COLAB San Luis Obispo County
The Coalition of Labor Agriculture and Business

WEEKLY UPDATE
DECEMBER 15 - 21, 2024

THIS WEEK
SEE PAGE 5

PUBLIC FACILITIES DEVELOPMENT FEES UP

WINDFALL FEDERAL GRANT $10 MILLION
FOR PEOPLE WHO LOST HOUSING IN THE 2023 STORMS
***DID ANYONE IN SLO COUNTY ACTUALLY LOSE A HOME*?**

HOMELESS SERVICES FUNDING UPDATE
BUT HOW ARE THEY DOING ON THE FIVE YEAR PLAN TO REDUCE HOMELESSNESS BY 50% BY 2028?

LOS OSOS HABITAT CONSERVATION PLAN
A HUGE COSTLY BRIBE TO THE COASTAL COMMISSION
THIS ONE IS BACK FROM LAST WEEK

LAST WEEK
SEE PAGE 13

PENSION TRUST MEETING
EVERYONE IS BENEFITING FROM RECORD STOCK MARKET

BOARD OF SUPERVISORS MEETING
FIRST QUARTER FINANCIAL STATUS REPORT

LIABILITY COSTS UP - LOST TOO MANY LAWSUITS?

COUNTY MAXIMUM GROWTH RATE AND ALLOCATION FOR NEW DWELLING UNITS FOR CALENDAR YEAR 2025
A POINTLESS EXERCISE - HARDLY ANY PERMITTED

CENTRAL CALIFORNIA RURAL REGIONAL ENERGY NETWORK (CCR-REN)
HUGE SCAM TO TAX THE ELECTRIC RATE PAYERS AND THEN USE THE MONEY TO FEATHER THE NESTS OF LARGE CONSULTING FIRMS - A PATRONAGE FEAST
CONTINUED TO NEXT WEEK

PLANNING AND BUILDING ACTIVITIES PROVIDED DIRECTION ON PRIORITY PROJECTS
ENDLESS WORK FOR STAFF & CONSULTANTS

LOS OSOS HABITAT CONSERVATION PLAN
A HUGE COSTLY BRIBE TO THE COASTAL COMMISSION

REQUEST TO DECLARE THE RESULTS OF THE NOVEMBER 5, 2024, CONSOLIDATED GENERAL ELECTION
CLERK RECORDER & BOARD MAJORITY LAUD PERFORMANCE

CENTRAL COAST COMMUNITY ENERGY AUTHORITY

PROFIT MARGIN TIGHTER - RATE INCREASES IN SPRING?

SUPERVISOR ORTIZ-LEGG NOMINATED FOR VICE-CHAIR

CALIFORNIA COASTAL COMMISSION
MULTIPLE LAWSUITS REFLECT CONTINUING ABUSES

APPROVED NEW SALES TAX SCHEME
WILL SEEK ENABLING LEGISLATION TO REMOVE CAP
VERY DISAPPOINTING - THEY EQUATE MORE TAXES WITH "QUALITY OF LIFE"

PLANNING COMMISSION

COUNTY EDUCATION OFFICE SEEKS TO GET INTO HOUSING BUSINESS FOR TEACHERS
A DANGEROUS PRECEDENT - WHAT ABOUT OTHER GOVERNMENT EMPLOYEES?

EMERGENT ISSUES

SEE PAGE 30

PAYROLL TAX DEDUCTIONS GOING UP TO PROVIDE MORE MONEY TO THE STATE'S DISABILITY INSURANCE PROGRAM

COLAB IN DEPTH

SEE PAGE 32

RESCUING CALIFORNIA REQUIRES CHALLENGING CRONY ENVIRONMENTALISM

California's high cost of living is driven by Democratic policies that prioritize environmentalism and government expansion, harming businesses and households while failing to address affordability

BY EDWARD RING

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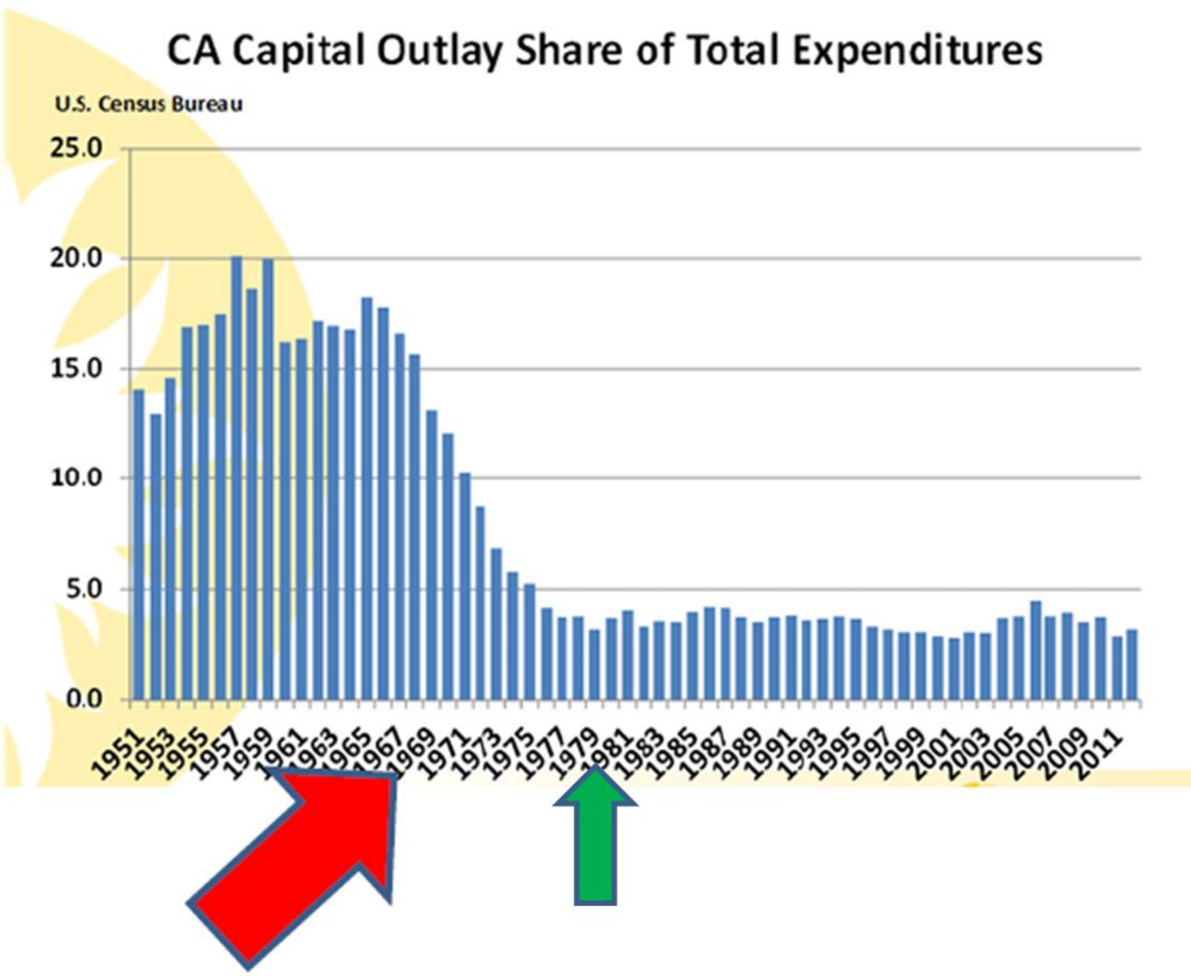
THIS WEEK’S HIGHLIGHTS

Board of Supervisors Meeting of Tuesday, December 17, 2024 (Scheduled) – Last Scheduled Supervisor's Meeting in 2024

Item 8 - Request to receive and file the Annual Report for the Public Facilities Fees Program for FY 2023-24, and provide any direction as deemed necessary. The report is required annually. It covers the use of fees assessed for new development that are used to help offset the cost of new infrastructure for parks, libraries, and other facilities, as listed in the table below. Again, like so many of the fees, the theory is to tax new development was promulgated in the 1970's by academics and government professionals as government costs began to accelerate faster than local economic growth. The cost acceleration coincided with the legalization of state and local employee unions that resulted in a shift in government spending patterns. Sometimes Proposition 13 is blamed for the phenomenon, but as can be seen in the chart, it came well after the shift. The red arrow points to when collective bargaining for government employees in California was legalized. The green arrow points to when Proposition 13 became operational.



The next table below summarizes the status of the funding.

ANNUAL REPORT FOR FY 2023-24

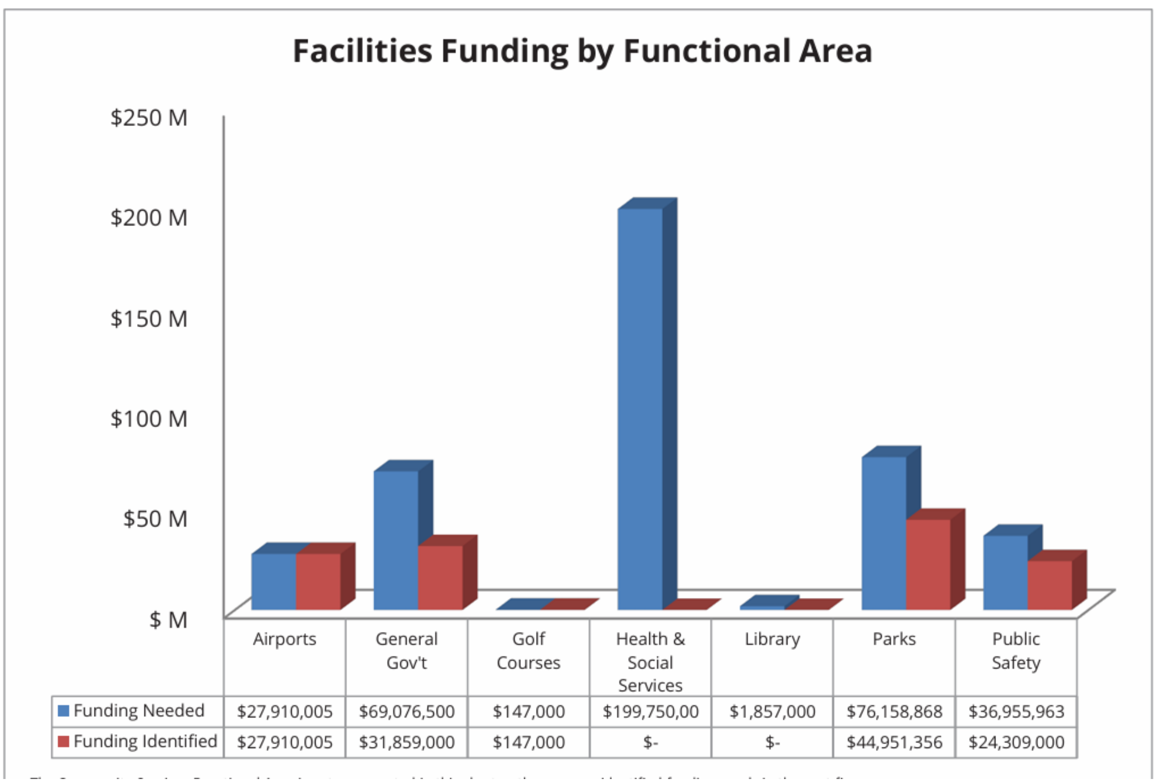
PUBLIC FACILITY FEES

For Fiscal Year Ended June 30, 2024

FACILITY FEE TYPE	BEGINNING BALANCE AS OF 7/1/2023	AMOUNT RECEIVED	INTEREST EARNED	EXPENDED	ENDING BALANCE AS OF 6/30/2024
FIRE FACILITIES	9,192,498	397,263	264,399	4,343,659	5,510,501
GENERAL GOVERNMENT	269,679	249,529	3,844	400,000	123,052
LAW ENFORCEMENT	2,004,369	169,908	50,188	1,773,811	450,654
PARKS	1,394,533	406,491	42,984	409,574	1,434,434
LIBRARY FACILITIES	1,377,174	133,614	43,328	32,612	1,521,504
AFFORDABLE HOUSING	-	-	-	-	-
CAYUCOS FIRE	-	-	-	-	-
SAN MIGUEL FIRE	-	13,842	-	13,842	-
SANTA MARGARITA FIRE DISTRICT	-	-	-	-	-
OCEANO FIRE DISTRICT	-	37,829	-	37,829	-
TOTAL	14,238,253	1,408,476	404,743	7,011,327	9,040,145

Note that because there is so little development in the unincorporated county, the amount received (highlighted in yellow) is not very much when compared to the needs.

Chart 3



A significant funding gap in some of the categories for facilities funding is apparent.

The fees levied are outlined in the table below:

Attachment 2, Current Fees

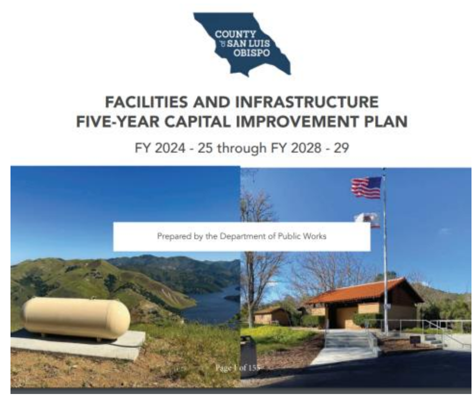
2023 PUBLIC FACILITIES FEES							
CURRENT	**RESIDENTIAL (per unit)**				**NON-RESIDENTIAL (per 1000 Sq')**		
Fee Category	**Single Family**	**Single Family - ADU**	**Multi-Family**	**Multi-Family - ADU**	**Commercial**	**Office**	**Industrial**
Parks	$2,737	$1,212	$1,925	$852	$0	$0	$0
Sheriff	$807	$358	$561	$249	$284	$631	$203
General Gov't	$1,209	$536	$842	$373	$426	$945	$303
Fire	$2,359	$1,045	$1,640	$727	$832	$1,844	$594
Library	$811	$359	$581	$257	$82	$183	$59
Admin Fee 2.0%	$158	$70	$111	$49	$32	$72	$23
Total Fees	**$8,081**	**$3,580**	**$5,660**	**$2,507**	**$1,656**	**$3,675**	**$1,182**

2024 PUBLIC FACILITIES FEES							
ADJUSTED	**RESIDENTIAL (per unit)**				**NON-RESIDENTIAL (per 1000 Sq')**		
Fee Category	**Single Family**		**Multi-Family**		**Commercial**	**Office**	**Industrial**
Parks	$2,778	$1,230	$1,954	$865	$0	$0	$0
Sheriff	$826	$366	$574	$255	$291	$646	$208
General Gov't	$1,238	$549	$862	$382	$436	$967	$310
Fire	$2,415	$1,070	$1,679	$744	$852	$1,888	$608
Library	$830	$368	$595	$263	$84	$187	$60
Admin Fee 2.0%	$162	$72	$113	$50	$33	$74	$24
Total Fees	**$8,249**	**$3,655**	**$5,777**	**$2,559**	**$1,696**	**$3,762**	**$1,210**

Note that this report does not include roads, government utilities, flood works, bridges, transit facilities, public housing, refuse disposal or climate action/CO_2 reduction that are all funded under separate fee and tax programs.

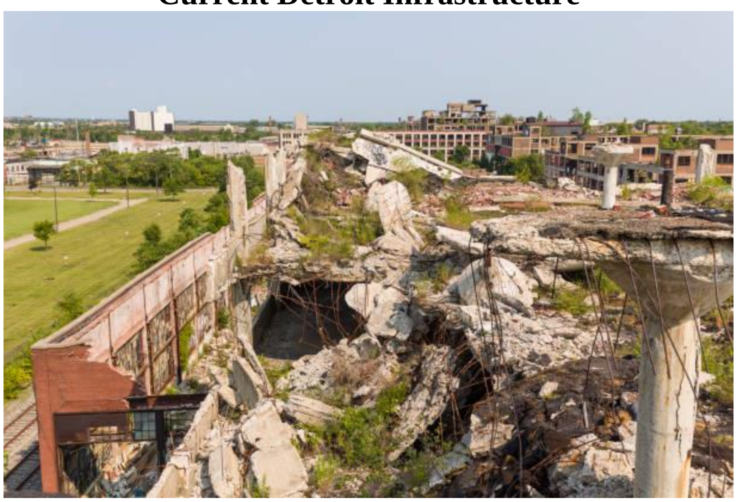
One of the attachments to this item is County's FY 2024-25 – FY2028-29 Capital Improvement Plan (CIP). The Department of Public Works has improved this document in recent years.

https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/166357 Control Click. Be patient. It's a big file and will take some time to open.



Ancient Roman Infrastructure

Current Detroit Infrastructure



Item 26 - Request to 1) approve a resolution authorizing the acceptance of the Community Development Block Grant – Disaster Recovery (CDBG-DR) funds from the California Department of Housing and Community Development (HCD) for a total amount not to exceed $10,938,837; 2) delegate authority to the Director of Social Services or designee to execute any agreements, amendments, or related documents for this allocation that do not increase the level of General Fund support required by Social Services; and 3) authorize a corresponding budget adjustment in the amount of $10,938,837 to increase appropriation within Fund Center (FC) 290 – DSS Homeless & Affordable Housing, by 4/5 vote. The County is receiving a windfall $10.9 million. The write up is a little vague with respect to actual uses but does state in part:

The primary objective of the MHRE Program is the provision of decent, safe, and sanitary housing in the areas impacted by the DR-4683 disaster. Additionally, the Program is designed to ensure that the housing needs of very low, low-, and moderate-income households and vulnerable populations, including individuals who were made homeless as a result of the disaster, are addressed to the greatest extent feasible. Furthermore, the Program will not only address disaster-related damages but also will mitigate potential future damage.

Was anyone in SLO County made homeless by the 2023 rains? In any case, this allocation is a small part of the $6 trillion dollars allocated by the Federal Government in 2021-23. This is entirely new debt and has been the principal driver of inflation. You are paying for it all with your higher grocery bill, higher energy bills, higher housing costs, and stuff like $50,000 Chevrolets. Essentially your money is worth way less than it was even 5 years ago.

Meanwhile the Board of Supervisors can dole it out to non-for-profits and contractors and take credit for the patronage.

Item 31 - It is recommended that the Board receive and file a report on homeless services funding and provide direction as necessary. The report contains many numbers covering a variety of subjects, including housing units provided, housing units pending, various social service and medical service clients treated, funds, etc. The problem is that it doesn't tie back to the County's adopted Five Year Plan to cut homelessness by 50% by 2028. At that time the County reported that it had about 1450 homeless people at any given time. The Plan contained specific tasks and metrics for each year from 2023 to 2028 to meet the targets. Since then Social Services has modified the Plan, and it is difficult to determine the outcomes so far.

The author of the Plan, Joe Dvonik, was actually a serious project manager who developed a credible Plan. The Board and the then CAO determined to demote the project from the executive office to the Department of Social Series. We forecast at that time that the action would dilute the effort. Meanwhile, Dvonik resigned and was hired by Santa Barbara County.

The Board should send this report back and get a true picture of where we are in terms of the original 1450, (some were sheltered, some were not) and exactly where we are now. The staff understands that the equation is $x = 1450 \sum$ (a sheltered) + (b unsheltered) + (new homeless).

In other words, how are we doing per the adopted plan?

The write up indicates that the County is spending about $26 million per year on the problem.

Table 1. Summary of Total FY 2024-25 County Homelessness Funding

Source	Amount
Annual funding restricted to specific subpopulations (CalWORKs, Bridge, MHSA)	$7,587,529
Annual funding available for wider population of those experiencing or at risk of homelessness and for low-income households (ESG, CoC, CDBG, HOME, PLHA)	$4,932,149
One-time funds (HHAP, SB1090, Opioid Settlement)	$8,307,419
General Funds	$4,926,239
Total	$25,753,336

At 1450 homeless cases, this would be about $18,000 per year per individual or family.

Much of the report indicates that much more funding will be needed.

Table 7 Projected investment needed in affordable housing

Item	Cost	Result
Annual investment through 2028	$5,000,000-$6,000,000	1,819 affordable housing units added if all projects currently planned are awarded tax credit funding
Total	$20,000,000-$24,000,000	

Table 10 Summary of projected annual costs for maintaining system capacity and meeting Five-Year Plan goals

Item	Estimated annual cost
Projected cost to maintain current operational capacity + in process expansions	$15,195,931- $16,029,175
Projected cost to increase operational capacity to meet goals of five-year plan	$5,356,824 - $8,513,390
Annual investment into affordable housing builds	$5M-$6M
General Fund Administrative costs	$ 3,292,338
Total	$28,845,093- $33,834,9031

Table 12 Projected gap at full operational capacity as envisioned in County's Five-Year plan

Item	Projected cost at full operational capacity	Annual funding at current level (state, federal and general fund)	Gap
Operational Support for homeless services	$20,552,755-$24,542,565	$3,263,544	$17,289,211 - $21,279,021
Affordable Housing Infrastructure	$5,000,000-$6,000,000	$2,974,987	$2,025,013 - $3,025,013
Administrative Costs	$3,292,338	$3,292,338	0
Total	$28,845,093 - $33,834,903	$9,530,869	$19,314,224 - $24,304,034

These tables are very confusing as the mix capital costs with operating costs. Staff should inform the Board as to what are the chances of filling a $25 million gap over the next 3 years (the remaining time for the 5 year plan). Given the County's projected FY 2025-26 revenue expenditure gap of $18 million, what are the prospects here?

Item 35 - 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.

Item 36 - Added item #36 - Request to: 1) approve a Funding Agreement with Southern California Edison (SCE) in the amount of $36,339,000 from 2024-2027 to fund the Central California Rural Regional Energy Network (CCR-REN) and authorize the Director of Planning and Building or designee to execute the Funding Agreement as well as any future agreements and amendments that do not result in unbudgeted costs to the General Fund of the County of San Luis Obispo; 2) approve a Resolution amending the Position Allocation List (PAL) for Fund Center (FC) 142- Planning and Building to add 1.00 FTE Limited-Term (LT) Administrative Services Manager through December 31, 2027; 3) approve contracts for professional services with Willdan Energy Solutions for $320,000; Brandt Energy Opportunity for $205,000; Willdan Energy Solutions for $5,700,000 and Rising Sun Center for Opportunity for $13,700,000 over the specified terms for the detailed program services, respectively, and; authorize the Director of Planning and Building or designee to approve any amendments to these contracts provided the costs for such amendments do not increase the level of General Fund Support; and 4) approve a related budget adjustment in the amount of $36,339,000 for FC 142 – Planning and Building to provide necessary authority to support the CCR-REN Programs and the County's role as the Portfolio Administrator, by 4/5 vote. This item will be heard following item #30, Public Comment Period. (Planning and Building). The Item was carried over from last week, as the write-up really didn't explain the purpose and services of the program. See **Item 15** below on page 16 for the background.

The additional information provided this week comes in the form of a PowerPoint. The phrasing is all about "collaboration, equity, and pragmatic responses to community needs."

During your Board's consideration of ***Item 15*** *relating to CCR-REN on December 10, 2024, Board members requested that the item be brought back at this meeting with a brief presentation to clarify program structure and offerings. Attachment 1 of this item provides a summary presentation of the proposed CCR-REN.*

Another slide suggests that the program provide assistance to isolated communities and tradesmen but never explains what the services are:

- **Commercial** – A direct install program for energy efficiency measures for small to medium and hard to reach customers
- **Workforces, Education and Training (WE&T)/Residential** – A training and job creation program for hard-to-reach and underprivileged youth, as well as energy efficiency home visits and kits for residential customers
- **Codes and Standards (C&S)**– A program dedicated to offering compliance and comprehension support for public and private sector building professionals
- **Public** – A program to provide energy efficiency project support for jurisdictions
- **Finance** – A concierge service to support customers with guidance on existing financial offerings for energy efficiency projects

It is all still pretty vague for a $36 million rake off of your utility payments.

LAST WEEK'S HIGHLIGHTS

San Luis Obispo County Pension Trust Meeting of Monday, December 9, 2024 (Scheduled)

The Fund should end the year above its 6.75% assumption rate, benefiting from strong stock market gains. This will help to reduce recommended increases in the contribution rates to the County and employees. November (not yet reported) was a great month for the stock market. The DOW hit 45,000 on several days for the first time in history.

Agenda Item 16: Monthly Investment Report for October 2024

	1-month	YTD	2023	2022	2021	2020	2019
Total Fund (%) *(Gross)*	(0.90)	6.8	8.9	(8.0)	15.2	8.9	16.3
Policy Index (%)	(1.40)	7.9	10.2	(9.7)	12.8	10	16.4

	YTD	2023	2022	2021	2020	2019
Market Value *(millions)*	$1,788	$1,694	$1,614	$1,775	$1,552	$1,446

Policy index as of Nov. 2021 Strategic Asset Allocation Policy with 2024 Interim targets:

Public Mkt Equity-	20% Russell 3000, 17% MSCI ACWI ex-US
Public Mkt Debt-	4% Bloomberg/Barclays US Aggregate,
Risk Diversifying	8% Barclays 7-10yr Treasury, 7% Barclays 5-10yr US TIPS
Real Estate Infrastructure-	14% NCREIF Index (inc. Infrastructure)
Private Equity-	12% actual private equity returns
Private Credit-	10% actual private credit returns
Liquidity-	8% 90-day T-Bills

Pending annual updates to interim targets.

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

Item 3 - Submittal of the FY 2024-25 First Quarter Financial Status Report and request to approve various financial actions as detailed in the recommended actions (one or more actions require a 4/5 vote). The Board received the report with little comment or question.

The County is on track to live within its FY 2024-25 adopted budget. The summary states:

Based on the evaluation of the financial information provided by departments for the first quarter, most departments report that they anticipate remaining within their budgeted General Fund level for the year. Notable issues as of the first quarter are included in Section 1 of the Report and include status reports on Sheriff-Coroner, Human Resources, and Human Resources – Liability.

Table 2 Summary of Notable Issues Included in the Attached Report Issue Status Updates		
Department	**Issue**	**Potential Impact to General Fund**
Public Protection		
136 – Sheriff-Coroner	Projected to exceed General Fund support level by $2.9 million at year-end primarily due to $3.6 million in unbudgeted salary and benefit expenses and a projected $442,371 revenue shortfall.	$2.9 million
Support to County Departments		
112 – Human Resources	Property insurance premiums $1.2 million higher than adopted budget	$183,843
409 – Human Resources – Liability	County Liability Insurance Program reserves significantly underfunded	None

The insufficiency in the Liability Fund Reserves is disturbing, in that it could signal increased lawsuit losses of various types.

At the end of the first quarter, the department is not projecting the need for additional mid-year charges or General Fund support by year-end for the Fund Center (FC) 409 – Human Resources – Liability Self-Insurance program. FC 409 – Liability is an internal service fund (ISF). Industry norms, including guidelines set by the County's excess insurance carrier PRISM, recommend the fund reserve level for excess insurance programs be maintained between 70% (minimum) and 90% (conservative) confidence levels so sufficient funds are available to pay projected claims. Setting and maintaining reserve levels is done in conjunction with annual actuarial studies.

They already had to provide a special $3.4 million appropriation at budget adoption time in June.

As part of the FY 2024-25 Final Budget actions, the Board allocated $3,012,371 of General Fund Balance Available to Governmental Funds budgets to provide one-time relief and to help offset the $3.5 million mid-year increase in charges. The program is now projected to end the year without an operating deficit. The Liability program continues to experience an increase in insurance premium costs related to market conditions nationwide and increased claim volume, leading to significant increases in administrative and litigation expenditures. It is estimated that approximately $3.5 million will need to be added to the FY 2025 26 Status Quo budget to address the new ongoing level of expenditures necessary to support the current level of program expenditures and to build the reserve balance to the minimum confidence level of 70%.

The Board should set a presentation on the liability fund, liability experience, and the causes. Similarly, it should receive a report on workers comp.

Item 14 - Request by the County of San Luis Obispo to (1) submit for annual review of the County growth rate for new dwelling units for FY 2023-24; (2) submit for annual review of the County growth rate for new dwelling units for FY 2024-25; and (3) submit a Resolution establishing the County maximum growth rate and allocation for new dwelling units for Calendar Year 2025, in accordance with the Growth Management Ordinance, Title 26 of the County Code. Exempt from the California Environmental Quality Act (CEQA). The fees were adopted 3/2, with Arnold and Peschong dissenting.

This is an annual ritual in which the Board sets the annual growth rate for residential units. This is an old planning concept that harks back to the 1970's, when academics and planners proclaimed that communities should not grow faster than their resources, such as water, sewer, traffic capacity, parks, schools, etc. Had this been law 30,000 years ago we would still be living in caves. Had it been law 10,000 years ago, we would still be living in thatch huts. And had it been law 100 years ago, we would still be living in tenements.

It is actually government's job to make sure these resources are available at a cost that is commensurate with the citizens' ability to pay. In California they have failed miserably since the 1980's.

After considerable mental mastication, they came up with the table below:

Type of Dwelling Unit	Maximum number of new dwelling units allowed for Calendar Year 2025
*Countywide Total**	*1,036*
Countywide, Single-Family	*674*
Countywide, Multi-Family	*363*
Nipomo Mesa Total	*133*
Nipomo Mesa, Single-Family	*87*
Nipomo Mesa, Multi-Family	*30*
*Cambria***	*8*
Los Osos Total	*25*
Los Osos (75% Set Aside), Single-Family	*12*
Los Osos (75% Set Aside), Multi-Family	*7*
*Los Osos (25% Set Aside), Single-Family ****	*4*
*Los Osos (25% Set Aside), Multi-Family ****	*2*
**Countywide total is for all of the unincorporated county, excluding Nipomo Mesa, Monarch Dunes, Cambria, and Los Osos.*	
***Grandfathered in New Units*	
**** Outside the Community SSA*	

Of course, they have never hit anything like this. The table below displays the current year score card. Note its 12 building permits so far in 2024.

Table 4: Status of Construction Permits with Calendar Year 2024 Allocations, as of November 5, 2024

Construction Permit Status	Number of new dwelling units subject to the GMO associated with construction permit applications submitted Calendar Year 2024, as of November 5, 2024		
	Countywide	Nipomo Mesa (excluding Monarch Dunes)	Monarch Dunes
Finaled	0	0	0
Issued	11	2	0
In Review	75	9	0
Intake	12	3	0
Ready for Issuance	2	0	0
Total	100	14	0

They have never even permitted anything like 1,036 per year.

New Dwelling Units [1] by Planning Area/Sub Area, 2005-2021

Planning Area/Sub Area	05-06	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21[2]
Adelaida	24	12	21	11	3	5	3	2	5	5	4	8	5	8	6	4
Carrizo [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
El Pomar-Estrella	90	53	33	14	9	11	10	20	38	16	28	19	22	26	15	12
Estero	19	15	13	6	10	8	3	6	13	8	7	18	6	10	7	7
Las Pilitas	0	6	5	2	5	1	3	1	2	1	0	1	1	1	0	2
Los Padres (North)	2	0	0	0	1	2	1	0	0	0	0	0	0	0	0	0
Nacimiento	43	32	18	11	7	9	10	33	50	21	20	25	27	18	14	9
North Coast	14	7	9	1	5	0	3	7	2	3	2	0	0	2	1	1
Salinas River	99	41	33	36	25	16	15	21	45	60	65	207	74	86	65	37
San Luis Bay Coastal	52	22	70	7	15	13	17	34	41	25	30	39	41	9	11	1
San Luis Obispo	11	9	11	2	4	4	5	6	9	2	4	10	5	8	12	10
Shandon-Carrizo (North)	28	28	11	5	2	4	6	2	4	0	4	4	3	6	5	12
South County[4]	71	34	77	19	17	40	35	114	157	116	113	161	131	118	102	116
South County Coastal [3]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Total	453	259	301	114	103	113	111	246	366	257	277	492	315	292	238	211

1. Only including units subject to the Growth Management Ordinance. For 20015-2016, based on number of construction permit applications received in fiscal year. For 2017-2021, based on number of construction permits issued in fiscal year.
2. As of April 26, 2021.
3. Carrizo and South County Coastal Planning Areas were added to this chart for FY 21-22 and were not tracked in previous years' annual allocation reports.
4. Huasna-Lopez Sub Area was removed from this chart for FY 21-22 because it is included in the South County Planning Area.

Who knows how many of these were actually constructed?

Item 15 - Request to: 1) approve a Funding Agreement with Southern California Edison (SCE) in the amount of $36,339,000 from 2024-2027 to fund the Central California Rural Regional Energy Network (CCR-REN) and authorize the Director of Planning and Building or designee to execute the Funding Agreement as well as any future agreements and amendments that do not result in unbudgeted costs to the General Fund of the County of San Luis Obispo; 2) approve a Resolution amending the Position Allocation List (PAL) for Fund Center (FC) 142- Planning and Building to add 1.00 FTE Limited-Term (LT) Administrative Services Manager through December 31, 2027; 3) approve contracts for professional services with Willdan Energy Solutions for $320,000; Brandt Energy Opportunity for $205,000; Willdan Energy Solutions for $5,700,000 and Rising Sun Center for Opportunity for $13,700,000 over the specified terms for the detailed program services, respectively, and; authorize the Director of Planning and Building or designee to approve any amendments to these contracts provided the costs for such amendments do not increase the level of General Fund Support; and 4) approve a related budget adjustment in the amount of $36,339,000 for FC 142 – Planning and Building to provide necessary authority to support the CCR-REN Programs and the County's role as the Portfolio Administrator, by 4/5 vote. There were many questions and objections. The Board continued the item to next week. See Item 36 above on page 11.

The program is a huge scam to tax the electric rate payers and then use the money to feather the nests of large consulting firms that in turn fund political campaigns. The write-up is incomprehensible and an insult. What does this program do? How long has it been running? What are the results? How much energy has been saved?

The write-up states in part:

A Regional Energy Network (REN) is a structure that allows local governments to organize, collaborate, and operate as an energy efficiency program administrator to deliver regional-scale energy efficiency solutions and program offerings that help customers access workforce education and training, energy codes and standards training, as well as energy assessments, rebates, incentives and financing options for energy efficient equipment. Comprised of local and regional government agencies, a REN is an alternative to Investor-Owned Utility (IOU) energy management programs. A REN receives ratepayer funding from the California Public Utilities Commission (CPUC) to design and implement regional energy efficiency programs. The CPUC's decisions to create and affirm RENs supports local jurisdictions' calls for increased flexibility, innovation, and autonomy in their ability to administer energy efficiency programs that reflect regional needs. RENs are intended to fill gaps where IOUs cannot or will not serve customers, and therefore, focus on serving hard to reach customers. This focus includes, but is not limited to, rural communities, customers with English as a second language, renters, multifamily properties, and low and middle-income communities.

So what has it delivered specifically?

There is not one specific example described in the board letter or the contracts to the consultants of what the actual products are for this program. This is outrageous, and the Board should reject it immediately. This is a racket.

Table 5. Approved Budget for CCRREN, by Source Fuel

Year	PG&E Electric $	SCE Electric $	PG&E Gas $	SoCalGas Gas $	Total $
2024	1,758,000	586,000	410,200	175,800	2,930,000
2025	6,552,931	2,184,310	1,529,017	655,293	10,921,551
2026	6,742,510	2,247,503	1,573,252	674,251	11,237,517
2027	6,749,959	2,249,986	1,574,990	674,996	11,249,932
Total	21,803,400	7,267,800	5,087,460	2,180,340	36,339,000

Community advocate Eric Greening has provided an excellent summary of more reasons to reject this item. (See Below)

A complex item that includes a funding agreement for more than $36 million dollars does not belong on the Consent Calendar, and needs to be taken off that calendar to be set for a full hearing on a subsequent date. It raises enough questions, and could occasion enough discussion, to potentially distend your morning session, to the disadvantage of the hearing items that follow.

A few of the questions it raises include:

1. Why is Southern California Edison a central agent in this decision by a body representing a county that is outside that utility's service area?

2. To what extent does a decision made at the same time as the unincorporated areas of the county enter into a CCE for energy sourcing align with, disregard, or conflict with the activities of that CCE, or confuse the decision to be made by the ratepayers as to whether to make this change or to opt out?

3. Exactly what practical differences would exist between a future in which you have taken the actions recommended by staff for this item, and a future in which you do not take those actions?

Item No. 15 | Meeting Date: 12.10.2024 | Page 1 of 2

4. What specific goals would be met by the recommended actions, and are there alternate ways of attaining those goals that might be considered before moving forward?

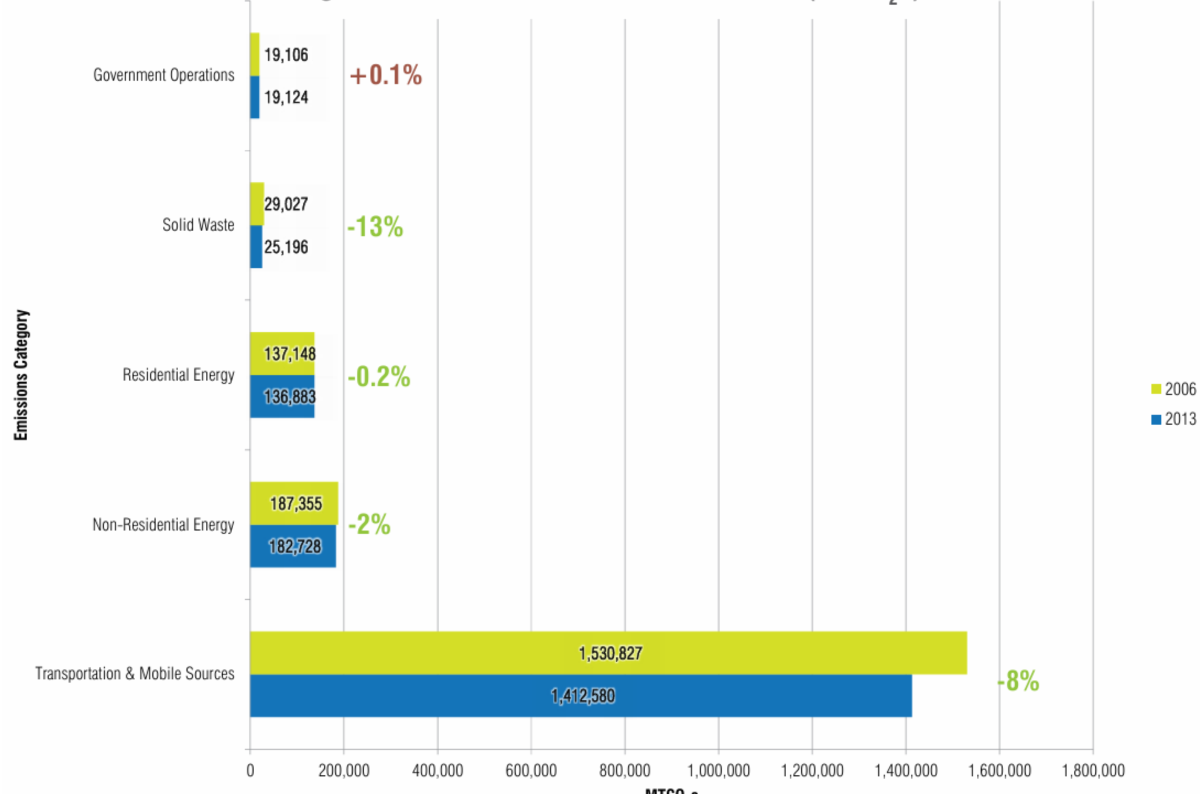
Again, this complex and consequential item needs a full hearing on a future date, with adequate time set aside for a full staff presentation shedding light on these questions and others, opportunity for your Board and the public to ask questions and receive meaningful responses, and the opportunity for full and informed deliberation by your Board.

Many thanks, Eric Greening

Item 30 - Addendum to item #30 - Request to (1) receives and files a report on Department of Planning and Building activities and provide direction on Priority Projects, as necessary; and (2) receive and file the Annual General Plan Progress Report for Fiscal Year (FY) 2023-24. (Planning and Building) Staff is replacing the Staff Report and Attachment #1 to provide updated information regarding the status of Department Initiatives. The Board mulled over various projects that it would like to add. In the end they received the report and told the staff to refine matters, consider the Boards requests, and come back in February.

Ominously, a delegation from Cal Poly showed up and requested that the Board update the Climate Action Plan from 2016. In an effort to camouflage the Plan back then, its name was changed to the “Energy Wise Plan.” The Board has never had a report on Plan performance in the ensuing 8 years. Luckily, the Board demurred, citing a lack of available funding and the impending FY 2025-26 Budget revenue/expenditure gap.

Figure 1: 2006 v. 2013 Overall Emissions ($MTCO_2e$)



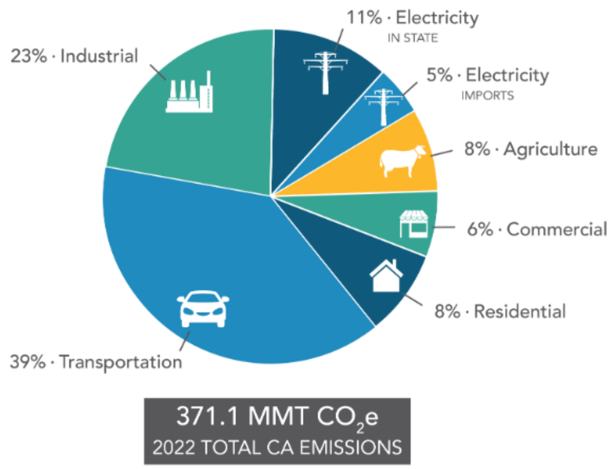
Have the goals forecast here been met?

The table below indicated that the County generated a total of 1.7 million metric tonnes of CO_2 in 2013. Even if all of it were eliminated, it would have no real impact. Reportedly, the amount of CO_2 generated by the entire State is 371.1 million metric tonnes per year. SLO County's contribution is less than 1%. Moreover, the State's regulations on eliminating fossil fuel vehicles will wipe out the most significant contribution. Why should the County become distracted by, let alone spend money on this issue?

Figure 3: 2006 v. 2013 Emissions produced per Capita ($MTCO_2e$)

	Community-wide		Government	
Year	2006	2013	2006	2013
Emissions	1,884,358	1,757,387	19,106	19,124
Population	115,018	119,272	2,567	2,417
Per Capita Emissions ($MTCO_2e$)	16.4	14.7	7.44	7.91
Percent Change	-10.1%		+6.3%	

2000-2022 GHG Inventory (2024 Edition)



Background: Each year the Board must assess which projects should be undertaken by the Planning and Building Department. These include Plan Updates, zoning ordinance modifications, implementation projects, and feasibility projects. Additionally, the Department has an ongoing workload of permitting, etc. This agenda item is the introduction of the issue for the 2025-26 Budget year. The Board will give direction and the Department will return in February with more detail.

There is constant State pressure to update various Plan elements, as well as applications from private citizens to modify the status of their property. The link below goes to a detailed report on the status of these.

https://agenda.slocounty.ca.gov/iip/sanluisobispo/file/getfile/166040

Item 31 - Request for consideration and action on items relating to Los Osos community development: 1. Authorize implementation of the Los Osos Habitat Conservation Plan (LOHCP), including: i. Direct the Department of Planning and Building (Planning and Building) to pursue accrual of mitigation credits for habitat conservation through fee title or easement acquisition and restoration projects; ii. Authorize a budget adjustment of up to $2,000,000 from General Fund Contingencies for an internal loan to 'jump start' LOHCP implementation activities, by 4/5th's vote; iii. Adopt a Resolution amending the Position Allocation List (PAL) for Fund Center (FC) 142 - Planning and Building to add 0.50 FTE Senior Planner to implement the LOHCP; iv. Enter into a Memorandum of Understanding (MOU) with The Land Conservancy of San Luis Obispo County (The Land Conservancy) for The Land Conservancy to serve as the LOHCP Implementing Entity and authorize the Director of Planning and Building to execute the necessary documents; v. Direct Planning and Building to prepare and circulate a Request for Proposals (RFP) for a qualified consultant to develop an Adaptive Management and Monitoring Plan for the LOHCP; vi. Direct Planning and Building to pursue establishment of an endowment fund with the National Fish and Wildlife Foundation (NFWF) for post-permit habitat conservation administration, management, and monitoring; and vii. Introduce an

Ordinance to establish LOHCP mitigation fees, with hearing date set for February 4, 2025; 2. Receive and file a discussion on the Growth Management Ordinance, Title 26 of the County Code, (GMO) as it relates to the conversion of existing second floor commercial area to residential use in Los Osos, and provide direction as appropriate; and 3. Receive and file a discussion on the GMO, as it relates to the approximately 75-day period to submit complete construction permit applications for properties on the Los Osos Waitlist to Build 'batches' and provide direction as appropriate. (Planning and Building). While COLAB disagrees with the State and Federal laws that begat this hugely expensive and complex regulatory scheme, we underscore that the Planning Department staff has persevered over more than a decade in pursuing the matter. The write-up is another great staff job in presenting the history, complexity, and recommended policy actions.

In the end, the County built a $200 million sewer treatment plant ($300 million with debt service). Additionally, it has spent millions and must spend millions more to operate a State mandated Habitat Conservation Plan. In the end, a few vacant lots in Los Osos may be permitted for new homes.

Summary of Los Osos Habitat Conservation Plan Mitigation Costs and Fees [1, 2]

Category	Acres [2]	Planning Level Mitigation Total Costs ($)	Percentage of Total Mitigation Costs
Mitigation Cost			
Administration (permit term)	532	16,683,835	38%
Administration (post-permit)	532	4,060,452	9%
Management and Monitoring (permit term)	386	5,892,370	14%
Management and Monitoring (post-permit)	386	6,899,673	16%
Preserve Start-Up	279	1,944,715	4%
Restoration	46	3,020,422	7%
Acquisition of Fee Title	77	4,934,145	11%
Total Cost		**43,435,612**	**100%**
Mitigation Fee Summary per Acre			
Restoration /Management/Administration Fee	532	72,435	
Habitat Protection Fee	521	9,467	
Total		**81,901**	
Mitigation Fee Summary per Square Foot[3]			
Restoration /Management/Administration Fee	532	1.66	
Habitat Protection Fee	521	0.22	
Total		**1.88**	

[1] The costs in this table have been updated from the December 2020 version of the LOHCP (Table 7-8). These costs are as of July 2024.

[2] Values may not appear correctly calculated due to rounding error. Total Costs includes County-wide Overhead.

[3] Project fees will be charged by multiplying the area of ground-disturbing activities in square feet by the values listed here. In the text, fees are rounded to the nearest cent for ease of discussion. A 3.8% CPI Adjustment was applied to the fee amounts and updated as part of the fee hearing scheduled on October 29, 2024.

The PowerPoints below summarize some aspects of the difficult situation:

Board Action on October 29, 2024

Board took action to address decades of restricted community development in Los Osos by:

- Lifting the "building moratorium" in Los Osos by accepting the Coastal Commission's suggested modifications
- Implementing the Coastal Commission-suggested one percent maximum residential growth rate by amending the Growth Management Ordinance to establish a conservative growth strategy

Board directed the Department of Planning and Building to return with the following:

- An implementation package for the Los Osos Habitat Conservation Plan
- Discussion on the Growth Management Ordinance, as it relates to:
  - The conversion of existing second floor commercial area to residential use in Los Osos
  - The approximately 75-day period to submit complete construction permit applications for properties on the Los Osos Waitlist to Build 'batches'

'Stay-ahead' Provision

- LOHCP requires the County to accrue sufficient mitigation credits before conferring take coverage to project proponents
- This provision ensures that potential impacts resulting from new development will not outweigh the habitat benefits resulting from LOHCP implementation
- Department of Planning and Building to pursue activities identified in the LOHCP to accrue mitigation credits
- County could then confer take coverage in the form of Certificates of Inclusion to project proponents

'Stay-ahead' Provision

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Land Acquisition vs. Habitat Restoration

Land Acquisition	Habitat Restoration
Accrue mitigation credit immediately	Accrue mitigation credit over time
Dependent on willing sellers (private landowners)	**Not dependent on private landowners**
Not guaranteed acceptable sales prices	**Guaranteed viable habitat restoration opportunities**
Not dependent on success of field work	Dependent of success of field work
High upfront cost	High costs if habitat restoration unsuccessful

Phase I implementation package

Funding and Staffing

- Internal Loan Amount – Up to $2,000,000
- Loan Source – General Fund Contingencies
- Loan Terms – Drawdown period of three years and payback period of three years
- Repayment Source – LOHCP mitigation fees paid by project proponents
- Position – Senior Planner (new 0.5 FTE)

Direction for Phase I

- Mitigation Credit Accrual Activity – Focus on fee title or easement acquisition for habitat conservation
- County Incidental Take Permit Condition Compliance – Prepare and circulate a Request for Proposals for a qualified consultant to develop an Adaptive Management and Monitoring Plan per U.S. Fish and Wildlife Service requirement

Collaborating Agencies

- Partnership – The Land Conservancy of San Luis Obispo County to serve as Implementing Entity for the County
- Post-permit Funding – National Fish and Wildlife Foundation to administer endowment fund for post-permit habitat conservation administration, management, and monitoring

Waitlist Procedures

Waitlist procedures established in the Growth Management Ordinance provides:

- Phase I (January 1st through June 1st) – First priority to lots on the Waitlist based on Waitlist position ('batches')
- Phase II (July 1st through August 1st) – Then priority to the entire Waitlist
- Phase III (October 1st through December 31st) – Opportunity to all lots
- Waitlist positions are honored and ~75 days are provided to submit construction permit applications, but if those on the Waitlist are not ready to build, allocations will be made available to those that are ready to build

Of course the Los Osos voters continue to support leftist candidates at all levels. They helped make their bed and now must continue sleeping in it. In the end, Gibson's plan to gentrify the place is moving right along.

Item 32 - 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.

Item 33 - Added Item # 33 - Request to declare the results of the November 5, 2024, Consolidated General Election. The Clerk recorder summarized the work as follows:

The County processed a total of 153,432 ballots, which included VBM, precinct, and provisional ballots. At the conclusion of these efforts, the County Clerk-Recorder/Registrar of Voters certified the results of the election on Tuesday, December 3, 2024. This certification, accompanied by the Summary Report of Final Official Election Results and Statement of Votes Cast (Clerk's File), is now presented to your Board. Pursuant to Elections Code Section 15400, the Board is required to declare the results for all offices and measures within its jurisdiction.

Overall and from the standpoint of State and national races, the SLO County voters again demonstrated their predilection for national and civilizational suicide. See last week's update for detailed National and State results in SLO County

Keep enjoying your mandatory electric car, $6.00 butter, $10 dollar bacon, and your kids and grandkids having to move to other states.

Central Coast Community Energy Authority Policy Board Meeting of Wednesday, December 11, 2024 (Completed) 11:30 AM

Item 7 - CEO Staff Report: Staff proposed review of 2025 rates for potential adjustment. The CEO warned that the 3CE may need to raise its rates due to regulatory requirements for power reserves, energy cost volatility, and increased PG&E delivery costs. The staff is analyzing the matter currently and will make recommendations in March of 2025. Our review of monthly financial reports shows that operating margins are slowly narrowing over time.

CENTRAL COAST COMMUNITY ENERGY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Eleven Months Ended August 31, 2024

OPERATING REVENUES	
Electricity sales, net	$ 487,788,613
Other income	92,537
Total operating revenues	487,881,150
OPERATING EXPENSES	
Cost of electricity	453,130,808
Contract services	11,976,914
Staff compensation	7,060,915
Other operating expenses	1,541,907
Program incentives	7,288,456
Depreciation and amortization	535,752
Total operating expenses	481,534,752
Operating income (loss)	6,346,398
NONOPERATING REVENUES (EXPENSES)	
Investment income	10,667,847
Interest and financing costs	(61,404)
Nonoperating revenues (expenses)	10,606,443
CHANGE IN NET POSITION	16,952,841
Net position at beginning of period	241,871,325
Net position at end of period	$ 258,824,166

Not a lot of profit for having $488 million in revenue

They have piled up $259 million in reserves over the past 5 years. Watch this metric to see if it begins to erode and causes them to raise rates or eat into the reserves or both. The advantage that they were given in timing energy costs at the beginning 5 years ago (vis a vis the mature investor owned utilities) will narrow over the years. This will happen as the older utilities amortize their original and very expensive green energy contracts and replace them with contemporary more competitive versions.

Item 10 - Consider and appoint candidates for Policy Board Chair and Vice Chair.
Supervisor Dawn Ortiz-Legg has been nominated for Vice-Chair of 3CE in 2025. She could accede to Chair in 2026. 3CE bylaws do not require that the Chair be changed each year. With

her utility and energy knowledge, she could become Chair and remain for a period of years. SLO County should assign an existing staffer with energy and utility knowledge to help her on an as-needed basis. The agendas are quite large and the issues complex. It would be advantageous for the County to maximize her role. The SLO County Board Chair and CAO should be able to figure this one out.

The write-up states in part:

The Nominating Committee unanimously supported the nominations of both Director Keeley and Director Ortiz-Legg as Chair and Vice Chair, respectively. Both Director Keeley and Director Ortiz-Legg have confirmed their willingness to serve in the capacity for which they are nominated.

California Coastal Commission Meeting of Wednesday, December 12, 13, and 14, 2024 (Completed)

There were no specific actions related to SLO County, its cities, or residents. There were legal cases to be considered in Executive Session that impinge on the County.

Friends of Oceano Dunes v. California Coastal Commission, et al. (Case 16CV-0160), Govt. Code § 11126(e)(2)(A)

Friends of Oceano Dunes v. California Coastal Commission, et al. (Case 17CV-0267), Govt. Code § 11126(e)(2)(A)

Grossman v. California Coastal Commission, Govt. Code § 11126(e)(2)(A)

There was also a case related to Vandenberg launches.

Space Exploration Technologies Corp. (Space X) v. California Coastal Commission, Govt. Code § 11126(e)(2)(A). This is Elon Musk's promised lawsuit related to the Commission's rejection of the application for more launches, partially on the basis that Musk supported Donald Trump for President. The poor California resident, who simply wants to replace broken steps to the beach and is legally beaten to death by the Commission, can't fight back. Hopefully, Musk will go after them hard. Moreover, with Trump in the White House the Air Force will grow some cojones and fight the Commission to the death.

The fact that the Commission is politically undermining US Defense during a period when we are sliding toward World War III should result in the Commissioners being prosecuted.

Planning Commission Meeting of Thursday, December 11, 2024 (Completed)

Item 7 - Hearing to consider a request by the San Luis Obispo County Office of Education (SLOCOE) for a Land Use Ordinance Amendment (LRP2023-00001) to allow for school district housing on a SLOCOE property (APN: 073-221-021). The project is located at 2450 Pennington Creek Road, on the east side of Highway 1, near the intersection of Gilardi

Road and Education Drive in the County of San Luis Obispo. The site is in the San Luis Obispo Sub-Area North of the San Luis Obispo Planning Area.

More Socialism

COLAB is covering this item, as it constitutes a new expansion of the role of County Government. The County Education Office is seeking amendments to the land use ordinance to create faculty and staff housing. Previously, the State legislature approved laws to permit and encourage this activity. At this time no specific project is proposed. If approved, this item would include provisions to the Land Use Ordinance that would allow applications for specific permits in the future.

On September 26, 2023, the Board of Supervisors ("Board") authorized processing of the SLOCOE request pursuant to the typical analysis. At that meeting, Board expressed their interest in the potential to expand school district housing to other local educational agency parcels and directed staff to develop a framework that may be expanded to other parcels in the future, but for the purpose of this request, would limit school district housing to the project site until otherwise directed by Board.

The San Luis Obispo Office of Education (SLOCOE) submitted a request for a Land Use Ordinance (LUO) Amendment (LRP2023-00001) to allow for school district housing on a 1.4 acre portion of a SLOCOE property at 2450 Pennington Creek Road (APN 073-221-021). The request stems from difficulty of retaining faculty and staff due to the high cost and limited supply of housing in the region and a desire by the applicant to provide affordable housing options for current and future employees (Attachment 6). The recommended amendment would allow for residential use on the project site, however, any proposed residential development would be subject to a separate discretionary review.

The larger policy issue is: Should local governments get into the housing business with units provided for their employees? Some universities have offered faculty housing over the years in an effort to attract and retain both up-and-coming and experienced professors.

However, easing the County and local school districts into a "new business" opens a new level of government activity that could spread to other jobs, including public safety, medical specialties, engineers, planners, social workers, financial experts and others. Over the years more and more housing would be developed and would need to be managed, maintained, insured, receive utility services, etc. Administering the developing personnel issues, including selection of who receives the housing, when do they have to move out if fired or laid off, labor contract issues, and all the rest. As these groups grow in number, they will become a political interest group protecting their status. Labor negotiations will become even more complex and costly, especially when the unions assert equity issues.

The teachers and other government employees already receive salaries and benefits that exceed those of most of the tax payers who are funding them. They have double protection of civil service and unions.

The problem is that the State, counties, and cities simply refuse to zone enough land for homes in the name of resource unavailability, climate change, and the desire to preserve a leafy and visual pleasing environment.

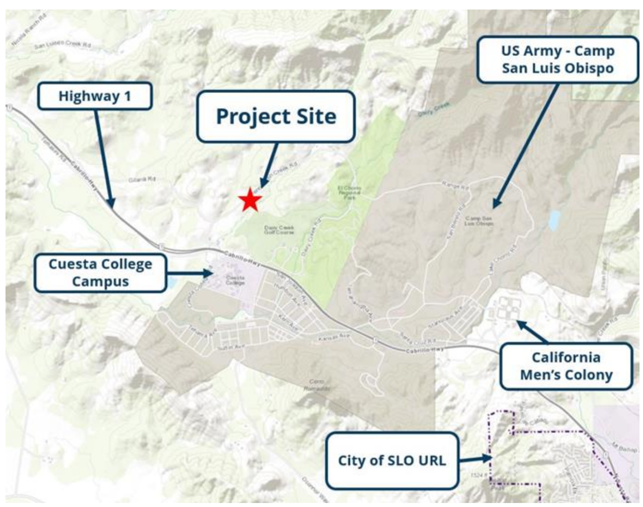
The madness continues.

Go look at the City of Thousand Oaks that was planned and began developing in the 1960's by a private developer (Bill Janns) who converted the Lynn Ranch in the Conejo Valley into a new city. There was no CEQA, no ten year permitting process, no design review, etc. It's much better designed than most of the crap that is being so tortuously planned today by governments.

As Will Swaim, of the California Policy Center said on Thanksgiving:

Our Thanksgiving was a bittersweet reminder — lovely and a little painful — about why I fight for California.

Unable to build the lives of their dreams in California, each of our children — good, bright, hardworking, self-sufficient young adults — has left California to pursue their dreams in other places. The cost of buying a house, of subsidizing a state that cares more about the "global climate" than the business climate, the challenge of finding schools that actually educate children … these had become demanding and all-consuming problems.



EMERGENT ISSUES

Item 1 - California workers will have a little more money withheld from their paychecks starting in January 2025 because of a small tax increase quietly approved by state officials to provide more money to the state's disability insurance program.

A spokesperson for California's Employment Development Department, which administers and oversees the program, confirmed the SDI rate will increase from 1.1% to 1.2% in 2025. That means a couple or individual with $100,000 in taxable annual wages will have $100 more total withheld from their pay this upcoming year, or about $8 a month because of the tax increase, for example.

The change impacts the vast majority of workers across the state, with the exception of those who work for certain public agencies or with collective bargaining agreements that do not pay into SDI.

"The State Disability Insurance program is funded by workers. In 2025, the amount of benefits an eligible worker can receive will be going up to better support working families so Californians can take time off work to recover from injury or illness or care for a loved one," said Employment Development Department Deputy Director of Public Affairs Loree Levy in a written statement.

State law allows the EDD and its director, Nancy Farias, to raise the rate based on a complicated formula by small amounts. A spokesperson for the department did not say when exactly the decision was made.

EDD officials at first on Thursday said the increase was associated with a state law that boosts disability and paid family leave benefits, which was approved by the state legislature in 2022 under SB 951.

Greg Lawson, the Chief of the EDD's Media Services section clarified in an email on Friday morning that the law has no impact on the 2025 increase. Under that law, starting Jan. 1, 2025, workers who make less than $63,000 a year will get 90% of their pay replaced for disability insurance and paid family leave benefits. Higher earners will get 70%. Before the legislation took effect, the rates were 60% for higher-income workers and 70% for lower-income workers, Levy noted. She said this will help make the programs more accessible to Californians who care for an ill family member, assist a military family member or bond with a new child.

And while the EDD said Friday the law has no impact on the rate increase immediately, the State Senate's most recent analysis of SB 951 shows it will start in 2027. The EDD said in the analysis that between 2027 and 2030, workers will contribute an extra .1% to .2% per year.

EDD officials said Thursday it would post more information about the program on the State Disability Insurance webpage later that day after KCRA 3 asked on Wednesday evening when the agency planned to inform taxpayers about the SDI tax increase.

The EDD did not do much to notify the public outside of posting the update on its website until KCRA 3 began asking about the change this week. The EDD, which issues numerous press releases, had yet to mention the change to journalists who cover the agency. The department also never posted about it on social media, which it posts to almost daily. A spokesperson for the EDD said the change was posted on its website by October 31. Taxpayer advocacy organization CalTax, first noticed the change on the website and posted about it publicly on X.

"The SDI is a very important program, it needs a tax to fund it, there's no question there," said David Kline, the vice president of communications and research for CalTax. "The issue is when money is coming out of your paycheck, you need to know."

Kline noted before the start of 2024, there was a cap on how much of a worker's pay was subject to this tax, but SB 951 of 2022 removed the cap and caused a large tax increase on higher-income Californians. State Sen. Maria Elena Durazo, who wrote SB 951, was not available for an interview on Thursday and did not comment on this story.

Before he was elected as Speaker of the Assembly, Robert Rivas coauthored the legislation. At the start of the legislative session earlier this month, Rivas vowed focus the Assembly's attention on California's cost of living and affordability issues. As of Friday, Rivas had not responded to a request for comment.

"Once again, California workers are paying the brunt of the fiscal policies of the majority party," said Assemblyman Joe Patterson, R-Rocklin, in an interview with KCRA 3. "This comes just within days of the majority party and their leaders saying, 'Hey, we want to reduce costs,' so that doesn't seem to be the trajectory that they're on. It seems to be somewhat of a broken promise from what they said just a couple weeks ago."'

Ashley is KCRA 3's California Capitol Correspondent. She began covering California politics and government toward the end of Gov. Jerry Brown's administration in 2018. A proven news breaker, Ashley has been the first to report several developments out of the state capitol, including Gov. Gavin Newsom's decision to end California's historic statewide stay at home order in response to the coronavirus pandemic. KCRA TV – December 12, 2024

COLAB IN DEPTH

IN FIGHTING THE TROUBLESOME LOCAL DAY-TO-DAY ASSAULTS ON OUR FREEDOM AND UNDERLYING IDEOLOGICAL, POLITICAL, AND ECONOMIC CAUSES

RESCUING CALIFORNIA REQUIRES CHALLENGING CRONY ENVIRONMENTALISM

California's high cost of living is driven by Democratic policies that prioritize environmentalism and government expansion, harming businesses and households while failing to address affordability.

BY EDWARD RING

The Speaker of the Assembly in the California state legislature, Robert Rivas, recently said, "California must not fixate on Trump and forget about affordability."

Fat chance. California has been under the absolute control of Democrats for a generation. It's their policies that have made the state unaffordable.

By now, the only people who deny that California's state government policies are hostile toward working families and businesses, small and large, are the people running the state government. California is run by activist state bureaucrats, the unions that are funded by their membership dues, and the politicians that are elected and controlled by these unions. This is a racket. An entirely legal, yet entirely corrupt and self-serving system that is designed to grow government, harass businesses, kill good jobs, assess punitively high taxes, and elevate the cost of living to the point where people either become dependent on government assistance, flee to friendlier states, or are so rich they don't care.

The reason this system isn't successfully challenged and broken is because surrounding this core coalition are commercial and nonprofit special interests that benefit from the status quo. A prime example of this is the homeless industrial complex, a network of state and local bureaucracies, subsidized developers of "supportive housing," and "nonprofit" providers of services to the homeless. They have collected tens of billions of dollars from taxpayers to implement demonstrably failed policies, and as California's homeless population continues to grow, they collect additional billions.

But by far the most harmful special interest in California, allied with and benefiting from laws passed by a corrupt state legislature, is what can be broadly described as Environmentalism Incorporated. This is a loosely organized but incredibly powerful network of businesses, litigators, well-funded activist groups, activist judges, lobbyists, PR firms, and captured regulatory agencies and politicians. In the name of protecting the environment, and more recently, fighting the "climate crisis," they now interfere with every imaginable type of economic activity.

This fact, that environmentalist legislation and regulations have harmed California's economy, disproportionately affecting low-income households and small businesses, is not to suggest that environmentalism isn't important. But when it becomes a tool to expand government, harass productive businesses while subsidizing so-called green businesses, and restrict vital economic activity, including home building, farming, ranching, mining, logging, drilling for oil and natural gas, operating refineries, upgrading roads and highways, maintaining a cost-effective shipping infrastructure, or building reservoirs, aqueducts, and water treatment plants, then "environmentalism" must be challenged.

There is no moral imperative used to justify policies in California today that have done more harm to ordinary Californians than environmentalism. It has been corrupted, and it is out of control.

The Democratic leadership in the California Legislature claims they're concerned about the high cost of living and difficulty doing business in the state. But these politicians have no idea how to make California affordable again. The policies they are likely to come up with will only benefit the machine they serve. More subsidized "affordable housing" projects, another attempt at rent control, promises to "investigate" rising energy costs. New ways to regulate refinery and utility profits to prevent "price gouging." More "renewables" to achieve "net zero."

Everything California's Democrats propose to supposedly deliver affordability is just an extension of failed policies they've already tried. The result is only to empower quasi-monopolies that can withstand regulatory assaults while destroying businesses that lack the economies of scale required to comply. The result is managed scarcity with higher prices, a situation where the mega-corporations that are left standing take the demand-driven windfall profits from higher prices and split them with the state.

Crony capitalism. Crony environmentalism. That's what Democrats stand for in California.

The foundation of affordability is energy, and California's Democrats have made energy scarce and expensive. Shutting down the San Onofre nuclear power plant, decommissioning natural gas-fired generating plants, and driving oil refineries out of business or forcing them to convert to carbon-neutral "biofuel" were the result of policy choices. All of these energy-producing assets could have been repaired, retrofitted, or replaced, or even just shut down at a more measured pace. Instead, biased analyses and climate crisis fearmongering were used to pressure these accelerated shutdowns and conversions, which is why Californians pay the highest rates for electricity and have the highest-priced gasoline in the lower 48 states.

With expensive energy, everything else ends up costing more. Businesses and households are impacted directly when their electricity bills go up, but everything else they consume also requires energy, driving those costs up as well. From the cost of pumping and treating water to the cost of gasoline and diesel fuel for shipping, higher costs for energy ripple throughout the economy.

It's not just energy that's scarce, thanks to environmentalist policies. The price of food is elevated because California's farmers no longer get enough irrigation water. The price of housing is elevated because environmentalist restrictions against "sprawl" (in a state that is only 5 percent urbanized) prevent most home building outside of existing cities. The price of lumber and aggregate is elevated because environmentalists have all but destroyed California's timber, milling, and quarrying industries. Everything has to be imported in a state rich in natural resources.

Ultimately, the businesses left in California that need to fight back have to recognize one hard reality. To overcome the overwhelming power of the environmentalist lobby, they have to be willing to challenge the "climate crisis." For at least 20 years, "climate crisis" has been the rhetorical weapon that has been wielded without a serious challenge to its legitimacy. In private, beleaguered business leaders in California almost universally contend that the whole climate movement is based on overhyped theories used to justify policies that are far out of proportion to their urgency.

It is possible to make California affordable again. But what Democrats are doing today will not help. They will only expand government and empower the largest, most politically connected corporations and nonprofits. The solution is to assert, without reservations, that today's environmentalism and climate crisis policies are *not* based on "settled science"; they are often actually harmful to the environment, and they are not economically sustainable. Only from that premise do genuine reforms become politically possible. Only then can competitive productivity and supply-driven affordability be given back to California's businesses and households.

Edward Ring is a senior fellow of the Center for American Greatness. He is also the director of water and energy policy for the California Policy Center, which he co-founded in 2013 and served as its first president. Ring is the author of Fixing California: Abundance, Pragmatism, Optimism (2021) and The Abundance Choice: Our Fight for More Water in California (2022). This article first appeared in the American Greatness of December 11, 2024.

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