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

Weekly Update
July 20 - 27, 2026

Big Changes for Subsidized (Affordable?) Housing

Legislation signed into law last week by Governor Newsom is designed to cut the cost of “affordable housing” by streamlining the process and cutting certain locally imposed impact fees. AB 179 is a budget trailer bill, meaning that it is an appropriation bill authorizing $900 million for the Homeless Housing, Assistance, and Prevention Program (HHAP) and $700 million for Affordable Housing Finance Programs**.** In the bill language, it dramatically changes the local planning process for low-income housing projects.

We find it ironic and a little troubling that state legislation is required to address what is largely a local government issue and we wonder what the impact will be on affordable housing projects in San Luis Obispo County.

According to the Governor's office; "The legislation modernizes how California finances and delivers affordable housing and builds on the Governor's efforts that have reversed decades of inaction on housing and homelessness — creating more homes and the largest reduction in unsheltered homelessness in more than 15 years."

They offer the following talking points:

- **Modernizing California's housing finance system** through landmark One-Stop Shop reforms that streamline project delivery, reduce duplicative reviews, and accelerate affordable housing production.
- **Reducing the cost of building affordable housing** by an estimated $60,000 to $70,000 per unit through One-Stop Shop financing reforms and impact fee changes, enabling state housing dollars to finance significantly more homes and maximize the impact of future housing investments.
- **Creating a new Disaster Rebuilding Fund (DRF) —** Directs $100 million in funding to reduce financing costs for homeowners rebuilding after disasters, helping affected households repair or reconstruct homes more quickly and affordably.
- **Extending HHAP—** Includes $900 million in FY 2026-27 for another round of state homelessness block grant funding while strengthening accountability through new local matching requirements and Prohousing requirements for direct HHAP recipients that are cities with populations over 300,000 and the counties in which those cities are located, encouraging greater local investment and policies that support housing production.
- **Providing multifamily affordable housing resources** — Includes $500 million for enhanced state low-income housing tax credits (LIHTC) and $200 million for the Multifamily Housing Program to support the construction and preservation of affordable multifamily housing for low-income Californians.

It is too early to tell what specific impact this will have. Among the key questions; we wonder whether the state funding will directly replace the local revenues from impact fees that would otherwise be collected locally. We wonder whether this legislation will affect local building standards and zoning codes.

Another worry is that anytime a “gift” arrives from Sacramento, it comes with conditions, stipulations and big price tags. Will local governments be required to build the high-density high-rise tenement housing so highly preferred by so many “affordable housing” proponents? What local control will be lost in the attempt to retain local caricature and design standards? Will we be locked into forced Transit Oriented Development?

Theoretically, housing gets cheaper as it gets taller

The biggest frustration for people with basic mathematical skills is the fraudulent label of “affordable housing”. This is simply another approach to subsidized housing. It doesn’t cost any less, it just shifts some of the cost to other people – usually in some form that makes their hosing costs more expensive.

Are we expected to assume that the financing for this new program comes from the state so it’s no big deal? Hopefully most people realize that those state dollars come from the earnings of Californians, many of whom struggle to afford their own housing costs as they fork over ever-increasing taxes to our generous wealth redistributing state government.

Some communities in SLO County are already unhappy with high rise development

The idea of streamlining the process and cutting local fees has been around for a long time. We couldn't agree more that doing so would lower the cost of housing. However, supplanting those local costs with state taxpayer dollars isn't honest cost cutting. It is in fact a form of subsidy. Here is the definition of the word:

Merriam-Webster

Subsidy

: a grant or gift of money: such as

a

: a sum of money formerly granted by the British Parliament to the crown and raised by special taxation

b

: money granted by one state to another

c

: a grant by a government to a private person or company to assist an enterprise deemed advantageous to the public

So, will this subsidy make a difference, or simply rearrange the deck chairs on the Titanic? If cutting red tape and delays is recognized as effective, why not apply the principle to all forms of housing – not just "affordable housing"?

Density is also a factor in "affordable" housing

The need to cut the cost of housing is obvious to everybody who either lives in housing or wishes to do so. However, shifting cost from one segment of society to another without actually reducing the overall expense is nothing more than fraud. Eliminating local control simply compounds the already confounding problem. Local governments are mostly at fault for getting too greedy with their fees and far too bossy pants with their regulations. That, however, is really the fault of the voters who elect the big government types in the first place.

As San Luis Obispo County and its cities struggle with whether they even want more housing, and if so, what kind of housing, state government is increasingly eliminating options.

We will watch the implementation of this legislation and keep readers posted as to how it will impact our community.

Important Meeting for Those Who Use Electricity

We encourage everybody who uses electricity to attend an informational hearing on the 20-year extension of operations at the Diablo Canyon Power Plant which will be held in the evening of Thursday, July 30 from 6 to 9 PM in the Board of Supervisors chambers in downtown San Luis Obispo.

The Diablo Canyon Power Plant provides about 9% of California's power needs

The County of San Luis Obispo is inviting the community to learn more about the proposed extension of Diablo Canyon Power Plant's operations through 2045.

The informational session, titled "Diablo Canyon 2045: Local and Statewide Implications," will take place on Thursday, July 30, from 6 p.m. to 9 p.m. at the Katcho Achadjian Government Center in San Luis Obispo.

The event will feature experts discussing the economic impact of keeping the state's last operating nuclear power plant open.

Dr. John Parsons of MIT will examine the economics of extending Diablo Canyon's operations, while Dr. David Roland-Holst of Berkeley Economic Advising and Research will focus on the plant's role in San Luis Obispo County's economy.

PG&E representatives will also provide updates on plant operations, safety systems, seismic monitoring, spent fuel storage, and regulatory oversight.

The event will end with a moderated community panel featuring voices from education, business, labor, and other local sectors, giving attendees an opportunity to hear a range of perspectives on the future of Diablo Canyon.

This meeting is especially important because the last hurdle for a 20-year operating permit is an enabling bill from the state legislature. Assemblymember Dawn Addis and State Senator John Laird, both of whom have the plant in their districts, don't seem to be fully convinced that Diablo should remain open. It is important to let them know that their constituents want clean reliable power, and they want the economic stability that we rely on so heavily on the Central Coast.

A perfect way to start Thursday evening, July 30

Please keep in mind that the San Luis Obispo Farmers Market will be taking place at the same time. Plan ahead by carpooling if possible and leave a little extra time for parking. Or even better, make an evening of it by strolling through the market before hearing the latest on Diablo.

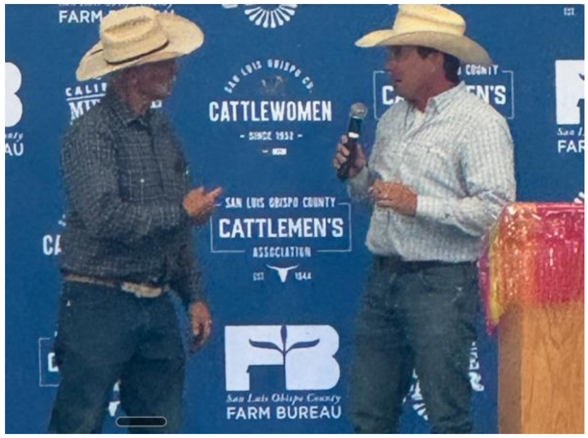
Ag at its Finest

The annual Cattlemen and Farmers Day at the Mid State Fair in Paso Robles was sold out weeks in advance. It is a 1,400-person event where ag leaders, ag producers and appreciative ag consumers get together to celebrate their vocation and honor its most contributing members.

About 20 local wineries poured delicious samples in a fulsome tasting and over a dozen barbeque pits worked away in near sweltering heat to provide an excellent meal.

Three outstanding and very deserving individuals were awarded special recognition:

The Cattleman of the Year honor is presented annually by the San Luis Obispo County Cattlemen's Association, in partnership with the San Luis Obispo County Farm Bureau and the San Luis Obispo County Cattlewomen's Association. It recognizes individuals who have made outstanding contributions to the agricultural industry and community through ranching, farming, and advocacy for agriculture. The tradition began in 1963.



Ben Higgins congratulates BBQ master chef and Cattleman of the Year Dale Evenson


Ag people always have time for patriotism


Another sell out event!

Our congratulations to all three deserving leaders. Agriculture is a key component of our San Luis Obispo County economy and lifestyle, yet it never seems to get the recognition it deserves.

Go to the Fair – Get Involved

Speaking of the Mid State Fair, it's good to once again see the local Democrat and Republican parties doing outreach. Both have their usual booth providing voter registration services as well as opportunities to learn more about the process and how to get involved.

The Fair runs from July 15 -26 and promises a great time for all. Schedule and admission details can be found at: [Official Website of the California Mid-State Fair]

Ever wonder how to learn more about fun ways to get involved?

Williamson Act Changes in Procedure

The KPMG audits of each county department continue to foster improvements in the way our county government does business. One of the recommendations from the recent review of the Planning and Building Department is a streamlining of the procedures involving entering or managing land in the Williamson Act (which provides a tax break for agriculture dedicated land).

Item 39 on the July 7 BoS agenda read: Hearing for consideration of an amendment to the Rules of Procedure to Implement the Land Conservation Act of 1965 (Rules of Procedure) and Inland Land Use Ordinance (County Code Title 22) to update Williamson Act project review procedures in accordance with the Operational Performance Review conducted by KPMG.

Background presented included:

- Streamline Review Process for Williamson Act projects
- December 16, 2025: KPMG Operational Performance Review
  - Recommend transition from APRC hearing to project referral process
- February 2, 2026: Present Recommendation to ALAB
- February 24, 2026: Present Recommendation to APRC

A summary of the updated review process was also presented:

Current Process	Recommended Process
Step 1: Applicant Submittal	Step 1: Applicant Submittal
Step 2: APRC Agendized Item	Step 2: Referral to Stakeholders

Current Process	Recommended Process
Step 3: APRC Review	Step 3: Stakeholder Review
• Meets up to four times per year • Provides recommendations to the Board • Comments recorded in the meeting notes	• Have 30 days to submit comments or recommendations • Use the response form in the referral letter • May discuss with staff • Online meetings convened on a case-by-case basis
Step 4: Board Consideration	Step 4: Board Consideration

It is recommended that the Board of Supervisors move to adopt a resolution approving amendments to the Rules of Procedure and to adopt an amendment to the Inland Land Use Ordinance at the Board of Supervisors meeting on August 4, 2026.

The Williamson Act helps to keep agriculture land viable for production

Supervisor Moreno stated that she was pleased to see the department finding more timely and efficient methods of delivering this service. She noted that the fees for filing for Williamson Act services had increased dramatically this year and asked that this new method include a tracking to determine if the efficiencies could result in fee reductions.

The measure will be considered for final vote, with Moreno's request included, at the August 4 Board of Supervisors meeting.

Thank You

We wish to express special thanks to Supervisor Dawn Ortiz Legg for adjourning the July 7 San Luis Obispo County Board of Supervisors meeting in acknowledgement of Chris Darway who is facing serious health issues.

We understand that Chris is home and undergoing treatment with top-rated specialists. He must be going crazy not being able to attend every event at the fair. Our thoughts and prayers go out to Chris and his family. Thanks again for this meaningful and kind gesture.

LAST WEEK

Flying into the Future

Some say the future of aviation is electric aircraft. If that is the case, San Luis Obispo airport is preparing to be ready.

Item 4 on the July 7 San Luis Obispo Board of Supervisors agenda reads Request to 1) amend the fixed asset list for Fund Center (FC) 425 – Airports to add a Mini Cube Charger; 2) waive the invitation to bid process and authorize the Director of Airports to sign a purchase agreement with BETA Technologies, Inc., in an amount not to exceed $70,000; 3) authorize a sole source purchase order to BETA Technologies, Inc. associated with the agreement; and 4) authorize the Director of Airports to apply for and accept rebates and incentives associated with the purchase, and to execute all related documents and agreements necessary to receive them.

The item passed unanimously, but not without some discussion. One public commentor started the discussion by first questioning whether the charger would become obsolete in the near future. And then, if it is something that will last, why is Oceanside airport being ignored? Supervisor Peschong also noted concern about the long-term utility of the charger.

A Typical Electric Air Taxi

County airport staff assured the Board that the technology would be good in the future and explained that they would also like to install a charger at Oceanside airport but needed to navigate the stinking quagmire that is the Coastal Commission. Actually, they phrased it differently, leaving out the olfactory reference.

Supervisor Gibson, a pilot himself, suggested that the charger would be a wise investment and could attract the new generation of air taxis already being deployed in big cities around the world.

3,313 Votes <u>Not</u> Counted

Three thousand three hundred and thirteen votes cast in the recent June elections were disqualified or thrown out in San Luis Obispo County.   That's 3,313 voters who believed in the system's claims that all you have to do is fill out your ballot from the comfort of your own home, toss it in the mail and enjoy democracy at its finest. They were all lied to, as are all of us thinking that mail in ballots are fool proof.

Far from it! Most of those ballots were received too late, some were not filled out correctly and at least one was received from a dead person. Those ballots essentially went into the trash can.

Did those uncounted votes make a difference in any elections? It's impossible to say, but we do know of one local fellow who won his re-election to the County Board of Supervisors by just 13 votes. There is no question that 3,313 votes would likely have changed the dynamics of some races.

Where is the outrage, or even a raised eyebrow or two about this very chilling situation? Where are the folks who oppose voter ID for fear of that one voter that doesn't have identification and is thus disenfranchised? Where are all the handwringers worried about the survival of "our democracy"?

Whenever anyone expresses concern about the election process, whether it be non-eligible (or dead) people casting ballots, or the counting process, they are greeted with eye rolls and dismissive impatience. Our system is designed to encourage cheaters and specifically not to catch them. Yet, we hear about improprieties occurring all over the country.

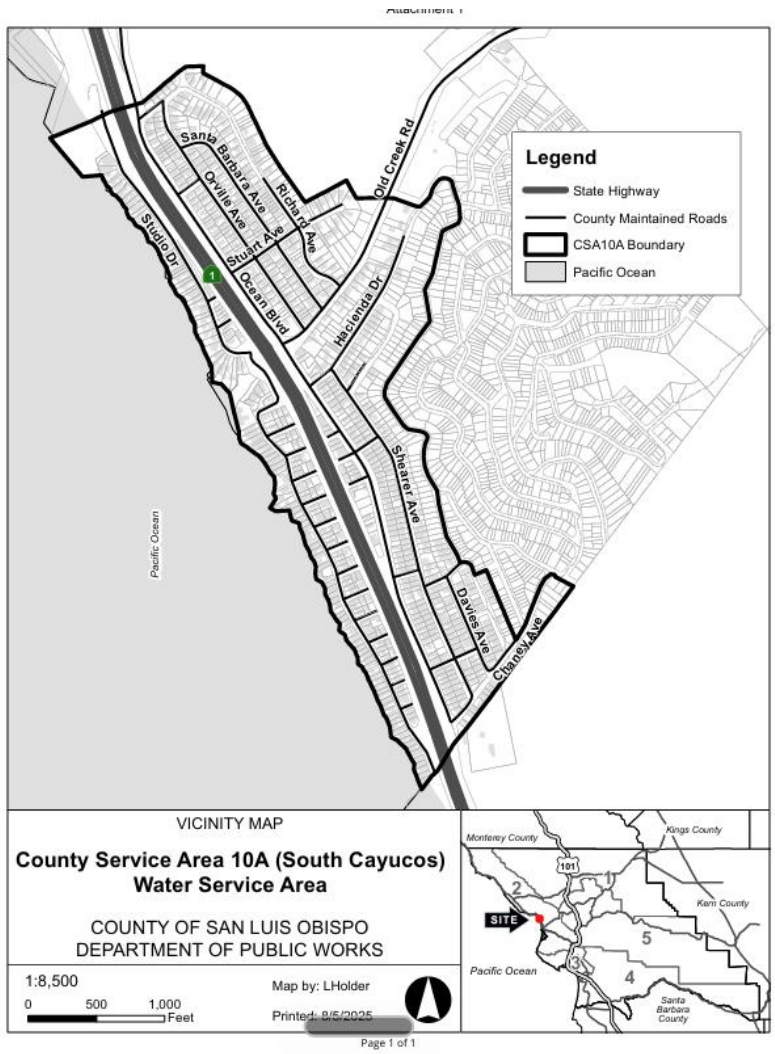
There is really only one way to make elections as fool proof and fair as possible. We need to return to election day in person voting. Accommodation has always been available to those who can't make it to the polls and certainly that should continue. The same with time away from work to vote.

Aside from the more secure process and much stronger likelihood that all votes will be counted, another huge benefit is that results can be counted in hours rather than weeks.

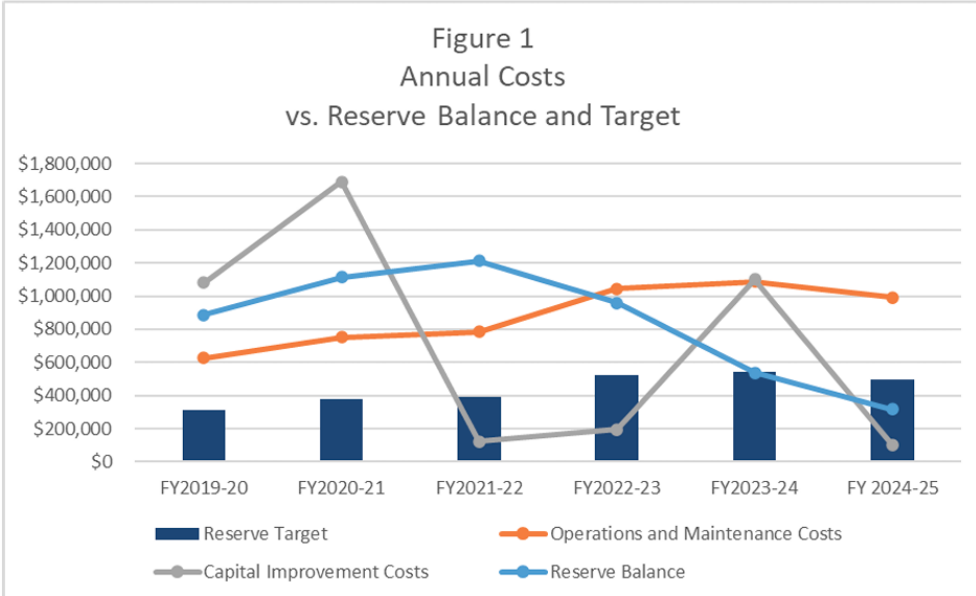
We wonder just how bad the current process needs to get, how many votes need to be disqualified, how many last-minute discoveries of boxes of ballots need to be discovered before people wake up and demand a more accountable system?

Water Rate Frustrations

Water customers in South Cayucos are a little steamed about a proposed rate increase slated for their service area. Several residents spoke out at the July 7 BoS meeting concerned that their rates would go up significantly, while the service area had no plan to address the debt that the district is carrying. Further, they expressed frustration over their inability to access a rate study or to communicate with other rate payers in order to organize a 218 protest vote.



The Service Area impacted by the proposed new rate structure



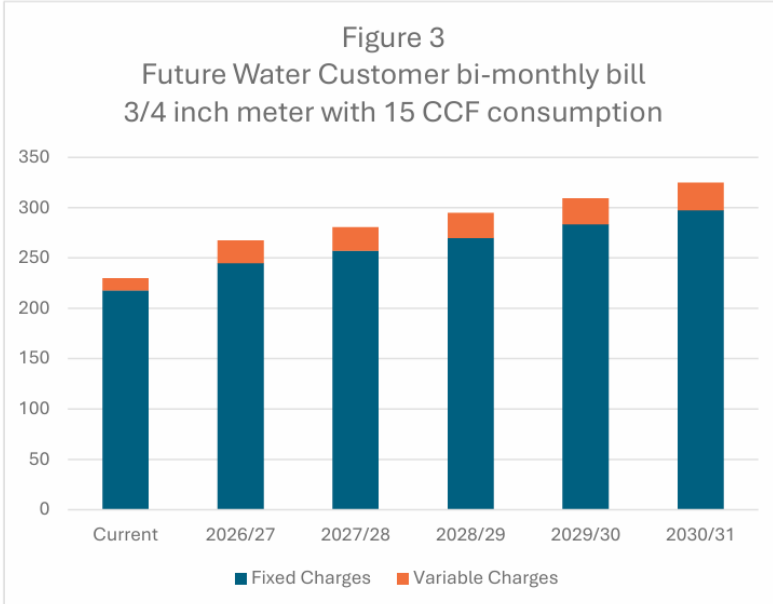
Several speakers expressed frustration over the fiscal management

It is unclear why the residents who spoke complained about the lack of a rate payer study as a detailed 17-page report was included in the staff report for the item. The following graphs illustrate the impact of the new rate structure:

Table 6	
Fixed Costs	
Operations & Maintenance Fixed	$ 1,175,111
Number of Customers	782
Annual Billing Periods	6
Fixed Cost per Customer	$ 250.45

Bi-monthly bills (14 CCF included) increase from $217.79 to $250.45 with variable rate increasing from $12.07 to $13.88 per unit above 14. The proposed adjustments include a 15% increase in Year 1, followed by 5% increases Years 2 through 5, with no additional inflators such as CPI applied.

Usage Level (CCF Bi-Monthly)	Current Bill	Proposed Bill
Low (e.g., up to 14)	$217.79	$250.45
Medium (15)	$229.86	$264.33
High (e.g., 30)	$410.91	$472.53



Supervisor Gibson, employing all the warmth and charm that he could muster, proceeded to ask staff a series of questions that seemed to negate the claims made by the rate payers. That a half dozen residents took the time to drive to San Luis Obispo, pay to park and wait their turn to speak must mean that there are some serious misunderstandings. We are sorry that they had to endure the patronizing distain from their own Supervisor.

Zoom for Increased Participation

Perhaps it is a mere historical footnote, but a new method of addressing the BoS was ushered in at the July 7 meeting. Anyone wishing to share their thoughts (in 3 minutes or less) can now call in via zoom. It is an audio only connection, and all the rules of regular in person speaking applies.

Most fitting, the first two people to utilize this new method of communication and participation were members of the disabled community calling in to comment in support of a submittal of a resolution proclaiming July 2026 as Disability Pride Month in the County of San Luis Obispo to commemorate the passage of the Americans with Disabilities Act of 1990, celebrate disability identity and community, and reaffirm the County's commitment to accessibility, inclusion, and full participation in everyday life.

The County posts the **Zoom meeting link, telephone number, meeting ID, and passcode** in the **meeting agenda** for each session. We have included below the zoom information that was posted on last week's Board Agenda. It is not clear whether the number will change from one meeting to the next or whether it will remain constant.

BOARD OF SUPERVISORS AGENDA

John Peschong *District One*
Bruce Gibson *Vice-Chairperson, District Two*
Dawn Ortiz-Legg *District Three*
Jimmy Paulding *Chairperson, District Four*
Heather Moreno *District Five*

Matthew P. Pontes Chief Executive Officer

AGENDA
Tuesday, July 7, 2026
Katcho Achadjian Government Center
San Luis Obispo County
Board of Supervisors Chambers

Zoom Link:
https://us02web.zoom.us/j/81337909297?pwd=iOf25RJ1noLkZyNxCPPjonKRMRWoAA.4KjL3gg sXPMn-iPJ

Telephone: +1 786 635 1003
Meeting ID: 813 3790 9297
Passcode: 022980

When the Chair opens public comment, remote participants may request to speak by using the "Raise Hand" feature in the Zoom app or web browser, or by pressing *9 if joining by telephone. When it is your turn to speak, staff will call on you and unmute your microphone. Telephone participants may need to press *6 to begin your comments. Remote speakers will receive the same time allotment as in-person speakers. After the comment period ends, staff will mute the speaker.

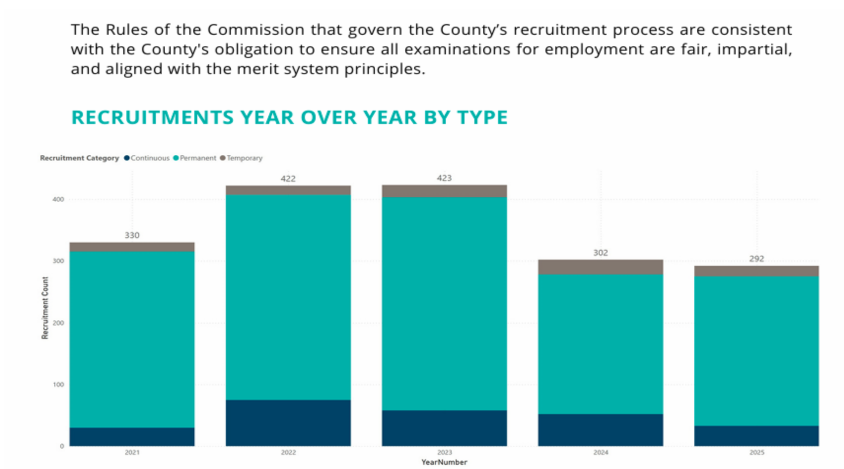
Zoom participants are encouraged to call from locations with strong cell signals as poor connections result in a loss of the messaging.

County Employees Profile

Item 17 Submittal of Civil Service Commission Annual Report for Calendar Year 2025. Last week we covered part of the report that gave details about grievances filed within the county employee base.

This week, we are sharing some of the details presented regarding recruitment. With over 2,800 employees, and as our biggest local employer, our county always seems to be in search of talented personnel.

The first graph illustrates the five-year history of recruitment by categories of continues, permanent and temporary:



The next three graphs represent the equal opportunity categories of Race, Gender and Age:

RACE

		WHITE	HISPANIC	BLACK	NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER	AMER INDIAN OR ALASKAN NATIVE	ASIAN	TWO OR MORE RACES	OTHER/ BLANK	TOTAL
County Workforce	2024	63.29%	25.84%	1.72%	0.20%	0.68%	3.81%	4.39%	0.07%	3,073
	2025	60.14%	28.02%	1.94%	0.16%	0.68%	3.72%	4.14%	1.20%	3,091
New Hires	2024	63.64%	24.74%	1.48%	0.63%	1.48%	3.17%	4.86%	0.00%	473
	2025	59.13%	29.33%	2.16%	0.24%	0.72%	4.09%	4.33%	0.00%	416
Applications	2024	53.58%	30.44%	3.56%	0.00%	1.32%	8.18%	0.00%	2.92%	9,745
	2025	48.44%	30.36%	3.10%	0.00%	1.18%	9.48%	3.02%	4.42%	11,395
US Census Bureau (County of SLO 2020)		88.80%	22.90%	2.00%	0.20%	1.40%	4.00%	3.6%	N/A	283,111

GENDER

		FEMALE	MALE	NON-BINARY	UNKNOWN	TOTAL
County Workforce	2024	56.04%	43.83%	0.13%	0.00%	3,073
	2025	56.15%	43.78%	0.10%	0.00%	3,091
New Hires	2024	53.07%	46.30%	0.63%	0.00%	473
	2025	50.96%	48.80%	0.24%	0.00%	416
Applications	2024	48.27%	49.40%	0.73%	1.59%	9,745
	2025	46.54%	50.09%	0.34%	3.04%	11,426
US Census Bureau (County of SLO 2020)		49.40%	50.60%	No Data	0.00%	283,111

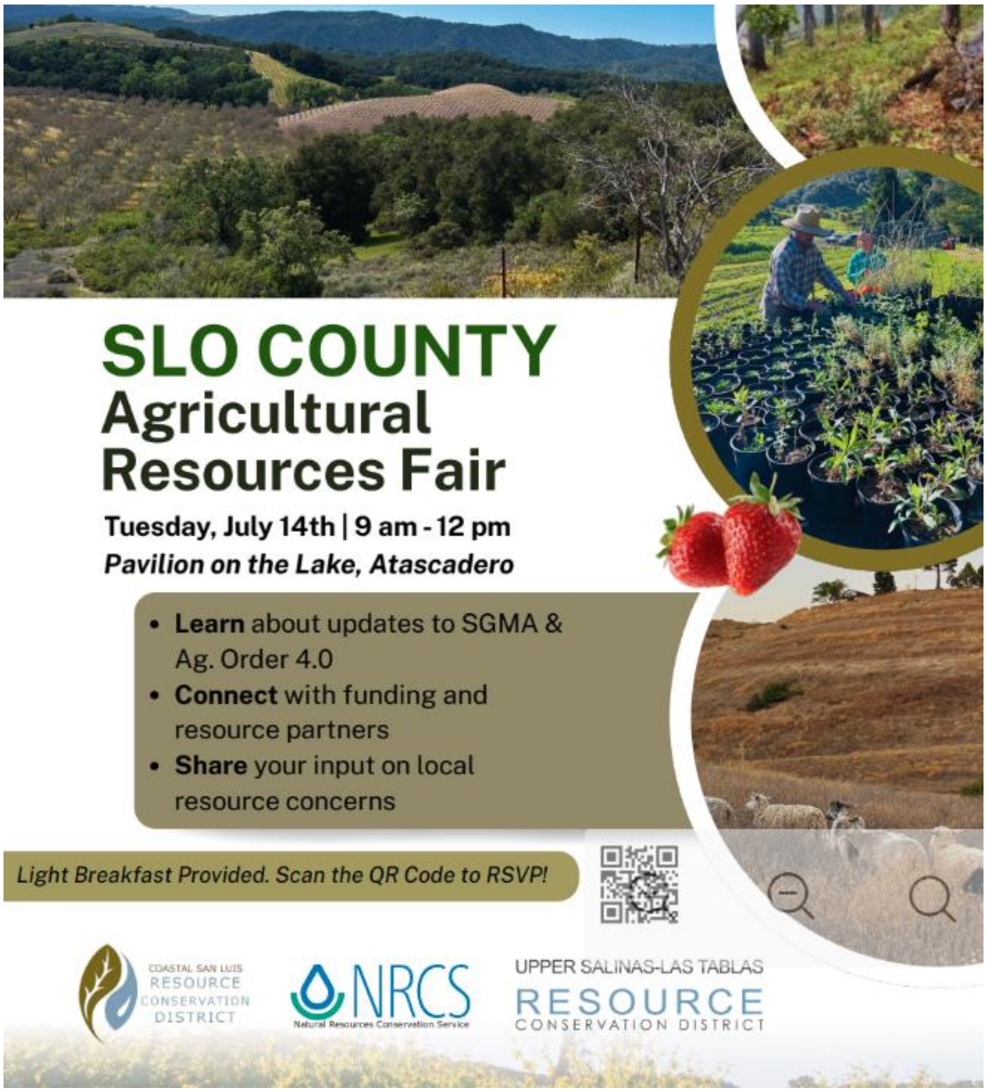
AGE

		UNDER 30	30-39	40-49	50-59	60 AND OVER	UNKNOWN	TOTAL
County Workforce	2024	15.68%	26.52%	26.59%	19.07%	12.14%	0.00%	3,073
	2025	12.79%	28.87%	29.55%	19.94%	8.85%	0.00%	3,091
New Hires	2024	42.49%	25.16%	15.43%	8.46%	8.46%	0.00%	473
	2025	50.00%	23.56%	13.94%	8.17%	4.33%	0.00%	416
Applications	2024	36.87%	27.26%	17.44%	12.01%	3.46%	2.96%	9,745
	2025	39.47%	24.54%	16.64%	11.29%	2.87%	5.20%	11,426
US Census Bureau (County of SLO 2020)		39.90%	10.70%	12.70%	15.10%	21.50%	0.00%	283,111

The numbers reflected above seem to be roughly representative of our SLO County population. They certainly do not indicate a bias in any particular direction. We hope that newly hired employees are there entirely on their own qualifications and not because they check the box for a certain age. Race or gender.

Ag Knowledge and Opportunity

Agricultural producers in San Luis Obispo County may wish to attend a Resource Fair that promises to be packed with useful information and communication. Here are the details:



Emergent Trends
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What Do the State's November Ballot Measures Propose to Do?

California Suing Calexico, Costa Mesa, Half Moon Bay, Ridgecrest, and Turlock Over State 'Affordable' Housing Law

COLAB in Depth
Page 35

The Legal Challenges to California's Proposition 40, the 2026 Billionaire Tax Act

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CARLA'S COUNTRY KITCHEN

What Do the State's November Ballot Measures Propose to Do?

There will be 14 ballot initiatives on the November 3 statewide ballot

By Chris Micheli and Vincent Micheli

California voters will have to decide the fate of 14 measures on the November 3 statewide ballot. Nine of them were placed on the ballot by voters, while five were placed on the ballot by the Legislature. What do these fourteen measures do?

Below is a brief description and the proposition numbers that have been assigned to the ballot measures by the Legislature (Props. 1– 5) and the Secretary of State (Props. 37 – 45) that are on the November 3, 2026, General Election.

Prop 1 The Veterans and Affordable Housing Bond Act of 2026

The Veterans and Affordable Housing Bond Act of 2026 (Senate Bill 417) is an $11.25 billion bond measure on the November 3, 2026 California general election ballot. It features $10 billion in general obligation bonds for affordable housing (these GO bonds rely on taxpayer dollars to pay back debt with interest) and $1.25 billion in revenue bonds for veteran home loans (these are self-supporting revenue bonds repaid exclusively through mortgage payments rather than the state's general fund.). This measure was placed on the ballot by the Legislature.

Prop 2 Save for California's Future Act

The Save for California's Future Act aims to strengthen the state's fiscal stability by increasing the constitutional cap on the state's "rainy day" fund (the Budget Stabilization Account) from 10% to 20%. It mandates greater set-asides for state savings accounts during high-revenue years (especially during capital gains tax surges); excludes deposits into the Rainy Day Fund from the Gann Limit; and, extends the requirement that state funds be dedicated to paying down various state liabilities, including federal Unemployment Insurance loans and obligations to public schools. This measure was placed on the ballot by the Legislature.

Prop 3 Provides Permanent Funding for Schools and Healthcare by Extending Existing Tax on High Incomes. Initiative Constitutional Amendment

The initiative would make permanent the higher marginal income tax rates on income above $361,000 for single filers and $721,000 for joint filers. The initial tax rate in 2012 applied to incomes above $250,000 for single filers and $500,000 for joint filers. Prop. 3 would increase the threshold and tie it to inflation. This measure was placed on the ballot by voters.

Prop 4 Political Reform Act of 1974: public campaign financing: California Fair Elections Act of 2026

The initiative would repeal the ban on public funding of campaigns, which has been in effect since the enactment of Prop. 73 in 1988, thereby allowing the state or local governments to establish programs for the public funding of election campaigns. Current state law only allows charter cities to provide public financing for campaigns, and prohibits the state, counties, districts, and general law cities from adopting these programs. This measure was placed on the ballot by the Legislature.

Prop 5 Elections: recall of state officers

The initiative would change the recall process for state officers (and not local officials) by eliminating the election to pick a successor at the time of the recall election and providing that any vacancies due to a successful recall be filled according to the state constitution and state statute. It would also allow the recalled officer to run again for the same office at the special election, if one is held, but the measure would prohibit the recalled officer from being appointed to fill the vacancy. This measure was placed on the ballot by the Legislature.

Prop 37 Creates Loan Program for Middle-Income Buyers of Qualified New Homes. Initiative Statute

The California Middle-Class Homeownership and Family Home Construction Act is a proposed $25 billion state bond initiative. It authorizes the California Housing Finance Agency (CalHFA) to issue revenue bonds for fixed-rate second mortgages covering up to 17% of the purchase price for qualified new homes. It has rules for home qualifications, buyer qualifications, and financial requirement. The bonds are to be repaid by the borrowers' mortgage payments, rather than the state general fund. This measure was placed on the ballot by voters.

Prop 38 Authorizes Bonds for Immunology Research. Initiative Statute

The initiative would issue $8.4 billion in general obligation bonds to fund immunology and immunotherapy research. The initiative would require at least $4.2 billion in bond revenue to be used for research related to cancer, heart disease, and

Alzheimer’s disease. The initiative would also authorize the state to enter into an agreement with a nonprofit institute dedicated to researching immunology and immunotherapy. This measure was placed on the ballot by voters.

Prop 39 Establishes Additional Voter Identification and Citizenship Verification Requirements. Initiative Constitutional Amendment

The initiative would require voters to present government-issued identification to vote in person or the last four digits of a unique government-issued identifying number with a mail-in ballot. Currently, California does not require voters to present identification before casting a ballot in most cases. This measure was placed on the ballot by voters.

Prop 40 Imposes One-Time Tax on Certain Individuals and Trusts. Initiative Constitutional Amendment and Statute

The initiative would enact a one-time tax of 5% on the accumulated wealth of taxpayers and trusts with covered assets valued over $1 billion, including shares of capital stock, bonds or other evidences of indebtedness, and any legal or equitable interest. The tax would be retroactive and apply to taxpayers residing in the state as of January 1, 2026. The initiative would fund Medi-Cal and other health coverage programs for low- and moderate-income individuals; health care access, benefits, and services; public education from K-14; and food assistance programs such as CalFresh, CalFAP, CalFood, or California’s Universal Meals Program for school meals. This measure was placed on the ballot by voters.

Prop 41 Requires Audits of Programs Funded by New State Special Taxes. Prohibits New State Taxes That Are Excluded From Existing Voter Approved State Spending Limit. Initiative Constitutional Amendment

The initiative would require state laws or ballot initiatives levying a new special tax enacted after January 1, 2026, to undergo state audits every four years to determine program effectiveness and cost-saving measures; and prohibit the state from enforcing any tax that is exempted or excluded from the state spending limit enacted or effective on or after January 1, 2026. This measure was placed on the ballot by voters.

Prop 42 Prohibits New State Personal Property Taxes and Certain Retroactive State Taxes. Initiative Constitutional Amendment

The initiative would prohibit future provisions of the state constitution enacted on or after January 1, 2026, from imposing, enacting, or authorizing taxes on the ownership or control of retirement holdings, individually-owned assets, and other forms of personal savings, whether held directly or indirectly. The initiative would also prohibit retroactive taxes that authorize a tax on conduct, activities, or status that occurred or was present prior to the effective date of the state law or constitution. This would also apply to taxes based on residency. This measure was placed on the ballot by voters.

Prop 43 Local Taxes: Limitation

The initiative would require that local ballot measures proposing, extending, or increasing special taxes initiated by citizens receive a 2/3 vote to be enacted. Currently, due to the Supreme Court's *Upland* decision, local special tax measures referred to the ballot by local governing bodies require a two-thirds vote, while local special taxes proposed by initiative petitions need only a simple majority vote for approval. This measure was placed on the ballot by the Legislature.

Prop 44 Requires Community Health Clinics Spend 90% of Revenue on Program Services. Initiative Statute

The initiative would require nonprofit federally qualified health centers (FQHCs) and FQHC Look-Alikes to spend at least 90% of their annual total revenue on expenses that advance the FQHC's mission. The initiative defines this as the mission spend ratio, which would be calculated annually by the Attorney General. This measure was placed on the ballot by voters.

Prop 45 Modifies Environmental Review for Certain Projects. Initiative Statute

The initiative would amend the California Environmental Quality Act (CEQA) and Permit Streamlining Act. It establishes strict deadlines for environmental reviews (e.g., 365 days for Environmental Impact Reports) and judicial proceedings (270 to 360 days) for essential infrastructure, such as housing, water systems, clean energy, medical facilities, broadband, education, transportation, and public safety infrastructure projects. This measure was placed on the ballot by voters.

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California Suing Calexico, Costa Mesa, Half Moon Bay, Ridgecrest, and Turlock Over State 'Affordable' Housing Law

This isn't about housing – it's about submission
By Katy Grimes, July 16, 2026

California Governor Gavin Newsom, Attorney General Rob Bonta, and the Department of Housing and Community Development are suing the cities of Calexico, Costa Mesa, Half Moon Bay, Ridgecrest, and Turlock for failing to comply with the state's "affordable" housing law.

"No more excuses: Newsom administration takes legal action against five California local governments for defying state housing law," the Governor's press release screamed.
"California can't solve the housing crisis while some cities sit on their hands and dare us to do something about it," Newsom said. "These five jurisdictions had every chance to follow the law and plan for their fair share of housing. They chose not to, so now they'll answer for it in court. Housing law applies statewide, and no city gets a pass."

"We can't fix the decades-long housing crisis if a few municipalities choose to just sit on their hands," Newsom said.

"…the decades-long housing crisis" created by Democrat policies and illegal immigration.

However, this isn't just about housing – it's about submission.

And now these cities will have to dip into their already tight budgets to pay for legal fees.

According to the AG Bonta's office, California requires every city and county to periodically update its housing element—a plan showing how it will meet its Regional Housing Needs Allocation (RHNA), including homes for lower-income residents. This is part of a broader push to address the state's severe housing shortage by planning for 2.5 million new homes in the current cycle. Non-compliance can trigger penalties, including civil fines under SB 1037 deposited into affordable housing funds and the "Builder's Remedy," which weakens local zoning restrictions for qualifying affordable projects. These five jurisdictions were given multiple opportunities (notices of violation, response periods, and meetings) but remained out of compliance well into the cycle. Over 95% of California jurisdictions have achieved or are nearing compliance.
This state harassment of cities goes back to 2019 when Gov. Newsom was sworn in as governor:

Almost immediately, Newsom sued the Orange County city of Huntington Beach for failing to provide enough additional "affordable housing," while his own home county of Marin enjoys a moratorium on affordable housing building requirements until 2028.
"But some cities are refusing to do their part to address this crisis and willfully stand in violation of California law,"Newsom said at the time. "Those cities will be held to account."
The California Department of Housing and Community Development is the state agency charged with overseeing local governments' housing plans. "Since 1969, California has required that all local governments (cities and counties) adequately plan to meet the housing needs of everyone in the community," the agency says on its website.
We reported that also on the website of the Housing agency are links to "Status and Copies of All Housing Elements." Only, "all" cities are not included in the report, "Copies of all housing elements (*page now gone*)."
Notably absent were cities in Marin County. I guess the housing agency didn't appreciate the Globe pointing out this disparity.

We also noted that the Department of Housing and Community Development reports that most of California city's housing plans are in compliance, while 51 cities and counties are not, including Huntington Beach… and Selma, Orange Cove, Holtville, Lake County, Bradbury, Claremont, La Puente, Maywood, Montebello, Paramount, Rolling Hills, South El Monte, Westlake

Village, Atwater… while all Marin County cities are listed in compliance (*page now gone*).
Notably, Gov. Jerry Brown signed the 2017 bill allowing Marin County to remain exempted from affordable housing requirements, he also signed SB 1333 in 2018 to eliminate a "housing loophole" that allows charter cities to reduce sites zoned for affordable housing, even if the action is inconsistent with the cities' adopted general plans.
"California's housing crisis demands action, not excuses," said Attorney General Rob Bonta. "Jurisdictions that remain out of compliance with our Housing Element Law are standing in the way of the homes Californians need. We are well past the halfway point of the current housing planning cycle, and timely compliance is not optional."

It's fascinating that the governor and Attorney General are forcing cities to come up with affordable housing, when the state is incapable of doing it.

As expected, California residents weighed in on X to Governor Newsom's pompous proclamation on X:

- The "housing crisis" is entirely a creation of your moronic policies and regulations, which includes giving away undeveloped land to special interest groups who have donated large sums of money to you and the Democrat Party. GFY
- Of course he won't go after the actually problem that is creating the issue. Gavin and the democrats can't survive without the illegals voting for them.
- Oh ya, that's where the housing crisis is. Everyone is scrambling to move to Ridgecrest and Turlock. As usual, our governor virtue signals, accomplishes nothing, and attacks the wrong problem. It's hard to do everything wrong 100% of the time, but this guy beats the odds on stupidity.
- You're nothing short of a communist thug. Stop making the state the final destination for illegals and people that can't afford California to begin with. All so you can subcidize their life and buy their vote while destroying middle class tax payers. GFY

And perhaps as important, is this one, correctly saying that Costa Mesa has no space for more housing:

- Have you been to Costa Mesa? That is one of the most densely populated cities in Orange County. It is completely saturated with overdevelopment. Where the hell are they going to demand additional housing options to abide by your ignorant law? There is zero space left.

And this response is spot on:

There is a lengthy and unjust pattern of state enforcement against local resistance to state-mandated housing production. Local governments often correctly cite concerns over infrastructure, density, character, and costs, while the state argues uniform compliance is essential for affordability.

Howeer, this isn't about housing – it's about submission.

Katy Grimes
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The Legal Challenges to California's Proposition 40, the 2026 Billionaire Tax Act

It will take a brave Billionaire to step up and file a court challenge, asap

By Richie Greenberg, July 13, 2026

The 2026 Billionaire Tax Act, (now officially known as Proposition 40) on the November 3, 2026 ballot, aims to impose a 5% tax on the net worth of California residents (and certain trusts) worth $1 billion or more. It has already qualified for the ballot.

Who would owe this tax?
Liability for this tax hinges on state residency as of January 1, 2026, with valuation as of December 31, 2026.

Proceeds would primarily fund healthcare, with smaller shares for education and food assistance, funneled through a specially crafted reserve fund meant to sidestep various constitutional limits.

The proposal is not without ambition. Yet its legal vulnerabilities remain substantial under both the U.S. and California Constitutions, inviting serious judicial scrutiny that could reshape – or derail – its implementation.

Retroactivity Concerns
At its core, the measure locks in tax obligation based on a residency snapshot taken months before the election. While valuation occurs at year-end 2026 and the initiative cleverly frames the levy as an "excise tax… on the activity of sustaining excessive accumulations of wealth," the pre-vote residency trigger still creates new liabilities with limited advance notice for affected individuals.

Due process precedents allow some retroactive taxation when supported by a rational purpose and modest reach. But applying an entirely new wealth-based excise tax with this timing raises legitimate questions about fairness and surprise. The initiative's severability and date-reformation clauses offer a safety valve, but they do not erase the underlying due process tension.

Dormant Commerce Clause Issues
The tax reaches *worldwide* net worth, encompassing assets and value created far beyond California's borders. The measure tries to thread the needle with 100% residency-based apportionment and a petition process for alternative methods (subject to a general 25% floor).
Even so, this approach risks running afoul of the Dormant Commerce Clause and the Complete Auto test by imposing burdens on interstate commerce without traditional fair apportionment for intangibles and out-of-state wealth.
Federal courts have invalidated less sweeping extraterritorial efforts. This remains one of the proposal's more exposed provisions and highly likely to be challenged.

Bill of Attainder and Equal Protection Considerations
By zeroing in on roughly 200 individuals and trusts above the $1 billion threshold (with a phase-out between $1 billion and $1.1 billion), the measure invites claims

that it singles out a small, identifiable class for special treatment. "Bill of Attainder" doctrine is narrow and requires clear punitive intent.
Still, the narrow targeting and substantial one-time hit provide rhetorical and legal ammunition for arguments that these veers closer to *punishment* than neutral taxation.

Takings Clause Arguments

Requiring payment of 5% of net worth – including illiquid startup equity or family business interests – raises takings questions, especially when combined with retroactive elements. The initiative offers installment payments (with a 7.5% deferral charge) and limited deferral relief for illiquid assets, which helps.

Taxes are rarely deemed takings, but the scale, selectivity, and burden on a tiny group could test where a legitimate tax ends and an uncompensated taking begins.

California Constitutional Issues: Amendment vs. Revision and Single-Subject Rule

The initiative adds Section 37 to Article XIII of the California Constitution to authorize the tax, override certain property and appropriations limits, and establish the special fund. This explicit amendment bolsters its defenses, yet it could still be challenged as a de facto revision that fundamentally alters the state's taxation and budgetary framework.

Separately, bundling the tax imposition, detailed spending directives, constitutional overrides, and expedited review procedures into one measure tests the single-subject rule. While all provisions arguably relate to funding specific programs through billionaire net worth taxation, the package's scope leaves room for "logrolling" arguments.

Likely Post-Election Litigation and Practical Challenges

Even if Proposition 40 passes, its journey would likely be far from over. Valuation battles over private companies, intellectual property, trusts, and complex holdings would proliferate and drag on. Questions involving former California residents, outbound moves, and the proper reach of the tax would multiply. The measure (helpfully) builds in an *expedited validation process* in Sacramento Superior Court with direct appeal to the California Supreme Court, an admission that courtroom drama circus is expected.
Administrative realities would compound the issues. California has no mature system for routinely appraising ultra-high-net-worth illiquid assets at fair market value. The resulting disputes could tie up billions in disputed revenue for years, creating precisely the fiscal uncertainty the measure seeks to resolve.

Who can challenge Prop 40 and how?

Any interested party (e.g., affected taxpayers, advocacy groups, or even the state itself) can file a writ petition in California Superior Court (often Sacramento County for statewide measures) or directly seek review in the California Supreme Court.

Proposition 40 reflects a bold attempt to address budget pressures by tapping a narrow slice of extreme wealth. Its drafters included several safeguards to improve survivability, yet the retroactive residency hook, worldwide reach, narrow targeting, and structural overrides still present formidable constitutional obstacles.

No pre-election challenges to Proposition 40 so far – most likely is strategic patience rather than any lack of opposition.
Major opponents appear to be prioritizing voter rejection, campaign spending, and competing measures over immediate litigation. The window for a pre-election writ petition remains open, with the strongest opportunity in the coming weeks before final ballot certification, and a surprise filing from a well-resourced plaintiff is still possible.

This pattern is familiar in high-stakes California ballot fights: the real legal battle often begins only after the election. If new developments emerge, such as a major plaintiff announcement, the situation could shift rapidly.

Major opponents, including billionaires and business interests, may be avoiding court fights at this stage for several reasons: A lawsuit now could unify progressive voters behind the measure by framing it as an attempt by the wealthy to silence the people; It risks painting the challengers as anti-democratic; In addition, some moderate Democrats appear to prefer contesting the proposal at the ballot box or through competing measures already in play.

The measure only recently qualified on June 17, 2026. Drafting a strong writ petition, securing plaintiffs with standing such as affected billionaires or trusts, assembling expert declarations, and selecting the proper venue all require time. Legal teams may still be refining strategy, awaiting further formal steps from the Secretary of State, or monitoring any lingering signature validity issues.

Pre-election invalidation is rare, but robust post-election challenges are *all but guaranteed*. In the end, the very features that make the tax politically appealing may ensure it remains mired in litigation long after any vote. It's a high-stakes gamble for a state that can ill afford prolonged uncertainty.

Richie Greenberg

Richie Greenberg is a long-time San Francisco resident, political commentator and former Republican candidate for mayor. He was founder and media spokesman for the recall of DA Chesa Boudin. Follow him on X @greenbergnation and greenbergnation.com

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