

COLAB SAN LUIS OBISPO COUNTY

WEEK OF DECEMBER 4-10, 2011

INSIDE THIS UPDATE:

SLOCOG POLL: BAD NEWS FOR “SMART GROWTH”

HOUSING IN LIEU FEE CHARADE CONTINUES

“KAHUNA SAVES” ARROYO GRANDE/OCEANO LAGOON NEIGHBORS

Board of Supervisors

Board of Supervisors Meeting of November 29, 2011 (No Meeting)

California State Association of Counties (CSAC) Annual Conference. There was no Board meeting because the Supervisors had an opportunity to attend the annual CSAC conference in San Francisco. Former Assembly Speaker/San Francisco Mayor Willie Brown kicked off the conference and exhorted the State Legislators to "*elevate the level of their dialogue*". He advocated the need "*for balance in the delivery system (between the State and the counties) which had existed up until 2000 when he was the Speaker and Pete Wilson was Governor.*" Other speakers encouraged the supervisors to embrace "*compromise*", "*leadership*", "*teamwork*", and "*collaboration*". Sadly, real substantive issues, such as the damage caused by California's tax and regulatory environment, appear not to have been included in the program. Apparently our collaborative team oriented leadership does not think the peoples' deepening economic misery is an important enough subject for its annual meeting.

Meanwhile, Governor Brown has proposed a ballot measure to raise the State income tax and the State sales tax.

Background: CSAC is primarily a lobbying organization which represents the 58 California counties in Sacramento and Washington DC. The Conference focuses on updating supervisors and senior staff people on legislation generated by the State Legislature, Governor, and State Agencies that is inimical to Counties. There are also educational sessions on local government finance, leadership, pensions, labor relations, and other operational matters. Considerable time is spent on adopting CSAC legislative positions. Time is also spent on governance issues within CSAC.

Board of Supervisors Meeting of December 6, 2011 (Scheduled)

What's Being Cooked Up In Sacramento? The Supervisors are required to report travel and business expense. In this case Supervisor Gibson is filing a report on a November 7, 2011 trip to Sacramento. The report of the expenditures is not remarkable. The purpose is interesting in that it was to meet with State Senator Sam Blakeslee, Resources Secretary Laird, and "other State Officials." The substance of the meetings is reported as "matters pertaining to Los Osos Waste Water Project and Diablo Canyon Seismic issues." We wonder what "matters" were discussed. How is the State loan for the Treatment Plant coming? Is the lower tier interest rate a possibility? As noted below, the PG&E rate increase engendered by the Board's insistence on independent seismic studies is on the closed session agenda.

Automation Initiative. The Auditor Controller is seeking authorization to enter into a \$492,000 contract with Phoenix Business Consulting of Houston to assist with the installation of a SAP software product which would allow non-technical end users to perform queries and produce reports which now require the intervention of programmers. Interestingly, the actual SAP software product cost appears to be only \$25,000.

While the idea is commendable, one concern is that this looks like a data warehouse model which may be an obsolete concept. The Auditor and the County Executive Officer should step back for a minute and look at the newer web based technology, which requires less programming, training, and pre-structuring.

In Lieu Housing Fees Housing Extortion "Fee." The Board will conduct a hearing to consider raising the so called housing in-lieu fees, which are paid by developers and home builders in lieu of including affordable units in their developments. The program, authorized by the Legislature (called inclusionary housing) several decades ago, enables cities and counties to shake down developers and builders for money in exchange for granting the permits required to build housing developments. The funding raised is to be used to subsidize the construction of affordable housing elsewhere. The program is really a scam to levy a tax on home construction without going to a Proposition 13 or Proposition 218 election requiring a two-thirds vote for a special tax. Obviously, the tax is hidden in the cost of the market houses.

The program is so complicated and the economy so bad that only \$39,155.15 is available in the fund. The staff report points out that, "*It takes approximately \$100,000 in County funds combined with other funding sources to produce one affordable unit. However there has never been \$100,000 in the Title 29 fund accounts since they were established in 200.*"

We guess that it probably costs more than \$39,155.15 just to administer the program, maintain the data, negotiate the deals, and prepare reports such as this Board item. This is just another costly deception trying to make it appear that the Board is actually doing something. Stop the charade and end this program.

Background: During the November 1, 2011 Board meeting when this item was set for public hearing, COLAB pointed out that the Board should request that the staff prepare performance data on the progress of the program from its inception until now. We also

requested that they present the program in the context of other fees and exactions and show how much government cost is built into the price of the typical house. This would include public service fees, capital project fees, permit processing costs, and the value of dedicated land.

Kahuna Saves -- Arroyo Grande Creek Flooding Update: The Board will receive another update on the actions underway to forestall a recurrence of last year's December flooding on the Arroyo Grande Creek and Oceano Lagoon. Readers may recall that one of the key issues is the need to cut through the sand bar, which often blocks the creek where it flows into the ocean. State permitting agencies have not been helpful in allowing the County to "breach the sand bar" before an actual back-up and flood occurs. It turns out that so far this year, high surf periods occurring at the same time as high tides have created and maintained a natural breach.

More troubling is the fact that the Public Works staff has been unable to convince regulators to allow the County to cut bulrushes and willows, which are clogging the creek and the Lagoon. These in turn cause silt build up and impede water flow to the Ocean. On this account the staff is requesting that the Board authorize the staff to manually breach the south levy in an emergency. This may save the mobile home parks, houses, and sewer treatment plant that are protected by the north levy. The staff is working with the Sheriff and OES to update the emergency plan to provide for timely evacuation of those people protected by the south levy.

In the old days before the establishment of the plethora of regulatory agencies, the residents themselves breached the sand bar each winter, and the County bulldozed the bulrushes and willows. The Creek flowed perfectly and there was apparently no flooding.

Closed (Executive) Session.

Pacific Gas and Electric (PG&E) Rate Application-Seismic Studies: The Agenda indicates that the Board will meet in closed session to consider PG&E's filing with California Public Utilities Commission for a rate hike to cover the \$66 million dollar cost of special seismic studies which the Board demanded that PG&E undertake before processing its application before the Federal Nuclear Regulatory Commission for relicensing of the Diablo Canyon Nuclear Generating Plant. Is it actually possible that the Board is so hypocritical that it is considering filing as an intervener to oppose the rate increase?

Pelfrey vs. County-Redistricting Challenge: For the past several weeks the Board Agenda has contained notice that Templeton resident Bill Pelfrey's redistricting suit against the Supervisors is up for discussion with the County Counsel. We surmise that County Counsel will brief them on the status of the case. They may also have decisions to make about whether to settle or fight. Mr. Pelfrey asserts that the Board failed to follow requirements with respect to not splitting communities of interest. He also asserts that they violated open meeting laws and developed the chosen version in private.

OTHER GOVERNMENT ENTITIES

Planning Commission

Planning Commission Meeting of December 8, 2011 (Scheduled)

There are no items of policy interest on the December 8, 2011 Planning Commission Agenda.

San Luis Obispo Council of Governments (SLOCOG) Meeting of December 7, 2011 (Scheduled)

Public Opinion Polling Results. The SLOCOG Board will receive the final report from its polling consultant, Smith, Watts & Martinez, LLC.

Sales Tax Measure Will Fail: The pollsters found that neither a one-half cent nor a one-quarter cent County wide sales tax for transportation is likely to pass. The consultants recommend that SLOCOG abandon the effort for now and concentrate on "educating" public officials and the electorate about the need for transportation improvements.

Bad News for Smart Growth: The significant message in the poll is that citizens rank "improving the local economy" and "balancing local government budgets" as the overwhelming highest priorities. Eighty percent of the respondents in the scientific poll ranked "improving the local economy" as the most important priority. Seventy five percent ranked "balancing local government budgets as the next highest priority." With respect to transportation "maintaining roads and filling potholes" received a 62%. Most significantly "smart growth" transportation icons received much lower rankings: "providing safer bike routes and sidewalks," 38%; "expanding passenger train services," 30%; "improving local and regional bus services," 30%; and "relieving countywide traffic congestion," 28%. Perhaps the folks actually don't want to live in a dense condo village surrounded by fast food joints and arrive at work all sweaty from their bike ride.

The poll also measured voter satisfaction and found that only 50% are satisfied with the Board of Supervisors, while 19% are dissatisfied and 32% had no opinion.

In conclusion, the consultants found, in part, that "*The results of the poll clearly indicate that voters are preoccupied with the economy and jobs, are uneasy about their ability to afford additional taxes, and have a diminished confidence that tax revenues would be spent well.*"

Apparently the County's highly publicized economic development strategy and permit processing improvement project have not convinced the public that leadership is taking sufficient decisive action to deal with the economic, debt, and regulatory disaster. Remember- this is SLOCOG's poll.