



Cal Coast News provides a little perspective in the article below.

San Luis Obispo County Counsel seeks four-year contract, nearly \$2 million

September 6, 2024



San Luis Obispo County Counsel Rita Neal

By KAREN VELIE

The San Luis Obispo County Board of Supervisors is slated on Tuesday to approve a new four-year contract with County Counsel Rita Neal at a cost of nearly \$2 million, according to the consent agenda.

If approved by the board, Neal's new contract will run from Sept. 30, 2024 through Sept. 29, 2028. The staff report, however, lists the ending date as Sept. 29, 2028, which would be a five year extension.

As head of the County Counsel's Office, Neal oversees a staff equivalent to 20.5 full-time employees. The office provides legal advice to the San Luis Obispo County Board of Supervisors and 26 county departments.

First appointed county counsel in 2012, in 2013 Neal received \$258,541 in salary and benefits, a number that nearly doubled in 10 years amid large pay increases.

In 2020, the SLO County Board of Supervisors voted to give Neal a 20% pay hike that provided her a compensation package of \$374,579 a year. Then in 2022, the board gave Neal a 15.56% increase in pay. Neal is currently receiving \$479,006 in salary and benefits.

This article first appeared in the September 6, 2024 CalCoastNews.

Items 16, 17, and 18 are all related to the Behavioral Health Department contracting out to various private for-profit agencies for various types of mental health care for County patients. The 3 contracts were all approved unanimously on the consent calendar.

There was no special problem with these actions. The real issue that such contracts appear on the agenda quite frequently and that they part of the huge growth in mental health services. As illustrated in the Budget chart below, \$71 million of the Department's \$120 million Budget is for Services and Supplies. Most of this is probably attributable to the types of contracts illustrated below. The Budget does not detail the total amount for this type of contract versus the services and supplies consumed internally by the department (for example electricity, paper goods, motor pool, etc.).

What is notable is that the entire budget has doubled in 9 years from \$60 million to \$120 million. How much of this is increased cost, and how much is attributable to expanded patient loads and new services?

Neither the Budget nor the Department's 2024-29 Strategic Plan contains any longitudinal data about how many patients the department has had in the past, and what is forecast for the future. The closest they come are charts depicting subcomponents of the population, such as the regions shown below:

Figure 3 depicts the number of San Luis Obispo County adults (by region) who received specialty mental health services in fiscal years (FY) 2022–2023 versus FY 2021–2022. In FY 2022-2023 there were 4,899 adults served; a 7% increase over the 4,579 adults served in FY 2021-2022.

Figure 3. Adult Ages 21 and Older Receiving SMHS, FY 2021–2022 and FY 2022–2023
 Unduplicated Adults by SMHS Type by Region
 Overall Fiscal Year Comparison

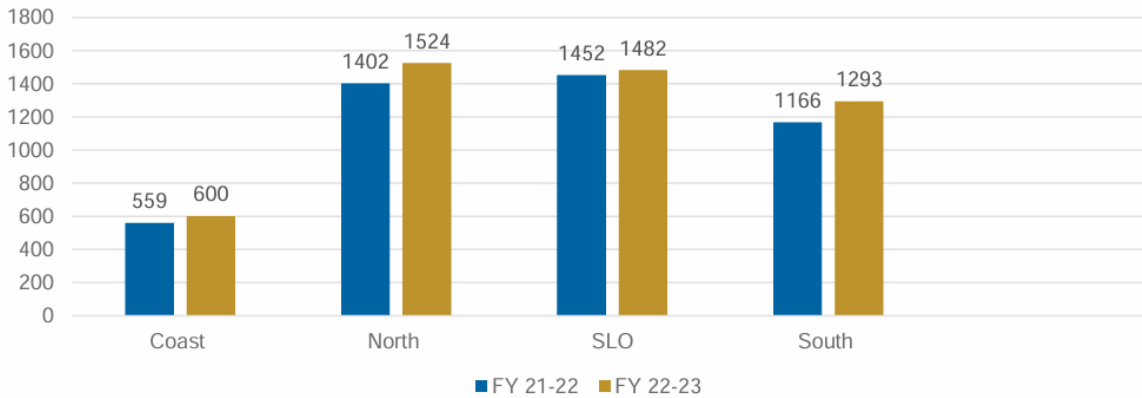
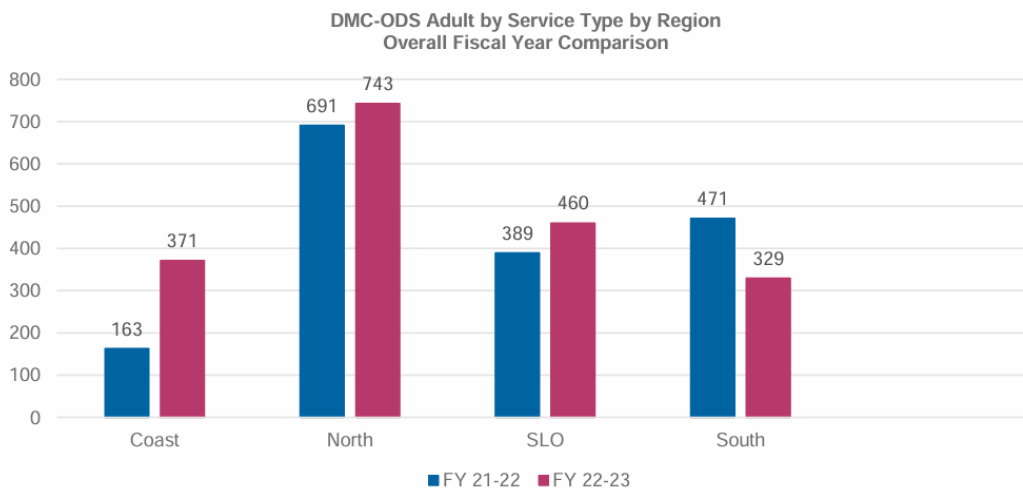


Figure 5 depicts the number of adults in San Luis Obispo County, by region, who received DMC-ODS substance use disorder treatment services in fiscal years (FY) 2022–2023 versus FY 2021–2022. In FY 2022-2023 there were 1,903 adults served; a 11% increase over the 1,714 adults served in FY 2021-2022.

Figure 5. Adult DMC-ODS Services, FY 2021–2022 and FY 2022–2023



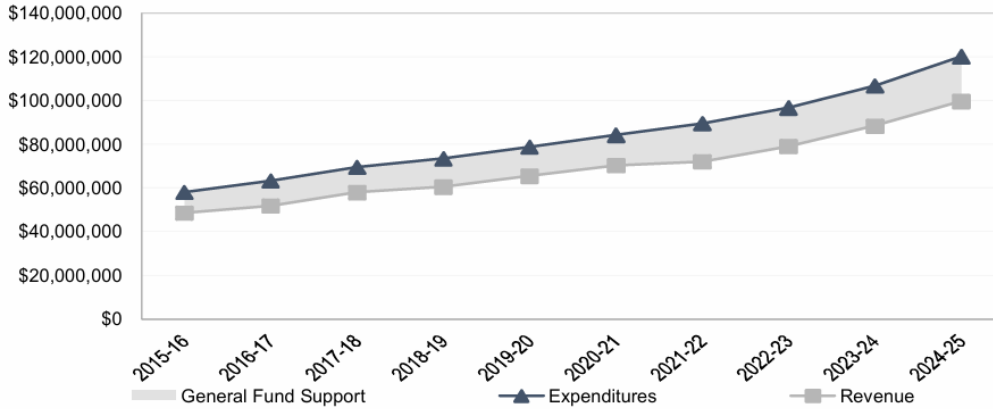
There do not seem to be any consolidating charts. It is difficult to determine if things are becoming better or worse. Is there a mental health epidemic? Is society deteriorating? The County continues to contribute more and more General Fund dollars but does not have a long-range revenue plan. It is nice that all these services are being provided, but why? The Budget growth (see the chart below) certainly suggests a growing problem. We are not seeing the forest through the trees.

Behavioral Health provides services and programs countywide for individuals experiencing symptoms related to disabling mental illnesses and substance abuse disorders.

BUDGET AT A GLANCE

	FY 2024-25 Recommended	Change from FY 2023-24 Adopted	% Change
Expenditures	\$120,227,722	\$13,405,464	13%
Revenue	\$99,724,122	\$11,343,072	13%
General Fund Support	\$20,503,599	\$2,062,391	11%
Staffing Levels	320.75 FTE	(7.00) FTE	(2)%

Ten Year Budget History



	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Requested	FY 2024-25 Recommended	Change from FY 2023-24
Fines, Forfeitures, and Penalties	\$72,000	\$72,000	\$74,000	\$74,000	\$2,000
Revenue from Use of Money & Property	\$0	\$24,374	\$46,330	\$46,330	\$46,330
Intergovernmental Revenue	\$86,818,549	\$89,576,712	\$95,876,615	\$96,477,503	\$9,658,954
Charges for Current Services	\$492,081	\$492,081	\$549,916	\$549,916	\$57,835
Other Revenues	\$998,420	\$1,798,960	\$2,576,373	\$2,576,373	\$1,577,953
Interfund	\$0	\$141,442	\$0	\$0	\$0
Total Revenue	\$88,381,050	\$92,105,569	\$99,123,234	\$99,724,122	\$11,343,072
Salary and Benefits	\$47,197,239	\$43,649,064	\$47,787,550	\$47,995,068	\$797,829
Services and Supplies	\$59,553,586	\$71,035,964	\$72,644,464	\$71,726,745	\$12,173,159
Other Charges	\$2,069,745	\$2,531,231	\$2,415,337	\$2,415,337	\$345,592
Gross Expenditures	\$108,820,570	\$117,216,259	\$122,847,351	\$122,137,151	\$13,316,581
Less Intrafund Transfers	\$(1,998,312)	\$(1,875,572)	\$(2,009,429)	\$(1,909,429)	\$88,883
Net Expenditures	\$106,822,258	\$115,340,687	\$120,837,922	\$120,227,722	\$13,405,464
General Fund Support	\$18,441,208	\$23,235,118	\$21,714,688	\$20,503,599	\$2,062,391

Source of Funds

Use of Funds

Item 16 - Request to 1) approve FY 2024-25 contracts with Central Coast Treatment Center and BHC Alhambra, dba Reasons, in a total amount not to exceed \$702,000 to provide eating disorder treatment services to high risk youth and adult Health Agency Behavioral Health clients; 2) approve the request to waive the terms of the Contracting for Services Policy; and 3) delegate authority to the Health Agency Director or designee to sign

any amendments to the contract, including Options to Renew for four additional years (through June 20, 2029), that do not increase the level of General Fund Support required by the Health Agency.

EDs are prevalent across all demographics. At least 30 million individuals of all ages, gender identifications, sexual orientations, and races/ethnicities suffer from EDs in the United States. During the Covid-19 pandemic research indicates that there was an increase of 30% in eating disorder-related hospital admissions among females ages 12-18. BHD staff continue to receive an increasing flow of client referrals with serious EDs and assessed a higher demand for a range of EDs treatment modalities, including assessment, Intensive Outpatient Treatment Program (IOP), Partial Hospitalization Program (PHP), and residential treatment. In prior years, BHD received on average five or six of these referrals for treatment annually.

The Health Agency Behavioral Health Department (BHD) is mandated by the State of California to provide eating disorder (ED) treatment services to eligible Medi-Cal beneficiaries throughout the County. BHD does not have staff on hand to provide outpatient treatment for these services and does not operate a facility that provides inpatient residential treatment services.

The incidence is increasing. The Department contracts out for the necessary services.

Item 17 - Request to 1) approve a FY 2024-25 contract with Crestwood Behavioral Health, Inc., in a cumulative budgeted pool amount not to exceed \$4,013,298, to provide client placement and intensive care, for adult individuals with severe mental illness, at Mental Health Rehabilitation/Institutions for Mental Diseases facilities; 2) ratify payment for services that may have been rendered in good faith and in the best interest of the public health and welfare prior to the execution of the contract, by 4/5 vote; and 3) delegate authority to the Health Agency Director or designee to sign any amendments to the Contract, including Options to Renew for four additional years (through June 30, 2029) that do not increase the level of General Fund support required by the Health Agency.

The write-up does not indicate if the problem is increasing or decreasing.

The Health Agency's Behavioral Health Department contracts with various residential providers within a wide range of adult residential services, providing appropriate levels of care to seriously mentally ill individuals in need of residential placement. With the exception of State hospitals and other acute care hospitals, Mental Health Rehabilitation/Institutions for Mental Diseases (IMD) facilities offer the most intensive level of care in the residential care continuum. IMDs are locked residential facilities that are primarily engaged in providing intensive care of persons with severe mental illness, which includes medical attention, nursing care, assessment, clinical treatment, and other related services. Intensive services including psychiatrist coverage are offered 24 hours per day / 7 days per week.

Item 18 - Request to 1) approve Restoration and Amendment Number 11 to the Contract with Sierra Mental Wellness Group to provide Crisis Stabilization Unit services for the period of July 1, 2024, through October 11, 2024, and 2) ratify payment for services that may have been rendered in good faith and in the best interest of the public health and welfare prior to the execution of the contract, by 4/5 vote. The overall contract is for multiple years. It is not clear how much is retroactive and has already been expended. It may be \$200,000, but the write-up is a little confusing.

The funding is outlined below:

Program	Maximum Annual Contract
Estimated Expenditures	
Crisis Stabilization Unit (CSU)	\$1,825,634
Total Expenditures Maximum	\$1,825,634
Estimated Funding Sources	
Medi-Cal	\$593,603
MHSA	\$1,232,031
Total Funding Maximum	\$1,825,634

In general:

The Department provides a huge list of services:

How many unduplicated patients and individuals did they serve last year?

What are the top ten diagnoses?

What were the trends for these measurements over the past ten years?

How many people are cured each year and don't relapse?

Since most of the population has private health insurance and/or Medicare, how many more people are there in the County with mental health problems who are not served by the Department?

Services

[Adult Mental Health Outpatient Treatment](#)

[Assisted Outpatient Treatment](#)

[Behavioral Health Treatment Court](#)

[Residential Wellness Counseling Program](#)

[Friday Night Live/Club Live/Cal Poly FNL](#)

[Homeless Outreach Full Service Partnership](#)

[Latino Outreach Program](#)

[Martha's Place Children's Center](#)

[Mental Health Evaluation Team \(MHET\)](#)

[Psychiatric Health Facility \(Inpatient\)](#)

[Veterans Treatment Services](#)

[Youth Substance Use Treatment Program](#)

[Youth Mental Health Outpatient Treatment](#)

[Access to Mental Health & Substance Use Disorder Services](#)

[Abused Children's Treatment Services \(ACTS\)](#)

[Child and Youth Full Service Partnership \(FSP\)](#)

[Katie A Intensive Team](#)

[Youth Group Home/Residential Mental Health Services](#)

[Therapeutic Behavioral Services](#)

[Mental Health Services in Therapeutic Learning Classrooms](#)

[Adult Full Service Partnership \(FSP\)](#)

[Adult Residential Programs](#)

[Older Adult Full Service Partnership \(FSP\)](#)

[Network Provider Resources](#)

[Middle School Comprehensive Program](#)

[College Prevention & Wellness](#)

[Student Support Counseling](#)

[Transitional Aged Youth \(TAY\) Full Service Partnership](#)

[Mental Health Services at the Juvenile Hall](#)

[Wraparound Services](#)

[Services Affirming Family Empowerment \(SAFE\)](#)

[Intensive Care Coordination \(ICC\)](#)

[Intensive Home Based Services \(IHBS\)](#)

[Intensive Day Treatment Services](#)

[Behavioral Health Managed Care](#)

[Quality Support Team](#)

[Health Agency Contractor and Network Provider Support Page](#)

[Behavioral Health Board](#)

Customer Awareness Response Effort (CARE)- Not for Ourselves Alone

Mental Health Services Act (MHSA)

Suicide Prevention

Cannabis Health and Safety Information

Diversity, Equity, Inclusion, and Belonging

Mental Health First Aid

Veterans Outreach

Crisis Stabilization Unit (CSU)

Justice Services Treatment

Court Screening

Behavioral Health Community Action Team

Co-occurring Treatment Courts (ATCC)

Mental Health Diversion Court (MHDC)

Opioid Safety Coalition

Mobile Crisis Team (MCT)

Mobile Crisis Services

Strategic Plan 2024-2029

CARE court

Patient Access & Provider Directory API

Patients' Rights Advocate

May Mental Health Awareness Month

September Suicide Prevention Month

Withdrawal Management - Detox

Sobering Center

Recovery Support Services

Perinatal Outpatient Extended Group (POEG)

Medication Assisted Treatment

[Drug & Alcohol Services Walk In Clinics](#)

[Drug & Alcohol Services Residential Programs](#)

[Co-Occurring Disorders Program](#)

[Adult Outpatient Substance Use Disorder Treatment](#)

[Adult Justice/Court Mandated Programs](#)

[Narcotic Treatment Program \(NTP\)](#)

[Jail-Based Services](#)

[Genoa Pharmacy](#)

[Drug Medi-Cal Outpatient Delivery System \(ODS\)](#)

[Drug & Alcohol Services Fees](#)

[Driving Under the Influence Programs](#)

[Behavioral Health Bridge Housing](#)

How would all these programs look on a real organization chart with cost and staffing data?

Item 24 - Request to: 1) review, ratify, and approve the emergency actions to repair the Nacimiento Water Pipeline at the Yerba Buena Creek crossing in accordance with Public Contract Code Section 20134 and 22050, by 4/5 vote; 2) approve WBS Maintenance Project 310003 – Yerba Buena Crossing Repair; and 3) find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

The item was approved 5/0 on the consent calendar. It funds repair of yet more leaks on the Nacimiento Pipeline. Did the County ever recover any money from the original contractor, who built the line with faulty joints?

The District recently completed construction of temporary piping on the Nacimiento Water Project (NWP) in south Atascadero to reconnect the 800-foot section of pipeline that was damaged and lost during the 2023 winter storms when the Salinas River swelled and eroded the cover and ground supporting it. The damages resulted in the shutdown of water supply delivery to the City of San Luis Obispo (City) until the temporary piping could be constructed.

After the temporary piping was installed, water deliveries resumed on July 24, 2024 for approximately 12 hours until another leak was discovered at the Yerba Buena Creek Crossing. The Yerba Buena Creek Crossing is approximately 200 feet long and is comprised of the 18-inch distribution pipeline inside a 36-inch steel casing that runs under the creek. The leak is confirmed to be coming from the pipeline inside the casing. The newly discovered leak is resulting in the continued shutdown of water supply deliveries to the City. The City typically receives 5.3 million gallons per day from the NWP pipeline and uses this critical source to serve its 47,545 residents.

Item 35 - Request to receive an update on State Legislative activities by Paul Yoder and Karen Lange of Shaw Yoder Antwih Schmelzer & Lange. After the presentation, Supervisor Peschong proposed that the Board amend it legislative program to:

1. Support Proposition 35, which would stop the State from ripping off mental health funds and using them to balance the budget or do pet projects. Supervisor Gibson opposed supporting the Proposition on the grounds that it would do both good and harm. The nature of the harm was not clear but had to do with some nuances in Gibson’s mind. The vote was 4/1 (Gibson dissenting) to support.

2. Support Proposition 36, which would begin to reform Proposition 47, which had converted many felonies to misdemeanors, allowed thieves to steal up \$900 to go free, and undermined prosecutors. Of course, this has promoted crime statewide. Supervisor Gibson opposed the vote on the grounds that there “are better reforms in the works.” It is not clear what these are or when they would be available. In the end, the vote was 4/1 to back Prop 36.

Background: The agenda package included a very detailed report of the action on bills sponsored by the County, supported by the County, and opposed by the County. The results of a number of other bills (both good and bad) relevant to counties are also detailed. There is also a general summary of how the Session ended and the general political climate in Sacramento. In part the report states:

The Legislature adjourned its 2023-24 legislative session at midnight on Saturday, August 31. The Governor now has until September 30, 2024, to sign or veto bills sent to him in the last several weeks of August. The disposition of several measures may not be known for weeks; however, we expect the Governor to act on the majority of bills relatively quickly. As possible evidence of this, the Governor’s office is asking to have all letters to him within 3 days of the bill’s enrollment, which for most bills will be the end of this week.

While most end-of-sessions are rife with tension, this year’s intra-governmental branch tension seemed to be higher than usual. While there were a plethora of factors that led to these disputes, the major contributing factors were: 1) a difference of opinion on the Governor’s push for legislation to address gasoline prices; 2) several bills in pro Tem McGuire’s “California Made” energy package; 3) a last-minute Speaker-endorsed push to address warehouse development (AB 98), and; 4) the Senate’s early adjournment on Friday, which narrowed the time to dispense with the remaining Assembly bills in the Senate on Saturday in order for the Assembly to take them up timely before the adjournment at midnight, as mandated by the Constitution.

Regarding the Energy Package, which originally consisted of SB 950 (Skinner), SB 1003 (Dodd), SB 1272 (Laird), SB 1142 (Menjivar), SB 1420 (Caballero), AB 3121 (Petrie-Norris), and AB 3264 (R. Rivas), there was mixed reception to the effort to move all of these bills through in the last week of session. When the dust settled, SB 950 (Skinner), SB 1003 (Dodd), SB 1272 (Laird), and AB 3121 (Petrie-Norris) did not move forward.

Note that Senator Skinner’s SB 950 is the prelude to the State taking over oil refineries. It will no doubt come back in the Special Session that the Governor has just called.

For more details and to make your head explode, control click on the link below:

<https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/164210>

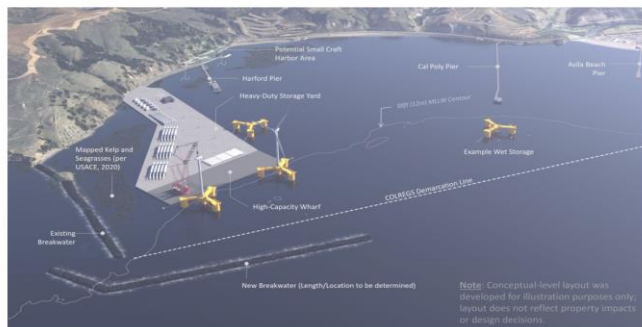
Item 36 - Request to 1) approve a sole source special services consulting contract with Mott MacDonald Group, Inc. in an amount not to exceed \$684,750, to prepare an Offshore Wind Operations (OSW) and Maintenance Infrastructure Study for Port San Luis Harbor District, Cal Poly (pier), and Morro Bay; and 2) authorize the County Administrative Officer, or designee, to sign subrecipient agreements totaling \$315,250 with Port San Luis, Cal Poly, and the City of Morro Bay. (Administrative Office and Department of Planning and Building). The large consulting contract is requested to study the feasibility and impact of using Port San Luis or Morro Bay maintenance crew bases for the operational phase of the deployment of offshore windmills.

The staff report seeks to emphasize that these are not the large assembly and construction bases that had been previously discussed. Instead, once the mills are in place, they need to be maintained and repaired. The bases required for this part are relatively small. To this end the write-up includes graphics.

What could OSW Waterfront O&M Infrastructure look like?



What an OSW O&M Infrastructure will NOT look like



Service Operations Vessel



We are not so sure how this skimpy boat with a toy crane is going reach the turbines on windmills that are taller than the Eiffel Tower.

The actual generators mounted at the top are huge.



Note the scale with the worker on the platform.

In any case the push is on.

Mott-MacDonald Group

The consultant Mott-MacDonald Group, Inc., is a large worldwide consultant group headquartered in England with sub-headquarters all over the world. They specialize in large engineering projects in the fields of utilities, transportation, wind energy, and environmental management. A review of their website reveals that they are more than totally in the tank on the whole climate change and CO₂ reduction movement. They are also a major supporter of DEI within their organization and outside.

Note: COLAB has not taken a position on the proposed offshore wind project. We believe that before we get into all these other issues, the public and their governments should see the financial proformas for the projects in order to understand the cost of the energy to be produced over the life of the systems, including depreciation. So far, the cart has been ahead of the horse.

Matters After 1:30 PM

Item 39 - Submittal of the Title 29 Affordable Housing Fund FY 2023-24 Annual Report (Social Services). The Board heard the item and then received the report. As expected, Supervisor Gibson lectured the Board and COLAB about the need to restore the tax. He denies that the so-called fee is really a tax on development. Gibson further asserted that arguments against the tax are “moldy.”

COLAB reminded the Board that it spent time and money on a study several years ago which found that about \$2 to \$4 million per year of unfettered local funding is needed to provide local match for affordable housing projects. COLAB suggested that they start seeding the program at \$500,000 per year so as not to overly pressure the general fund. A new \$500,000 could be phased in each year until the \$4 million level is reached. Nothing has happened on this proposal so far. So much for real commitment by Gibson and company to affordable housing as a stated priority. They would rather raise taxes and fees and promote free electric vehicle chargers, electric lawn mowers, and more water studies to slow down balancing the Paso water basin.

There was plenty of trickery in this item. First of all, the title itself is designed to sneak it past the public. How many people actually know that Title 29 is the Housing In Lieu Tax?

The title of this item is camouflaged as Submittal of the Title 29 Housing Fund. The so-called fee is in actuality a tax, which has been deceptively packaged as a “fee.”

Brief History: Decades ago, the State adopted enabling legislation that allows cities and counties to require that developers include a percentage of affordable housing within their new projects. Only 148 jurisdictions (out of 58 counties and 450 cities in the state) have adopted the provision. San Luis Obispo County is one of those entities and adopted its ordinance in 2008. San Luis Obispo County typically requires that a new subdivision of 100 homes provide “20” affordable homes. Obviously, projects that are already 100% affordable (usually government funded not-for-profit projects) are exempted. Thus, it is the market-priced homes that are taxed. Commercial projects are also subject to the tax, posing as a fee on a per square foot basis.

It is ironic and patently stupid that government has determined to tax the very thing that is in short supply, in order to provide more of it.

Over the years, various jurisdictions learned that this compulsory mixing of housing types did not work well from a marketing or social interaction standpoint. There are huge fights in homeowner associations (HOAs) about common uses. For example, do the people in the affordable units get to use the pool? From the developers’ standpoint it is difficult to market the non-affordable units in a subdivision or complex that contains less stylish and less fancy affordable units. Market buyers are leery of buying into a social engineering scheme.

Eventually, the State amended the enabling statute to allow developers to pay a “fee,” in reality a tax, instead of building the actual units. This is the so-called “housing in lieu” fee. SLO uses it to assist “affordable” projects in the cities and Templeton.

The Bottom Line: The bottom line is that over the decades, the process of developing residential and commercial property has become so overregulated and expensive that developers cannot afford to produce affordable housing and prefer to develop larger, more expensive units. In turn, the State Legislature has made things worse by enabling cities and counties to require that developers include a stipulated number of affordable units in their projects or pay an “in lieu fee,” which is really a tax on development. The dollars generated from the “in lieu fee” are accumulated and then given to non-profit housing developers to help finance their affordable projects. This is really a government blackmail program to force homebuilders to charge more for their market units in order to bail out the politicians’ failed public policy.

In 2019 the Board updated the ordinance to exclude homes with less than 2200 square feet and substantially raise the so-called fees for market and custom homes. In exchange, Supervisor Gibson agreed to let the Board majority direct staff to conduct an extensive analysis of alternative methods to help affordable housing. During the first phase of the project, staff generated a list of potential programs from which the Board selected some strategies for further feasibility study. A Project Manager, who has since left the County, was assigned to lead the project. The project was abandoned when COVID 19 arrived, and staff members were shifted to other duties. Subsequently, the project was reassigned to SLOCOG. Nothing has been heard for years.

Screwed Again: As a result, Gibson got higher fees established, but the promised project to find other better solutions never took place. The Board revised the Inclusionary Housing Ordinance on March 12, 2019. The most significant changes to the fee structure included applying the fee to all new dwellings over 2,200 square feet in size (previously the fee only applied to subdivisions) and replacing the flat rate fee (\$1.50 per square-foot) with a tiered rate structure based on square footage (with a maximum overall rate of \$7 per square-foot). As an example, a new 3,000 square-foot house would pay \$8,400 in in-lieu revenues under the tiered rate structure. Ultimately, the old Board majority repealed the tax. So far the new Board majority has not been able to marshal 3 votes to restore it.

This item presents the current status of funds and projects that were generated prior to the abolition of the tax.

Current Status: This Board item clearly demonstrates the failure of the program. Per the table below, the County collected only \$1.5 million over 4 years.

Table: In-lieu Fee Revenues (FY 17-18 through FY 20-21)

Fiscal Year	In-lieu Fee Revenues - Residential	Impact Fee Revenues - Commercial	In-lieu Fee Revenues - Total
FY 17-18	\$36,419	\$94,542	\$130,961
FY 18-19	\$77,778	\$143,159	\$220,937
FY 19-20	\$313,060	\$19,496	\$332,556
FY 20-21	\$723,197	\$93,038	\$816,235

Since 2019, the County allocated \$1,167,000 in in-lieu and impact fee funds to non-profit builders to construct 222 new affordable housing units in 8 new developments, with a total development cost of \$118-M. See Table 2, below.

These funds were than distributed per the very misleading and incomplete table below:

Table: Projects Funded with In-lieu and Impact Fee Revenues (2019 – 2021)

Year	Project	In-lieu and Impact Fee Award	Units
2019 and 2020	Templeton Place II	\$151,261	36
2019	Brisco Rd. Affordable Housing	\$184,294	8
2019	Longbranch Transitional Housing	\$119,000	6
2020	Nipomo Senior 40	\$59,032	40
2020 and 2021	Pismo Terrace	\$229,969	50
2021	Tosciano Family Apartments	\$142,396	38
2021	Morro Bay Family Apartments	\$7,216	35
2021	Vine Street Affordable Housing	\$185,221	9

In the near term, the County funded small amounts for 3 projects.

Table 3: Projects Funded in Fiscal Year 2024/25

Project Name	Amount Allocated	Location and Funding Source
Rolling Hills III Templeton People's Self-Help Housing 28 units for low-income individuals and families including 7 units for those experiencing homelessness.	\$89,978	Templeton, North County funds
Arroyo Terrace Apartments Arroyo Grande San Luis Obispo Nonprofit Housing Corporation 63 affordable multi-family housing units	\$199,884	Arroyo Grande, South County funds and Open to All funds
Monterey Crossing Affordable Senior Housing San Luis Obispo San Luis Obispo Nonprofit Housing Corporation 56 units for low-income seniors	\$228,641	San Luis Obispo, Central County funds
Total Fiscal Year 2024/25 funds	\$518,503	

The County proposes to use the remaining balance for projects in various parts of the County.

Table 4: Remaining Amounts for Future Projects

Fund Source	Beginning Balance FY 23-24	FY 24-25 Allocations	Accrued Interest	High and Medium Risk Funds on Issued Permits	Remaining Available Funds
Open to All	\$63,078	\$43,594	\$32,668	\$0.00	\$52,152
North County	\$121,025	\$89,978	\$0.00	\$25,287	\$5,760
Central County	\$248,217	\$228,641	\$0.00	\$2,280	\$17,296
South County	\$156,291	\$156,290	\$0.00	\$0.00	\$1
North Coast	\$46,308	\$0.00	\$0.00	\$0.00	\$46,308
Total Amounts	\$634,919	\$518,503	\$32,668	\$27,567	\$121,518*

The tables hide the truth in that the total cost of the listed projects is not displayed. Thus, laypeople and even officials might think that the projects were constructed for the costs listed. These were actually funded by Federal and State programs and cost tens of millions of dollars. The County contribution to the funding packages is miniscule in comparison the real costs. By offering this presentation, the staff significantly disguises the truth

Additionally, the report displays pictures of projects to which the In Lieu Tax contributed, inferring that it was an important source. In actuality these projects cost tens of millions of dollars that were funded by HUD grants, State grants, and other tax supported sources. It also slyly displays renderings of potential future projects, insinuating that they could be funded if the tax were restored.

For example, the project displayed below is not going to be built for \$199,000.

Arroyo Terrace Apartments



- Developed by San Luis Obispo Nonprofit Housing Corporation
- A 63-unit affordable housing community for low- and very low-income households
- Action Plan 2022: \$55,088
- Action Plan 2024: \$199,884
- Construction not yet started

This is a dishonest presentation as it does not present the true picture of the insignificant contribution of the Housing In Lieu tax.

Meanwhile if it were restored, everyone else would have to pay the tax outlined below.

29.04.020 - Calculation of fees.



- (a) The planning director shall calculate in-lieu fees for residential development projects as shown in subsections (1) through (5) below.
 - (1) The first two thousand two hundred square feet of the unit shall be exempt from paying fees.
 - (2) The portion of the unit between two thousand two hundred and two thousand five hundred square feet shall be subject to a fee of eight dollars per square-foot.
 - (3) The portion of the unit between two thousand five hundred and three thousand five hundred square feet shall be subject to a fee of twelve dollars per square-foot.
 - (4) The portion of the unit above three thousand five hundred square feet shall be subject to a fee of sixteen dollars per square-foot.
 - (5) The maximum fee for any single unit shall not exceed seven dollars per square-foot as calculated using the entire square footage of the residence. Units greater than four thousand six hundred twenty-two square feet in size would pay a rate of seven dollars per square-foot instead of the fee resulting from the above rate schedule. In the Coastal Zone, projects that include eleven or more dwelling units, and that provide moderate and/or low-income units pursuant to Section [23.04.092](#), shall be exempt from paying in-lieu fees.
- (b) The planning director shall use Table 29.1 to calculate the housing impact fees for nonresidential development projects.

Table 29.1

EXPAND

Commercial/Retail	\$1.36
Commercial Service/Offices	\$0.96
Hotel/Motel	\$1.44
Industrial/Warehouse	\$0.58
Other Nonresidential	\$1.26
Commercial Greenhouses	\$0.03

Item 40 - Any Supervisor may ask a question for clarification, make an announcement, or report briefly on his or her activities. In addition, Supervisors may request staff to report back to the Board at a subsequent meeting concerning any matter or may request that staff place a matter of business on a future agenda. Any request to place a matter of business for consideration on a future agenda requires the majority vote of the Board.

Planning Commission Meeting of Thursday, September 12, 2024 (Cancelled)

The next regularly scheduled meeting will be on September 26, 2024, in the Katcho Achadjian Government Center, Board of Supervisors Chambers, 1055 Monterey Street, San Luis Obispo.

California Coastal Commission Meeting of Thursday, September 12, 2024 (Completed)

The Commission received 2 appeals of County-approved 1-unit residential projects (one in Morro Bay and one in Los Osos). The staff recommends that the appeals do not rise to the level of real coastal issues and that therefore the Commission should refuse to hear them.

Additionally, the Commission ambushed a motel proposal in Cayucos that had been approved by the County. It will be beaten to death in a future meeting.

Separately, Sierra Space Corporation is requesting a Federal consistency determination to permit the landing of space planes at Vandenberg. For an unknown reason, the matter has been postponed. Perhaps the Commissioners just want to badger Vandenberg and the space industry. Readers may remember that last month Commissioners began to assert that private space corporations should not receive consistency under the Federal Government umbrella. They feel dissed by Elon Musk and the Space Force. Of course, they have no idea of technology, economics, or anything real.



Space Plane

EMERGENT ISSUES

Item 1 - “Paper or Plastic?” How One Market Intervention Requires Another to “Correct” the Original One. [Mises Wire](#), By Jane L. Johnson



The phrase “Paper or plastic?” became part of the language after states and localities, beginning near the mid-2010s, began banning single-use plastic bags. San Francisco was the first US city to ban plastic bags completely, passing an ordinance in 2007. But elsewhere before that, Bangladesh had become the first country in the world to ban plastic bags in 2002, because thin bags there were clogging drains and causing floods.

In 2014, California—with Senate Bill SB 270—was the first US state to implement a statewide ban on single-use plastic bags distributed at point of sale in grocery and other stores, and a requirement that stores sell more substantial reusable plastic bags made of recycled content or recycled paper bags, for which customers are charged ten cents each.

Single-Use Plastic Bags versus Reusable Plastic Bags

Parenthetically, note that “reusable” bags, by the terms of the 2014 law, must be designed for at least 125 uses (more on that below), and be made of thicker plastic film at least 2.25 mils—or thousandths of an inch—thick. In contrast, the term “single-use” means disposable plastic bags that are intended to be used once and then discarded. These include bags with handles distributed to shoppers at check-out, bags without handles used to protect food items from damage or contamination, bags to contain unwrapped items like bulk foods, and bags designed to be placed over clothing on a hanger, such as dry cleaning bags.

Stores keep the ten-cent fee that customers pay for each reusable plastic or paper bag distributed at customer check-out, to compensate them for the greater cost of these bags. The fee also ensures that customers who bring their own bags don’t have to subsidize the cost of other shoppers’ bags.

Plastic Bag Saga Continued (2014-2016)

Complications arose in 2014 after former governor, Jerry Brown, signed the initial statewide plastic bag ban legislation into law. Public backlash prompted a petition to place a referendum—Proposition 67—on the ballot to overturn the original statute. Voters in 2016 upheld the original single-use plastic bag ban, which has been in effect since then.

California, home to more than 10 percent of the entire US population, is considered a state laboratory—a bellwether of trends across the country. Indeed, this has been the case as statewide plastic bag bans have spread to other states in the years since 2016. By 2024, twelve states have statewide bans in place—California, Colorado, Connecticut, Delaware, Hawaii, Maine, New Jersey, New York, Oregon, Rhode Island, Vermont, and Washington.

When these plastic bag bans first appeared, who would have guessed that the simple task of transporting one’s grocery purchases to one’s own pantry would generate a need for more governmental intervention to follow? But—as so often occurs when a governmental policy produces an outcome at odds with the original intention—it is now apparent that consumers have not reused the sturdier reusable plastic bags, and the bags continue to constitute a large part of the waste stream. So much for the required 125 reuse-rate for “reusable” bags, since it appears consumers are not reusing these sturdier bags after all.

The Plastic Bag Saga Continued Again (2024)

Single-use plastic bag bans and requirements for the sturdier reusable bags have not entirely satisfied the law's original intent. A study from US Public Interest Research Group's Education Fund, Environment America Research and Policy Center and Frontier Group, showed evidence that such bag-ban policies do reduce plastic waste and pollution and encourage reusable bag adoption. On the other hand, a study from the American Recyclable Plastic Bag Alliance, an industry trade association, suggests the ban has negative environmental impact when considering the production footprint and life cycle of alternative bags.

Now, a decade after the state banned single-use plastic shopping bags, the California Legislature is attempting to pass additional legislation—AB 2236 in the state Assembly and SB1053 in the state Senate—to expand the state's plastic bag ban to prohibit the reusable recycled-content bags that were first mandated in the original 2014 legislation and upheld by a public referendum, to replace the single-use plastic version.

This additional plastic bag legislation is now being justified as a necessary effort to close a “loophole” in the original 2014 single-use bag ban, though it is not clear that “loophole” is the correct term to describe what happened. In the words of the CALPIRG's state director, “...what happened is that plastic bag companies invented these thicker plastic bags that technically meet that definition of reusable but are clearly not being reused and don't look like reusable bags, which just circumvent the law's intent.”

Thus, bag manufacturers and grocery shoppers are portrayed as the culprits in the story, according to environmental groups, taking advantage of the “loophole” in the 2014 legislation that lets consumers purchase sturdier plastic bags that were billed as reusable in theory but not in practice. This implies that the original 2014 legislation contained an improper definition of the term “reusable,” though the corrective legislation seems to imply that plastic bag producers were somehow able to fool the public and invent something that was not really reusable but that met the letter of the law.

What May Happen Next

The two new pieces of legislation, if passed and signed into law, would take effect January 1, 2026. As the Wall Street Journal editorialized, “...lawmakers [should] recognize that trying to micromanage consumer choices is harder than it looks and can backfire....But this is California, which really is a Golden State for ill-considered progressive experiments.” So stay tuned if you want to know what lies next for the eternal “Paper or plastic?” question.

Jane Johnson is a retired college economics instructor who currently teaches economics at the Osher Lifelong Learning Institute in southern California. She is a graduate of Vassar College, and has graduate degrees from UC-Berkeley, and the University of Washington. Mises Wire, September 9, 2024

Item 2 - Should California cities and counties be allowed to ban oil drilling? Gov. Gavin Newsom will decide

As a statewide fracking ban looms, another measure would do more to curb Big Oil



A pump jack extracts oil at a drilling site next to homes June 9, 2021, in Signal Hill, Calif. (AP Photo/Jae C. Hong, File)

By **PAUL ROGERS** | progers@bayareanewsgroup.com | Bay Area News Group

UPDATED: September 13, 2024

Should cities and counties in California be allowed to ban oil drilling?

Even though oil has been drilled in California for 150 years, the answer has been somewhat murky since last fall when the state Supreme Court overturned a ballot measure that Monterey County voters passed in 2016 to ban new oil and gas wells there over pollution concerns.

Handing a victory to Chevron, which had sued to overturn the Monterey election result, the court ruled that state law, not local government or local voters, should regulate the methods and practices of oil production. Now a bill has reached Gov. Gavin Newsom's desk that would return the power to local hands.

Newsom's decision to sign or veto the measure could affect a broad range of communities that have passed oil drilling restrictions over the past decade, from Antioch and Brentwood in Contra Costa County to Santa Cruz County to the city of Los Angeles.

The drilling bill, AB 3233, passed the state Assembly and Senate two weeks ago, with Democrats mostly in support and Republicans opposed.

Supporters say local residents have to deal with the health issues and pollution problems from oil and gas wells, so it's only fair that they have a voice in whether, where and how drilling is allowed.

“This is about health and well-being,” said Assemblywoman Dawn Addis, a Monterey Democrat, who introduced the bill. “If you live near oil and gas production, you have a higher chance of major health problems. We also know property values are lower if you are near oil and gas. Local communities want to be able to make these choices.”

The bill is supported by a long list of environmental groups, including Sierra Club California and the Center for Biological Diversity, along with the California Democratic Party and the California State Association of Counties.

But opponents, led by the Western States Petroleum Association, an influential industry trade group whose members include Chevron, ExxonMobil, Shell and Valero, say the bill goes too far.

In a statement last month, the association said the bill would “impose impractical limits on oil and gas operations, creating a fragmented system.” It also noted that California imports roughly 75% of the oil it consumes.

“This reliance on imported oil not only drives up fuel prices for consumers but also compromises our environmental goals by bypassing California’s strict standards,” the association said.

How Newsom will decide is unclear.

In other actions, he has been steadily cracking down on Big Oil as part of the state’s efforts to reduce air pollution and greenhouse gas emissions, which cause climate change.

File photo of a pump jack sitting idle in front of palm trees in 2021, in Signal Hill, Calif. A bill has reached Gov. Gavin Newsom’s desk that would give the power back to cities and counties to ban oil drilling in their areas over pollution concerns. (AP Photo/Jae C. Hong, File)

Four years ago, Newsom signed a landmark executive order requiring all new passenger vehicles sold in California by 2035 to be zero-emission.

Two years ago, he signed a law requiring all of California’s electricity by 2045 to come from carbon-free sources such as solar, wind, geothermal, hydroelectric or nuclear. Today the state is at 61%.

Newsom also signed another landmark bill in 2022 that was opposed by the oil industry. It blocked the construction of new oil and gas wells statewide within 3,200 feet of homes, schools and parks. The oil industry had planned to put a measure on this November’s ballot attempting to overturn it but pulled it this summer, reportedly amid polling that showed it would fail.

“Big Oil knows that California is moving beyond fossil fuels, so on their way out these corporations are doing everything they can to squeeze out profits as they pollute our communities,” Newsom said in February.

But overlaying the environmental issues are political concerns. California’s gasoline prices are higher than prices in most other states. And as Democrats attempt to win back control of the House of Representatives, Republicans are highlighting the issue, which could play a role in half a dozen close House races across California.

Earlier this month, Newsom called a special session in the state Legislature to deal with gas price spikes. He wants oil companies to be required to keep more supplies on hand so that when refineries have breakdowns or maintenance issues, prices don’t spike. The industry opposes the

idea and recently got a boost from governors of Arizona and Nevada, a Democrat and Republican, who voiced concerns the rules could lead to shortages and higher prices. California is the 8th largest oil-producing state in the nation, generating about 3% of America's crude oil. Most of California's oil production is in Kern County and other Southern California counties. But production has been falling steadily, down 74% from its peak in 1986.



In this Jan. 16, 2015, file photo, a person walks past pump jacks operating at the Kern River Oil Field in Bakersfield, Calif. (AP Photo/Jae C. Hong, File)

Over the past decade, a number of California communities tried to limit oil production, particularly the practice of fracking. More formally known as hydraulic fracturing, the practice involves oil workers forcing large amounts of chemicals and water underground to break up underground formations to release oil and gas.

Alameda, San Benito, Butte, and Mendocino counties have fracking bans. Santa Cruz County has a total ban on oil production.

Newsom imposed a statewide fracking ban in 2021. It takes effect Oct. 1 and is not affected by last year's state Supreme Court ruling.

But if the governor signs the bill on his desk now, supporters say, other cities and counties may move forward with oil drilling bans. He has until Sept. 30 to decide.

“There are cities and counties that want to respond to their residents who are worried about what oil and gas pollution does to their health and the environment,” said Hollin Kretzmann, an attorney with the Center for Biological Diversity in Oakland. “This is a critical right. It should be protected and affirmed.”

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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



Courageous dissident Alexander Solzhenitsyn once stated, “For us in Russia, communism is a dead dog, while, for many people in the West, it is still a living lion.” This is truer today than when he wrote it in 1975.

Enter a timely new book called *The Red New Deal*, by Dmitri Dubograev, an American information technology and corporate attorney who grew up in the socialist environment of the USSR. The book is a comparison of current U.S. and world trends toward reconsidering socialism, and the realities of everyday life under socialism. It shares real-life accounts of the daily routines, shortages, cancel culture, and the restriction of freedom from one who lived through it. Dubograev’s analysis of the parallels between “socialist trends” of prior generations and events occurring in the U.S. today is eye-opening, to say the least.

I posed some questions to Mr. Dubograev about his life and the book.

Mark Tapson: *Dmitri, please tell us briefly about your background: what it was like growing up in the USSR, how you came to the U.S., and what compelled you to write this book.*

Dmitri Dubograev: I am an American information technology and corporate attorney of Belarusian descent. I grew up in the Soviet Union and witnessed and lived through the “advantages” of socialism. As various cooperation agreements were developed by Ronald Reagan and Mikhail Gorbachev by the end of the Cold War, I was presented with an opportunity to represent Belarus in one of the first USA-USSR student exchanges in 1988. Hungry for knowledge and all that the United States provides for ambition and perseverance, I was lucky to be later accepted to the Law School of Washington and Lee University, passed the bar and have been practicing law since then.

One of the things that I admired about the U.S. was how little the government interfered in the private life of its citizens as compared to the socialist state. Hence, I was not much interested in politics, probably due to my upbringing and aversion to the government in general, until the trend toward the socialism started to be more and more ominous for all of us. The “straw that broke the camel’s back” was Obama’s remarks about private business, in line with typical Soviet threatening propaganda, that “you did not build it.” Well, yes, I did, damn it! The painful realization that this country could turn onto a dangerous and harmful path was the inspiration that brought me to writing the book.

MT: *You mention that socialism cannot survive in an atmosphere of free speech. Why is that, and do you see contemporary Western assaults on free speech like cancel culture or state attempts to control social media as laying the groundwork for a socialist government?*

DD: The socialist system is extremely inefficient, denying virtually all of the civilization’s gains, laws of economics, and human nature, replacing it with empty promises and eventually devastation and violence. So, in the Soviet Union there were two lives – one that existed on the state television (and there was no other kind) and the other one was the “kitchen table” reality of life: shortages, oppression, misery, corruption, incompetence of the rulers, and violation of human rights.

With *perestroika*, while still studying in Belarus, I decided to write a thesis on the violation of human rights in the Soviet Union and got yelled at by the professors that I was a traitor and an American spy. Ironically, virtually any truth-telling or shedding a bright light on disastrous leftist policies gets a similar reaction from the Left-leaning media, replacing reality with empty declarations and losing the sight of causation in favor of wishful thinking.

So, socialism cannot survive any competition – in economy, progress, or wealth, and any doubt about its flaws labels you as a traitor or a person that needs to be cancelled. As such, the trend toward socialism means lying about facts, causation, and science, and finding scapegoats to blame for the socialist’s disastrous results. The target of the blame is not who caused it, i.e., the socialists, but typically the greedy capitalists and those who are smarter or more successful – a rhetoric echoed by Putin, Obama, and other Leftists alike. The leap from cancerous censorship to oppression and violence (well, labeling all non-socialists as Hitler – so no holds barred here) with its “mostly peaceful” burnings and looting is only a matter of time.

MT: *How has the socialist Left misused the lessons of history to serve its agenda?*

DD: The Left, when not ignoring history, indeed misuse and twist the lessons of history as it relates to socialistic achievement by overlooking the communist states' inevitable failure and devastation. But more importantly, the Left use the same tools, propaganda and slogans as the failed socialist states employed to their advantage to obtain power and then reign by oppression.

The trick is old – you fool and entice the naïve with empty but virtue-signaling promises (that will never be achieved – look at inner cities in the U.S. as a primary example) and then suppress and vilify those who disagree or even doubt. “Are you against protecting the environment/equity/inclusion” sounds to my ear very much like “are you against socialism/communist party?”

The Left eagerly sacrifice meritocracy, facts, practicality and achievements for the ivory tower of nebulous slogans and the constant desire to achieve “fairness” while not forgetting to preside over that re-distribution. It matters little to them how ridiculous and impractical their attempts are at “rectifying the sins of the past” and punishing success and effort by “evening up the playing field.” So, I fail to see much difference between Hitler’s and Putin’s concepts of “traitors of the nation” and the Left’s broad strokes describing the decent as a “basket of deplorables.”

MT: *In your chapter on “Fundamentals of Society” you address the dangers of socialism for government. What is a significant way that socialism impacts the function of government?*

DD: First, I would like to address the biggest lie of the past hundred years: the fact that fascism is somehow a “right-wing” phenomenon. It just cannot be further from the truth. The essence of the Marxist and fascist theories comes from the same principles – *fascio*, or *communa*, or community – in other words, the dominance of the community over individual liberties. Hence, the “dictatorship of the proletarians” – but you always have to be in search of those who are “oppressed.” Furthermore, both Goebbels and Hitler were socialists (other than Hitler, who was in favor of Darwinian economy – a private economy under the press of the national interest) and hence the movement and the party. “National Socialism,” or Nazi, should have been your first clue.

Second, in the socialist-fascist state merit and achievement are pushed to the side in favor of loyalty and the party line. Indeed, Marx declared the ownership of the means of production is the key to the ruling class. However, the control over such means in the contemporary world is clearly more effective than a nominal ownership. In that setting, there is not much difference in having Hitler force Porsche to produce engines for Nazi Tiger tanks and the government forcing Facebook to censor information – a clear new form of the “means of production,” relating to political opponents.

Third, the clear feature of a socialist ideology in the government is the pursuit of nebulous “good sounding” goals with unnecessary interference in the areas where the government should be absent (i.e., the disastrous Leftist economic policies are the best evidence). On the other hand, the Leftists are clearly responsible for the failures in the main functions of the government where the government should be agile and active – law enforcement, border protection, community

security and world politics. So, anything the socialist government mindset touches turns into dust, due to incompetence and impracticality.

MT: *You write that some people ask you if it is possible to get the “good” parts of socialism without getting its “bad” parts”? At the risk of asking you to give away spoilers from the book, what do you tell those people?*

DD: Due to my generation’s indoctrination in the Soviet schools, it took me a while to realize that there are no “good” parts of socialism, as most people viewed socialism as an “ivory tower” and a desired goal, albeit hardly achievable. However, socialism comes in a “package” – you cannot separate good from the bad. What is the difference between a bucket of manure with a spoonful of jam and the bucket of jam with a spoonful of manure? There is no difference – both are buckets of manure.

The socialist ideology is always based on violence forcing people to be deprived of the results of their labor and ingenuity as well as their property and freedoms, even when it pursues “equity.” The violence and suppression are an inevitable part of “redistribution” (robbery) and any perceived “good” is just incomparable to the level of violence and disaster that it brings. So, despite the common perception and the youth’s infatuation with the “virtuous” socialism idea – socialism is always based on suppression and violence and, hence, unethical even in theory not just in its practical ramifications.

MT: *What are a couple of ways Americans can spot and say “no” to encroaching socialism?*

DD: I have provided a test called “REDS” (anything that the Left proposes turns “red,” i.e., communist) – enabling people to identify communist-leaning trends:

- R – Ruling by oppression
- E – Enterprise (private) deterioration
- D – Denying the rule of law
- S – Speech restrictions

You can clearly see the “red” current trend in those vectors and you can read more about such applications of the test in the book.

However, there are a few anecdotal (though not necessarily funny) “tell signs.” The Left inevitably fall into traps of repeating the same rhetoric and actions as were used throughout history by “other” communists simply because they are driven by the same theory and underpinnings. The biggest tell – the “neo-speak” terms and generalizations replacing or mocking fundamental American principles of freedom. The best examples are “disinformation” (i.e., the information or opinion one might disagree with), “racist roads and math,” “cheap fakes” or “threats to democracy” or all kinds of references and attempts to cancel “insensitive” or “hurtful” speech or content – in other words, a typical exercise of the freedom of speech.

Another example, whether it is Hitler, Putin or Biden weaponizing the Gestapo, KGB, or FBI with full power of censorship and lawfare – as they all blamed “foreign” forces, “traitors” and

“collusion” regarding facts that otherwise would actually require a deeper objective analysis and unbiased judgment. Ironically, both Biden and Putin were afraid of “shamans” – one parading through Congress in the January 6 protest and the other trying to exorcise demons from the Kremlin. When no policy of the candidate for President, namely Ms. Harris, can be evaluated on its merits, the Left propaganda would resort to terms such as “Strength through Joy” – which is actually a name of the Nazi organization that was designed to spread Hitler’s propaganda. The clear indication of socialist inclinations – the Left promising “all of the good things” having no calculable way or foundation for achieving those (much like all Marxists’ works) other than through paternalistic government handouts (from infinite resources, of course!).

But, of course, the biggest “tell” is the promise of “free stuff,” in one way or another and finding “enemies” (typically rich and successful) within. Lenin took power pretty much by promising “Land to peasants, factories to workers!” which, of course, was a simple and clearly perceived message that turned out to be a total lie. Whether it is reparations for people that were never slaves paid by people that were never slave owners, cancelling student debt voluntarily taken by students or financing of illegals’ healthcare or home ownership, and other “free” handouts – one has to remember that there is no “free” money – this is the money someone else has earned. As Margaret Thatcher noted, “there is no government money, there is people’s money.” So, again, when “everything is free, you and your liberties and freedoms are the price”!

Mark Tapson is the Shillman Fellow at the David Horowitz Freedom Center, focusing on popular culture. He is also the host of an original podcast on Frontpage, [“The Right Take With Mark Tapson”](#). Follow him on [Substack](#).

THE WOKE PLOT TO DESTROY OUR ECONOMY

BY LLEWELLYN H. ROCKWELL JR.



“Woke” people claim that they want to wake up racial and sexual minorities to the way they are being discriminated against. Because of past and present exploitation, blacks and other “protected” groups are not getting what rightfully belongs to them. The solution to this is that the better off, especially if they are white, should have their wealth and income seized and given to those they are exploiting.

The woke position rests on a fundamental fallacy. This is that there is a fixed amount resources, so that if the rich have more, the poor have less. But this is wrong. Resources in the free market are not a fixed sum. So long as the economy is growing, everybody can benefit. The ‘protected’ can do better without taking away what the rich have earned. The economist Paul Rubin, who died last month, gives a good account of the fallacy: “Karl Marx called his system ‘scientific socialism’ Modern leftists advocate a similar ideology and call themselves ‘woke’ to indicate that they understand the world better than the rest of us. Yet the worldview of Marxists and woke leftists alike is fundamentally primitive.

Folk economics is the economics of people untrained in economics. It is the economic view of the world that evolved in our brains before the development of the modern economy. During this period of evolution, the economy was simple, with little specialization except by age and sex, no economic growth, no technological change, limited trade, little capital, and warfare between neighboring tribes.

Zero-sum thinking was well-adapted to this world. Since there was no economic growth, incomes and wealth didn’t grow. If one person had access to more food or other goods, or greater access to females, it was likely because of expropriation from others. Since there was little capital, a ‘labor theory of value’—the idea that all value is created by labor alone—would have been appropriate, and there was little need to protect capital through property rights. Frequent warfare encouraged xenophobia.

Adam Smith and other economists challenged this worldview in the 18th century. They taught that specialization of labor was valuable, that capital was productive, and that labor and capital could work together to increase income. They also showed that property rights needed protection, that members of other tribes or groups could cooperate through trade, that wealth could be created with the proper incentives, and that the creation of wealth would benefit everyone in a society, not only the wealthy. Most important, they showed that a complex economy could work with little or no central direction.

Marx’s economic system was based on the primitive worldview of our ancestors. For him, conflict rather than cooperation between labor and capital defined the economy. He thought that the wealthy became rich only by exploiting the poor, that all income came from labor, and that the economy needed central direction because he didn’t believe markets were good at self-correction. The collapse of the Soviet Union, the largest and most expensive social-science experiment ever conducted, proved Smith right and Marx wrong.

Members of the woke left want to return to policies based on this primitive economic thinking. One of their major errors is thinking that the world is zero-sum. That assumption drives identity politics, which sees, among other things, an intrinsic conflict between blacks and whites. The Black Lives Matter movement and Critical Race Theory foment racial antagonism and resurrect xenophobia. Leftists vilify ‘millionaires and billionaires’ like Bill Gates and Elon Musk as evil

and exploitative. They should recognize them as productive entrepreneurs whose innovations benefit us all.

Dislike of the rich makes sense in a world where one can become rich only by exploiting others, but not in a society full of creativity and useful inventions. Changing tax laws to soak the rich makes sense with a labor theory of value, but not with a sophisticated understanding of continual investment and technological change.

Adopting counterproductive woke policies such as racial job quotas, high taxes, excessive regulation of business, and price controls on some goods may not send us all the way back to the subsistence economy of our ancestors. But if policies that penalize saving and investing and that involve excessive government control are adopted, social capital, wealth, and real income will decline. If we bow to this primitive ideology, there will be increased racial animosity and conflict, slow economic growth, and fewer inventions.”

You might raise an objection to this. Even if the economy is growing, and the minorities can gain without taking resources from the rich, why should they be satisfied with what they get? Can't they demand more of the growing economic pie? The answer is that doing this will hurt them, not help them. The way in which the economy grows is by capital accumulation, and the great bulk of this takes place through the investments of the well off. Confiscation of the income and wealth of the wealthy will slow down or stop the rate of economic growth. This will make the “protected” worse off.

The great Ludwig von Mises proposes a thought experiment that brings out this point vividly: “A law that prohibits any individual from accumulating more than ten million or from making more than one million a year restricts the activities of precisely those entrepreneurs who are most successful in filling the wants of consumers. If such a law had been enacted in the United States fifty years ago, many who are multimillionaires today would live in more modest circumstances. But all those new branches of industry which supply the masses with articles unheard of before would operate, if at all, on a much smaller scale, and their products would be beyond the reach of the common man. It is manifestly contrary to the interest of the consumers to prevent the most efficient entrepreneurs from expanding the sphere of their activities up to the limit to which the public approves of their conduct of business by buying their products.”

There is another way in which the woke movement undermines our economy, and this may be the most serious one of all. The conjuring up of grievances encourages blacks to hate whites. Being white is regarded by many left-wing revolutionaries as evil, and murderous violence will result from this. As the great black economist Thomas Sowell points out: “Although much of the media have their antennae out to pick up anything that might be construed as racism against blacks, they resolutely ignore even the most blatant racism by blacks against others.

That includes a pattern of violent attacks on whites in public places in Chicago, Denver, New York, Milwaukee, Philadelphia, Los Angeles and Kansas City, as well as blacks in schools beating up Asian classmates – for years – in New York and Philadelphia.

These attacks have been accompanied by explicitly racist statements by the attackers, so it is not a question of having to figure out what the motivation is. There has also been rioting and looting by these young hoodlums.”

Let's do everything we can to counter the woke plot to destroy our economy and to encourage the free market economic policies of Ludwig von Mises and Murray Rothbard. That is the way to a prosperous economy in which all groups can live in harmony.

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MEMBERSHIP APPLICATION

MEMBERSHIP OPTIONS:

General Member: \$100 - \$249 \$ _____ Voting Member: \$250 - \$5,000 \$ _____

Sustaining Member: \$5,000 + \$ _____

(Sustaining Membership includes a table of 10 at the Annual Fundraiser Dinner)

General members will receive all COLAB updates and newsletters. Voting privileges are limited to Voting Members and Sustainable Members with one vote per membership.

MEMBER INFORMATION:

Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ Email: _____

How Did You Hear About COLAB?

Radio Internet Public Hearing Friend

COLAB Member(s) / Sponsor(s): _____

NON MEMBER DONATION/CONTRIBUTION OPTION:

For those who choose not to join as a member but would like to support COLAB via a contribution/donation.
I would like to contribute \$ _____ to COLAB and my check or credit card information is enclosed/provided.

Donations/Contributions do not require membership though it is encouraged in order to provide updates and information.
Memberships and donation will be kept confidential if that is your preference.
Confidential Donation/Contribution/Membership

PAYMENT METHOD:

Check Visa MasterCard Discover Amex NOT accepted.

Cardholder Name: _____ Signature: _____

Card Number: _____ Exp Date: ____/____ Billing Zip Code: _____ CVV: _____

TODAY'S DATE: _____