

COLAB SAN LUIS OBISPO COUNTY

WEEK OF NOVEMBER 10-16, 2013

**NO BOARD OF SUPERVISOR'S MEETING ON TUESDAY
NOVEMBER 12, 2013
(ATTEND SB COUNTY BOARD IN SANTA MARIA INSTEAD)**

ALERT

**SANTA BARBARA COUNTY BOS TO HEAR ENVIRO
APPEAL OF SANTA MARIA ENERGY PROJECT
THIS IMPACTS SLO COUNTY RESIDENTS AND JOBS
(1:30 PM BETTERAVIA COUNTY CENTER- SANTA MARIA)
SEE PAGE 8 FOR DETAILS**

**HOUSING IN LIEU TAX INCREASE REJECTED FOR NOW
DENVER AIR SERVICE POTENTIAL ADVANCED
SUPERVISORS QUESTION HOMELESS PROGRAM
(ADMIT "TEN YEAR PLAN TO END HOMELESSNESS" FLOPS)
BUT
MAY REINFORCE FAILURE ANYHOW**

Board of Supervisor's Meeting of Tuesday, November 5, 2013 (Completed)

Item 24 - Air Service Guarantee Program. The Board unanimously authorized the transfer of \$250,000 to assist the guarantee program. The Economic Vitality Corporation, staff, and County aviation consultant will attempt to negotiate a program with United Airlines. If the negotiations are successful United Express would fly an 80 passenger regional jet out in the morning and provide a return flight in the late afternoon. If San Luis Obispians and visitors can fill 70% or more of the seats, the program could be successful.

Background: A crucial factor for the future of SLO County-based businesses is good airline service to economic hubs. One ongoing difficulty has been developing travel routes to the eastern half of the country. Currently regional airline service connects the SLO Airport to SFO, LAX, and PHX. Connections often mean that it takes an entire

travel day to get to New York, BOS, Chicago, Philadelphia, DFW, and other important business destinations. Accordingly the business community, Economic Vitality Corporation, and County have been working to convince United Airlines (United Express) to establish regional jet service to Denver. The United Denver hub offers frequent service to most of the East, Southeast, and even Europe. The problem is that without a proven market, airlines are reluctant to risk establishing new routes. For this reason the County, EVC, and businesses have put together an incentive program using a Federal Grant (\$500,000), business commitments (\$1 million ticket purchase commitment, and a proposed County contribution (\$250,000) as incentives for United to establish the service.

Item 26 - Ten-Year Plan to End Homelessness, Federal Continuum of Care Requirements, and Performance. The staff returned with a report that was somewhat better than its prior effort in August. The Board was not appeased. It correctly criticized the lack of real data and recognized that the report was still too anecdotal and lacked real analytical rigor.

Credit Where Credit Is Due: One of the disappointing features of San Luis Obispo County government has been the lack of penetrating questioning of staff by the Board. As we have reported in the past, it almost seems like a love fest (administratively speaking). In this case the meeting went differently. After the staff completed the usual tedious and not so responsive power point, the Board members began their questioning.

Supervisor Ray led off with some good questions which received obfuscatory bureaucratic answers that were not actually on point. To her credit, Ray would not accept the answers, expressed proper displeasure, and continued to press the staff.

Subsequently Supervisor Hill joined in with, "This report is filled with a lot of bureaucratic mumbo jumbo." He then added such comments as, "to be direct and blunt...lack of facts...this is not an adequate way to move forward...this is not working - we are five years into the 10-year homeless plan...". Of the report, Hill stated further, "This is not telling us anything we need to know."

Well, COLAB pointed it out back when this first come up at the August 13, 2013 Board meeting: *Most of the report contains information about meeting federal standards, establishing coordinating mechanisms, and other bureaucratic trivia. The significant missing data from the report is: how is the Ten Year Plan to End Homelessness doing? The Plan was adopted with much fanfare in 2008. The ten years is half over. Have the number of homeless people been reduced by half? No real performance outcome data is contained in the report.*

All that being said, it must be recognized that last January, in filling Board committee assignments, the Board appointed Supervisor Arnold as Chair of the Homeless Oversight Council, which is a large advisory body (27 members -- which probably dooms it) consisting of not-for-profit organizations, County bureaucrats, and other individuals involved in trying to reduce homelessness. Although there were no direct statements critical of Arnold, one might infer that some of Hill's and Ray's zeal to criticize could relate to the Committee itself. In actuality, County staffers in the Social Services

Department and the CAO's office do the analysis, conceptualize the issues, and prepare the reports.

As we have stated in the past, the therapeutic approach to homelessness, which became vogue in the 1980's, does not work:

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There also seemed to be concurrence on the Board that current trendology (national, state, and local), which focuses on remediation of behavioral causes of homelessness (the Therapeutic Approach), is not working and has never worked. The Therapeutic Approach asserted that non-economic behavioral causes of homelessness could be cured by counseling, psychoanalysis, and "supportive" programs.

Today the issue has come full circle, and government officials are realizing that homelessness means that the homeless person needs shelter first and foremost as a prerequisite for dealing with behavioral issues such as addiction and/or mental illness. The Board of Supervisors directed staff to develop some real solutions.

As we (and others) have pointed out, San Luis Obispo County's scheme of land use (as well as that of many of the cities) makes development of market based affordable rental housing extremely difficult. Rental Projects of sufficient size (about 300 units) to achieve economies of scale are not allowed. This condemns low wage workers to crowd into the bottom tier of the market and provides no entry ladder for the homeless. If the Board is serious about solving this problem (there are reportedly an average about 2600 homeless people in the county on any given day):

- a. Set a goal to find ways for the private sector to build 1600 affordable units of various kinds over a stipulated time period.*
- b. Encourage the development of mobile home parks.*
- c. Encourage the development of parking areas for homeless occupied recreational vehicles (RV's).*
- d. Encourage the development of trailer camps for the small travel-type trailers.*

More of the Same: Unfortunately, and after an hour or more of pleading for more money by a large number of Community Action Partnership of San Luis Obispo (CAPSLO) staffers (which included CAPSLO Homeless Services Director Dee Torres¹ and others who had to be let off from work), the Board unanimously determined to issue some sort of request for proposals for a compromise non-profit/County blended staff

¹¹Not surprisingly, Torres was allowed to sum up last with a brief power point. She pled for money as she displayed slides of poor homeless people living under a bridge.

effort to develop 80 units of housing for the homeless. Remember, the identified need is for 2600 homeless individuals and families, which translates into about 1600 dwelling units.



***Much better than sleeping in a creek or shelter.
Around \$12,000 when purchased in bulk and cute too!***

Instead of building a \$7 million homeless center or spending years entitling and stick building expensive homeless housing, what about purchasing 583 of these units (\$7 million divided by \$12,000) and providing locations to set them up? What if each church took five, each government agency took five, and each non-profit took five in their respective parking lots? After all if everyone loves the homeless so much, this would be a way to embrace them. Instead of going to meetings and wringing their hands, they all could help provide an immediate and life-saving solution. If the community were leveled by an earthquake, we would do this in a nanosecond. Fat chance under the County's and cities' zoning ordinances. Additionally, actually solving the problem would be too problematical for all the agencies and employees who live off it.

SLO County Homeless Magnet: Significantly and during the Public Comment period, the San Luis Obispo City Police Chief and Councilman Ashbaugh testified that San Luis Obispo County is recognized as a “homeless magnet jurisdiction.” This is consistent with other mild climate communities (Santa Monica, Santa Barbara City, Berkeley, San Francisco, SLO City, Seattle, etc.) that deeply embrace the therapeutic approach. What could be better – drink; sleep out when you want; and get free food, medical care, shelter when the weather is bad, assistance in receiving SSI and General Relief payments, bus vouchers, free permanent housing, and access to social workers and other experts to help you “adjust” to being “receptive to receiving services.” Of course the example communities are renowned for their consistently left leaning long term governing elites, who eschew values of personal responsibility, deferred gratification, and the obligation to perform community service if one is receiving government benefits. Whatever happened to the county farm concept?

Background: During the meeting of August 13, 2013, the Board received a report (written and verbal) on various activities that the County undertakes to reduce homelessness. The report was disorganized, contained relative data, and generally lacked comprehensive coherence. The Board correctly balked and asked the staff for a more comprehensive report, including statistical backup. The Board especially wanted to

know what the actual progress was on the much-ballyhooed Ten-Year Plan to End Homelessness, adopted back in 2008. It also wanted a breakdown of how much is spent in total on homeless matters, how much goes to administration, and how much goes to direct services.

Item 31 - Discussion of Spent Fuel Storage at the Diablo Power Plant. The Board, on a unanimous vote, determined to send a letter to the Nuclear Regulatory Commission (NRC) urging it to speed up the process of establishing a Nuclear Waste Depository at Yucca Mountain, Nevada or other suitable site. The issue had been placed on the agenda in response to a request by a group called Mothers For Peace. A representative of the Pacific Gas and Electric Company presented a power point illustrating how the spent fuel rods are stored in containment basins and after a period of cooling transferred to dry casks (steel and concrete vessels) for permanent storage. The Mothers for Peace and other anti-nuclear energy groups are concerned that an earthquake, terrorist act, or accident could cause the containment pools and casks to rupture and spread radiation into the community.

Gibson Allows Mothers For Peace To Make Sequential Public Comment - In Effect a Presentation: Supposedly the Chairman calls public comment speakers in the order in which he receives the speaker slips. Of course it is unknown how any particular Chairman may actually sort the slips once in their hands on the dais. Since public comment is normally for 3 minutes, groups may try to submit slips as a package and in order so that each subsequent speaker continues after his or her predecessor, and the group in effect makes a presentation. This usually cannot work because the slips get interspersed, shuffled by the Clerk, or otherwise end up out of order. Some public bodies forbid this and even take slips alternating pro and con on an issue of major public controversy.

Somehow Gibson allowed the Mothers For Peace to go in their planned order and, in effect, make a presentation.

Hmm...

Meanwhile Back at the Reactor: Again, the real public policy questions which need to be answered so that voters can assess the competence of the Board on this issue are:

- a. Where does the Board stand and where does each member of the Board stand on supporting relicensing and continued operation of the plant?
- b. Where does the Board stand and where does each member stand on having the President withdraw his executive order prohibiting the establishment of the National Nuclear Waste Depository?

Item 33 - Annual Renewal of the In-lieu Housing “Fee.” The Board on a 4/1 vote determined not to raise the “fee” for FY 2014-15. In the end it appeared that only Supervisor Gibson had any real will to raise this tax posing as a fee. COLAB pointed out that:

- The so-called fee is really an illegal tax that the voters have never approved in accordance with the State Constitution.
- It is a wealth transfer mechanism that discriminates against a small group (home builders and commercial property developers) and ultimately charges buyers of market rate homes for the program as the costs are passed through.
- This program is simply an admission of the failure of land use policies of the State and the County and constitutes a wealth transfer. It is an illegal tax, and the Board should end the program.
- The program does not work and has not produced any significant affordable housing subsidies.
- If the Board really believes that the people in the unincorporated county want such a tax, why don't they put it on the ballot and make it fair by charging every one?

Double Standard From Chairman Gibson: During public comment one speaker from the Home Builders Association listed a number of positive ways that the County could reform its scheme of land use and permitting processes to encourage the production of affordable housing. Gibson as Chairman ruled that such ideas could not be considered at this meeting but would have to be brought back as a new agenda item on a separate meeting because they were too broad for the listed agenda item. However, in July he ruled from the chair (violating the Brown Act) that when citizens initially appeared on the Paso Water Basin (not even on the agenda) that the Board could give all sorts of protracted and detailed direction with deadlines on the water issue. In this case, two Supervisors (Ray and Meacham) are to form an ad hoc committee to research the issue.

Background: 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 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 to bail out the politicians' failed public policy.

<p>No Board of Supervisors Meeting on Tuesday, November 12, 2013 (Not Scheduled)</p>

The Board will not meet this week because Tuesday follows the Veteran's Day Holiday. The Board does not usually meet on a Tuesday following a Monday holiday.

Air Pollution Control District (APCD) Wednesday, November 13, 2013 County Building (Scheduled). 9:AM

Item A-6: City Climate Action Plans. This is the report on the status of the APCD's assistance to 6 of the 7 cities in the County with respect to the development of their greenhouse gas assessments and Climate Action Plans (CAPs). Note that the City of San Luis Obispo has developed its own Climate Action Plan and is therefore not part of this program. The dreary litany is the same. Each City is slated to adopt a CAP no later than January 31, 2014, with the goal of reducing their CO₂ E emissions to 15% below their estimated 1990 levels by the year 2020. APCD has provided the cities with a "tool kit" containing a variety of regulatory measures to which the cities can compel new development to conform. Reducing living choices and imposing stack and pack housing standards are among the key tools. The report states:

Next, a GHG Reduction Measure Toolbox (toolbox) was developed which included a wide variety of possible reduction measures. The toolbox was developed to assist cities with evaluation and selection of GHG reduction measures. The toolbox contains approximately forty measures considered most applicable to the cities, and that can be quantified using current industry established methods. These measures are organized into the following focus areas: energy, transportation and land use, off-road, water, solid waste, and tree planting. The County's EnergyWise Plan and the City of San Luis Obispo's Climate Action Plan were used to assist in identification of potential measures. The reduction measures were presented as a toolbox for local consideration by the cities, elected officials and the general public. As indicated in the outreach section below several workshops and forums were utilized to solicit input from the public throughout the measure selection process.

Air Pollution Control Officer's (APCO) Report: The agenda indicates that the APCO will present an updated status on the efforts of the APCD to regulate the dust and activities in the State Vehicle Riding Area (Oceano Dunes and State Park). There is no write-up in the Agenda package.

Item B-1: Changes to the APCD Board's Rules of Procedure. In a quick cart-before-the-horse sleight of hand, the new APCD Board Majority is attempting to change the rules by which the Board reviews the performance of the Air Pollution Control Officer. During its September meeting, the Board changed the performance evaluation procedure without consulting the Bylaws. Now and retroactively, they are changing the Bylaws to conform to the evaluation procedure which they adopted at that meeting. More power to the Presidium- er... Executive Committee.

Board Executive Committee. A standing Executive Committee shall be established for the purpose of reviewing the proposed agenda for the next regular Board meeting, ~~preparing~~ reviewing recommended regularly scheduled performance evaluations for the Air Pollution Control Officer and making recommendations on any revisions proposed for the APCO employment contract, and such other ad hoc matters as the Board may from time to time designate. The performance evaluation process for the Air Pollution Control Officer was established by the Board in a regular meeting and may be modified from time to time in a duly noticed public hearing by the Board at its administrative discretion. The Executive Committee shall be comprised of the Chair, Vice Chair and Immediate Past Chair, and shall meet in the period between the Board's regular meetings on a set schedule established annually by the Committee. Such meetings are subject to all requirements of the Ralph M. Brown Act and shall include published agendas, official minutes and public comment. The

Closed Session: The full Board will receive a recommendation from the Executive Committee on the performance evaluation of the APCO. The discussion and action may also consider retention or dismissal of the APCO, the length of an employment contract, and pay and benefits. Some Board members strongly support the APCO. Others are concerned that he is too strongly committed to reducing or eliminating riding in the dunes and is also too strongly supportive of doctrines of regulation attendant to climate change and so called "smart growth."

Santa Barbara County Board of Supervisor's Meeting of Tuesday, November 12, 2013, 1:30 PM, County Center, Lakeside Parkway, Santa Maria - just off Betteravia Ave.

Item D-7: Consideration of the Appeal by the Environmental Defense Center, Sierra Club, Get Oil Out, Santa Barbara County Action Network, And Santa Ynez Valley Alliance of the Approval by the Planning Commission of the Application of Santa Maria Energy to Drill New Oil Wells in an Existing Oil Field.

THIS AFFECTS JOBS AND ECONOMICS IN SLO COUNTY!

Background: The Environmental Defense Center, et al, has appealed the project approval by the Planning Commission on the grounds that the steam generation process used for the project should be required to generate zero greenhouse gases (CO₂ E). As an alternative EDC would force Santa Maria Energy to purchase carbon credits for any gases in excess of zero emissions.

The Appeal: On its face the appeal is simple but onerous:

(1) revise the EIR, and set the threshold of significance for GHG

emissions at zero or 10,000 MTCO₂e/yr (metric tons of carbon dioxide equivalents per year); (2) revise the Project's mitigation measures accordingly; and (3) revise Condition 10 of the Conditions of Approval to require maximum feasible mitigation of the Project's GHG emissions.

Some Observations:

- The appeal raises a complex set of questions about the interpretation of State and local laws. Thus the Board's decision (denial or approval of the appeal) must focus on the technical/legal aspects raised by the appeal. Much of the discussion has been about jobs, the economy, and the need for industrial resources. While these are extremely valid concerns, the actual legal policy arena is much narrower. Since the EDC is likely to sue the County if it denies the appeal (note the appeal is full of legal citations), the Board should be briefed in closed session by County Counsel on the scope of its findings and determinations.
- A key issue is that neither Santa Barbara County nor its Air Pollution Control District has adopted actual numeric greenhouse gas thresholds. The Bay Area Air Quality Management District (BAAQMD), as a result of a study, settled on 10,000 MTCO₂E per year as the threshold. The problem is that the study is a syllogistic rationale and is being challenged.
- The EDC appeal is attempting to trick the Board of Supervisors into forcing Santa Maria Energy to comply with an ex post facto standard.
- The EDC suggests that if the Board does not compel Santa Maria Energy to agree to a zero standard, it should be required to adopt 10,000 MT per year standard. A corollary problem is the Board has never been walked through the BAAQMD "logic model" by which the 10,000 MT standard was derived. Why would a standard adopted for a vast world urban center 12-County metro area that generates over one-third of all of California's CO₂E be appropriate on the rural, lightly populated, and agricultural central coast?
- In suggesting the zero standard tied to Cap-and-Trade, the EDC is being dishonest. EDC states that the cost of the credits would be \$1.17 per barrel, or about \$900,000 per year. The problem is that the price of credits is going to rise rapidly over the coming years because the State intends to cut the amount of credits back each year in order to raise the cost as an incentive to shut down CO₂E producing activities. The County, in its staff report and in recommending denial of the appeal, quotes a Court of Appeals decision upholding the California Air Resources Board Cap-and-Trade program.
- CARB's rationale for adopting Cap-and-Trade was prominently noted by the Court of Appeals' opinion upholding the CARB Scoping Plan as follows:

"The final scoping plan explains the Board's rationale for recommending a cap-and-trade program in combination with the so-called 'complementary measures' by citing the rationale outlined by the market advisory committee and quoting from the report of

the economic and technology advancement advisory committee, in part, as follows: ‘A declining cap can send the right price signals to shape the behavior of consumers when purchasing products and services. It would also shape business decisions on what products to manufacture and how to manufacture them. Establishing a price for carbon and other GHG emissions can efficiently tilt decision-making toward cleaner alternatives. This cap and trade approach (complemented by technology-forcing performance standards) avoids the danger of having government or other centralized decision-makers choose specific technologies, thereby limiting the flexibility to allow other options to emerge on a level playing field. [¶] ... Complementary policies will be needed to spur innovation, overcome traditional market barriers ... and address distributional impacts from possible higher prices for goods and services in a carbon constrained world.’ ”

- In other words (and in a stunning rejection of economic freedom) the Court said it was OK for the State to force consumers to purchase some products and not others and to force businesses to produce some products and not others when judged against the State’s policy of reducing CO₂E to attempt to forestall climate change. The Court faintly recognized the attendant problems of market interference and resulting economic and social dislocation by stating:
- “... Complementary policies will be needed to spur innovation, overcome traditional market barriers ... and address distributional impacts from possible higher prices for goods and services in a carbon constrained world.”
- The Board needs to consider its staff report carefully in this regard. The essence of the question from a public policy standpoint is: Does the Santa Barbara County Board of Supervisors and does each Supervisor individually believe that such a level of government intrusion and force into economic life is appropriate in this County? Setting aside Santa Maria Energy and the appellants, what are the consequences of such policy for private property, individual rights, democracy, and freedom – even if they believe in an impending apocalyptic global warming disaster.
- In other words, does the end of preventing a speculative climatic disaster justify the means proposed by the appellants for this project?
- The County staff report recognizes that imposition of a standard in excess of the State standard would constitute double jeopardy for Santa Maria Energy.
- The EDC asserts that the business as usual (BAU) standard recommended by staff is based on the unsubstantiated assumption that new development that is 29 percent below [BAU] is consistent with California’s near-term emissions reduction objectives, and therefore would not result in a cumulatively considerable environmental impact on global warming. Why then is the BAAMQD standard valid?

Some further observations:

- The opponents of the project clearly want to stop the project altogether.
- The opponents want to put the oil and gas industry out of business.
- Some of the opponents and their allies wish to destroy the economy and create a disaster which beckons an authoritarian socialist society.

- And, oh yes, the project has many economic, job inducing, and social benefits.

The Board should deny the appeal. The Board should direct its staff to seek out and promote other energy projects.

Santa Maria Energy Production and Development Plans

This proposed plan would provide for: a) a total of 136 production oil wells (26 of which have already been drilled as part of a temporary commercial pilot project); b) one 26.5 million BTU/hour gas-powered steam generator (also installed as part of the pilot project) and two new 85 million BTU/hour gas-powered steam generators that would be operated at a maximum heat output of 151.5 MMBtu/hr; c) associated production equipment including pipelines, oil treatment facilities and ancillary equipment; and d) the installation of crude oil transmission pipeline (6 inch diameter, approximately 3 miles in length) and pipelines for gas transmission, recycled water, and fiber optics within existing road rights of way. The proposed pipeline would connect the SME Careaga Lease facilities with the existing Phillips 66 12-inch oil line located along Graciosa Road and terminating at the Phillips 66 pump station on Battles Road Plant. Earthwork required to implement the proposed project would consist of approximately 90,000 cubic yards of cut and 90,000 cubic yards of fill.

**IMPORTANT WATER BOARD HEARING ON
DECEMBER 5TH AND 6TH IN SLO
(BUT YOU MUST FILE IN WRITING BY NOV 22, 2013 OR
YOU CAN'T SPEAK)**

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