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EQUAL HOUSING OPPORTUNITY

The Power of Teamwork: Debunking the Allure of Remote Jobs

By Yigal Adato

Recently, there's been a lot of talk about remote jobs and how they're seen as the holy grail of work setups. The idea of rolling out of bed and working in your pajamas might sound fantastic, but is that the full story? Let's delve into this and uncover the reality beyond the surface.

We humans are social creatures by nature. Our ancestors used to work together in groups to hunt for food, and teamwork was crucial for their survival. Fast forward to today, and the importance of collaboration and team effort remain as relevant as ever. You might have heard the African proverb, "If you want to go fast, go alone. If you want to go far, go together." This saying underscores the significance of working collectively to achieve lasting success. History has shown that some of the most prosperous companies owe their achievements to effective teamwork.

Now, let's dig into the concept of remote jobs. The allure of working from the comfort of your home might be tempting, but there's a catch. When you're isolated from others and working independently, you might miss out on a crucial element – the sense of belonging and camaraderie that comes with being part of a team. It's not just about getting tasks done; it's about the energy and innovation that come from bouncing ideas off colleagues and collaborating in person.

In 2015, I sold my brick-and-mortar stores to pursue the laptop lifestyle. Initially, the idea of avoiding traffic and office dress codes seemed great. However, over time, I realized something was missing. The shift from interacting with customers and colleagues to spending hours on a screen affected my emotional well-being. This narrative underscores that the suitability of remote work varies from person to person. While some thrive independently, others yearn for the interpersonal connections an office environment can provide.

It's important to clarify that the intention isn't to discredit remote jobs altogether. Instead, it's about recognizing the multifaceted nature of work dynamics. Remote work can be great, but there are more than one-size-fits-all solutions. The craving for interaction and collaboration is deeply embedded in our human nature. Also, when companies want to innovate and create, I believe that brainstorming in person is much more effective than sitting in a Zoom meeting for three hours trying to retain everyone's attention.

The notion of seeking remote jobs often arises from a need for more exposure to exceptional workplace cultures. The appeal of pajama-clad workdays is strong until one experiences the vibrant culture of a closely-knit team. Companies that foster a sense of community, shared values, and open collaboration tend to willingly draw employees back to the office. As a company, if you have great leaders and a great culture then people will want to work in person.

One of my coaching clients was offered a remote position and took it right away thinking it would be great. He quickly realized that his productivity was lacking and decided to go into the office three times a week. Today, he is the number one sales guy and has surpassed his quota by 10% every quarter. When I asked him about what made him reach his goals, he said that he realized he works better in a team in person and that being around others in a culture of growth made him step up his game.

The remote work trend is more complex than a simple equation of comfort and convenience. It's about balancing individual preferences and the inherent need for teamwork and interaction. While working in isolation might seem alluring, the true magic of productivity and innovation often comes from the collective efforts of a team working together in the same space. So the next time you consider the perks of remote jobs, remember that the power of united minds and shared goals can drive unparalleled success.

Yigal Adato is a business and leadership coach, renowned speaker and author. He founded Leaderato that breaks through traditional leadership development and focuses on internal rather than external values. To contact Yigal, email yigal@leaderato.com or call 619-206-6984 For more information, visit leaderato.com.

The Housing Market: "It's Nuts To Sell Right Now!"

As might be expected in times of elevated uncertainty, due to the Hamas-Israeli war and the Federal Reserve's attempts to reduce inflation, there's speculation where interest rates in general, and mortgage rates in particular, will be next year.

At the annual meeting of the Mortgage Bankers Association, the national society of the real estate finance industry, the group's chief economist, Michael Fratantoni, forecast mortgage rates dropping to 6.1% by 2024's fourth quarter.

While that might be a lifesaver to the California housing market, projected to see a 22% drop in sales this year, two other statistics could stop many homebuyers from becoming homeowners.


Connel Fullenkamp - Duke University Economics Professor

Nearly 92% of all homeowners have a mortgage rate below 6%, reports real estate sales platform Redfin; in addition, says Redfin, more than 82% of all homeowners have a mortgage rate under 5%.

"It's just nuts to sell right now!" Duke University economics professor Connel Fullenkamp told SD METRO. "You can't even downsize successfully."

Given that mortgage rates are hovering around 8%, he said, "You could downsize and end up with the same mortgage payment as you had with a larger house."

"It's not so much that (interest) rates rose, it's that they rose so damn fast that there's nothing between the 3% and the 6.5% and 7% mortgage. If we had time to adjust to (heightened mortgage rates), we'd see more mortgages in the middle and a healthier turnover in the housing market. But this rapid jump from super low mortgage rates is a huge shock to the market and people are rationally saying, 'There's no way I'm going to walk away from this really low mortgage rate, even if I don't need this particular dwelling anymore,'" Fullenkamp added.

As for next year's fourth quarter, he doesn't see mortgage rates much below 7%.

At Irvine, Calif.-based CoreLogic, Chief Economist Selma Hepp sees mortgage rates, at the most, at 6.5% a year from now.

"It could be anywhere between 6 to 6.5%," she said. "But I'm leaning towards the higher number."

Prior to COVID-19, she said, the correlation between home price appreciation and mortgage rates was that anytime rates increased, home price appreciation slowed.

What's surprising, Hepp said, is the spread, or premium, between the 10-year Treasury note, often a benchmark for mortgage rates, and the interest rate on 30-year fixed-rate mortgages.

"It's about 300 basis points on average over almost the last year, and it's been 170 basis points before," she said, adding there are factors contributing to the bigger difference.

"One is the Fed's policies of keeping interest rates higher for longer," Hepp said. "The other reason is concern over what happens with the U.S. government and the ever-imminent risk of a shutdown."

Buyers' purchasing power, she says, is also pushing home prices up.

"What's driving home prices is a lack of inventory combined with migration patterns where people from higher income areas, more expensive areas, are moving to more affordable areas," she said. "And with that, they're bringing more purchasing power, which is putting pressure on home prices."

Hepp also noted that millennials, the largest living generation, could boost house sales next year.

"The older ones are in the home-buying age," she said. "So that's working in favor of a speedier recovery for the housing market."

Should the Hamas-Israeli war spread, Hepp says, that could also bring down interest rates.

"If there's a flight to (financial) safety, we could see people buying Treasurys (Securities) again, and with Treasury rates coming down, you could have that working in favor of the housing market," she said.

At Los Angeles-based Beacon Economics, a research firm, founding partner Christopher Thornberg sees mortgage rates in next year's fourth quarter this way – "Easy in the 8s," meaning at least 8% if not higher.

"And that's slightly optimistic," he said. "That presumes the economy is slow enough to give the Fed the space it needs to back off (higher interest rate increases).

"Remember, the Fed is on this quixotic mission to conquer inflation, when, clearly, inflation hasn't meant a damn thing for the economy," he said, referring to the latest statistics showing increased consumer spending.

"My presumption is inflation will start to slow next year," Thornberg said. "With the screams from the coming election, we'll hopefully get him (Fed Chairman Jerome Powell) to back off. If that's the case, then, toward the end of next year, we're back in the 8s.

"And, in theory, the year after that, 2025, we might actually see rates drop back to something in the sixes," he added.

Freddie Mac Deputy Chief Economist Len Kiefer also sees mortgage rates remaining high.

"It's unlikely we're going to see a big downdraft in rates," he said. "Maybe they're in the high 7s or pushing 8% but I wouldn't anticipate we'd get to the low sixes or fives absent some major shock."

Another point Kiefer made is that higher borrowing costs have the potential to lessen people's purchasing power and reduce their ability to seek a higher loan.

For example, the monthly principal and interest payment on a $200,000, 3%, 30-year fixed-rate mortgage – which could have been secured in 2021 – is about $843.21. To secure that same monthly payment, a borrower would only be able to get a loan for $115,000. On an 8%, 30-year fixed-rate mortgage, the monthly principal and interest payment for a $115,000 mortgage is $843.83, .62 cents more.

"That lock-in is really significant," he said. "It's not permanent because life will happen because people sometimes have to move because of job opportunities."

As he sees the market, not much will change next year.

"A lot of existing homeowners are sitting on the sidelines, and I anticipate that to continue," he said. "We're still going to have the situation we have with low levels of inventory."

Like Hepp, he also noted millennials could prop up the housing market in the coming year.

"There's been about 12.6 million first-time homebuyers since 2017," Kiefer said. "So, their homes might not match their needs today if they have growing families.

"That could drive people to move and as they've paid down their principal balance, and seen the value of their home appreciate, that shock of higher interest rates is going to wane a bit," he added.

While University of California San Diego economics professor Marc Muendler didn't predict where mortgage rates would be, he says the Fed's inflation fight will be challenging.

"It seems the U.S. economy is quite resilient and that the mandate of the Fed to cut inflation back to its target is harder to achieve," he said. "The faster the economy works, the better it works, the harder it is to combat inflation.

"Therefore, I think the Fed's interest rates are likely to stay elevated probably for a little longer than we would've thought, maybe even half a year ago. And that means all kinds of credit – bank credit, car loans, mortgages – those rates won't come down quickly," he added.

Muendler doesn't see the Hamas-Israeli war impacting interest rates.

"My own prediction, when we wrote reports on what Ukraine means and sanctions will do, we found that Russia would shake off sanctions easily and yet Europe would shake off interruptions easily, and we got a lot of criticism for it," he said. "I didn't believe my own models and, in the end, the actual economies outperformed my models.

"In the U.S., the Inflation Reduction Act – it's actually the 'Inflation Promotion Act' because it's a lot of government spending – is keeping the economy running and in high gear despite all those global headwinds," he continued.

The San Diego Housing Market

"It used to be there were about 7,000 listings a month in San Diego County but we're down to 2,000," said University of San Diego economics professor Jeremy Gabe.

"When you have tight, constrained new supply and it's hard to generate new physical supply, you get what I call the liquidity trap," he said. "People are locked into their current housing situation because they fear they don't know if they'll find another place because inventory is so tight, the pricing is so dynamic and unstable that they're comfortable in their own current situation.

"And, of course, rising interest rates have accelerated that because you're seeing interest rate lock-in (with many low-rate mortgages)," Gabe added.

Given high San Diego County real estate prices, he said, people with more financial means who qualify for a jumbo mortgage – one more than $977,500 – can often secure an interest rate lower than borrowers seeking a lesser amount.

"Rich people can get a mortgage rate for much less than 8%," Gabe said. "The jumbo mortgages, the ones that are basically a million dollars or more, are more likely in the low seven percent range now or, sometimes, in the high sixes.

"These borrowers are wealthy, and the default risk is less," he added.

Professor Muendler says the lower end of the housing market – people searching for houses under $500,000 – is much more sensitive to interest rates.

"In the upper end of the housing market, there's less sensitivity to mortgage costs," he said.

Adding to San Diego County's housing issues, Professor Gabe notes, is its geographic limitations.

"San Diego and other coastal markets are constrained," he said. "You can't produce more land. We don't have a West San Diego, which lops off potentially habitable part of our residential land, and, of course, Mexico creates another barrier."

These constraints, Gabe said, "bid up the price of land and the market wants to densify it."

Muendler sees San Diego's landscape in a similar vein.

"The joke used to be that, in Texas, you can always transform the marginal farmland into another residential area," he said. "It's not that clear that it's so different here.

"Obviously, we can't develop in all directions. Towards the west, there's an ocean, but there's still a lot of land east. There are areas where I would not have thought that a hill or open space would become a development, but it does," Muendler said.

"The urban sprawl," he continued, "has a ways to sprawl here."

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LOCATION LOCATION LOCATION

PART 2: Climate change's potential on all things mortgage – lenders, servicing rights and mortgage-backed securities.

BY DOUGLAS PAGE

What makes a house in a woodsy California town captivating – it's a primal sanctuary returning people to nature – also comes with exorbitant risk: The possibility of a whipped-up wildfire.

"The characteristics of a place that heighten its risk of wildfire damage are often simultaneously the very environmental amenities that draw people to live there," said the Federal Reserve Bank of Cleveland in a 2021 report. "As a result, it is not clear whether local wildfire destruction would be significant enough to alter the draw of such regions."

A survey, conducted by a Stanford University doctoral candidate and professor, confirms that, saying most people aren't about to pick up for areas less prone to burning.

Published last year, it looked at more than 1,100 California residents living in areas where a wildfire is a possibility, asking them if they intended to move after the 2020 wildfire season. Only about a third, the study's authors wrote, said yes.

Why the fires?

The cause, says a paper published in August by the Federal Housing Finance Agency (FHFA), which oversees the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Corporation (Freddie Mac), is due to "an ever-expanding Wildland Urban Interface (WUI)," which is defined by the U.S. Fire Administration as a the "line, area or zone where structures and other human development (meets) or (intermingles) with undeveloped wildland or vegetative fuels.'"

Across the country, the FHFA says, between 1990 and 2010, the WUI increased about 33% to nearly 300,000 square miles and added more than 46 million homes with an estimated market value of $1.3 trillion. The FHFA estimates nearly 100 million people live in the WUI.

The Golden State, says a study from California Polytechnic State University, saw the largest number of houses built in the WUI, with 4.4 million of them. What's driving the growth in the WUI, reports the University of California Los Angeles's Institute of the Environment and Sustainability, is the state's high cost of housing, which "increased pressure to develop on the urban fringe."

The UCLA study also noted that California's Proposition 13, passed in 1978, which restricts annual real estate tax increases, makes "local governments depend on the construction of more homes to boost revenue."

The National Park Service, part of the U.S. Department of the Interior, says 85% of all wildfires are caused by people due to leaving campfires unattended, burning debris, equipment malfunctions, discarding cigarettes and arson.

Downed power lines, says California's Public Utilities Commission, also ignite wildfires.

"Utility infrastructure has been responsible for less than 10% of reported wildfires," said the state's utilities commission. "Historically, fires attributed to power lines consist of roughly half of the most destructive fires in California history."

In addition, climate change increases ocean temperatures and, sometimes, makes for less rain, resulting in ground vegetation becoming dry enough to burn.

With U.S. residential real estate worth so much – Redfin values it, in the aggregate, at nearly $47 trillion, making it one of the most expensive assets in the country, if not the world – even more than the market capitalization of the companies making up the Standard & Poor's 500, which, in comparison, is about $37 trillion, a lot's at stake should climate events, whether it's a hurricane, a tornado or a flood, strike.

According to the Federal Reserve Bank of St. Louis, U.S. households, as of this year's second quarter, hold about $13.8 trillion of residential mortgage debt. But with the increase in housing prices, Lending Tree reports, U.S. homeowners are sitting on near record amounts of equity in their homes, close to $29 trillion, down from nearly $32 trillion – a record – in the second quarter of last year.

The Mortgage Bankers Association (MBA), the Washington, DC-based national association representing the real estate finance industry, at of the end of this year's second quarter, reported that delinquencies on mortgage loans on "one-to-four unit residential properties decreased to a seasonally adjusted rate of 3.37%," meaning that the vast majority of U.S. households with a mortgage, nearly 97%, are paying the monthly bill on time.

In addition, the MBA reported, less than 1% of all households with a mortgage were in foreclosure at the end of the second quarter.

"We're seeing an increase in auto loan delinquencies, but mortgage delinquencies are historically low," said Rick Sharga, CEO of Trabuco Canyon, Calif.-based CJ Patrick & Co., a consultancy to the real estate industry. "People are doing the math and following the logic."

Given that U.S. residential real estate is an asset in a class of its own, and often a critical component of someone's wealth, how could homeowners, whether in California or elsewhere in the United States, and those in the real estate industry, like lenders, banks, mortgage servicers and investors, be impacted by climate change? SD METRO spoke with executives in the know to find out what is and could be in the offing.

Mortgages and the GSEs

"What if Fannie Mae and Freddie Mac's risk officers decide it doesn't make sense to buy mortgages from Northern California, in the town of Paradise, because it all burned down?" asked Sharga, referring to the 2018 Camp Fire that killed 85 people, making it one of the state's deadliest fires. "The secondary market for mortgages could dry up faster than the frontline lenders in terms of not wanting to take on this risk.

"Alternatively, and this is probably a more likely scenario, they start building in risk-based pricing into the loans they're buying or the mortgage-backed securities they're going to buy, which will reduce the capital that banks can recoup for selling those assets. If that happens, it makes the whole mortgage market tighter and, conceivably, increases mortgage (interest) rates for your average buyer," he added.

One of the reasons Golden State homeowners are having property insurance difficulties, Sharga says, is because their home values increased sizably.

"If you're insuring a property and the value's gone up 40% over the last two years, you probably need to ratchet up the premiums in order to accommodate that increase," he said. "It's hard to point directly at the natural disasters or the weather events and say that's 100% of the reason everything's changing, but they're certainly part of it."

Given the recent actions by homeowners insurance companies – pulling out or reducing their footprint in California – Sharga sees something similar with another industry critical to real estate.

CEO of CJ Patrick & Co., which is located in Trabuco Canyon.

John Bastoni

"If you're a lender or a banker, you may take a look at certain regions and decide they represent too high a risk and opt not to lend there anymore," he said. "Do you make a loan where there might not be an insurer available to insure that property?

"We're not there yet, but when you start putting these factors in place (fewer insurance companies and extreme weather events), you can see where it comes down to that," Sharga continued.

California Insurance Commissioner Ricardo Lara recently announced a plan to make the Golden State more hospitable to insurance companies, which he says will be effective by December 2024.

David Burt, CEO of Natick, Mass.-based DeltaTerra Capital, which advises institutional investors on climate change risks, disagrees with Sharga.

"Ninety percent of the mortgages that are within the conforming balance size limit are guaranteed by the GSEs," he said, adding it's unlikely banks will stop originating mortgages where hurricanes, wildfires or other weather risks are likely.

Burt comes with a storied background. He was one of the few, CNBC reported, to recognize "the housing market was on the brink of collapse in 2007" and helped two protagonists in Michael Lewis's book, The Big Short, "bet against the mortgage market in the lead up to the 2008 financial crisis."

Three years ago, he testified before a special U.S. Senate committee investigating the economics of climate risk, predicting that damages from climate events will be "58% higher than the amount collected by insurers to cover it."

Homeowners Insurance

Sharga says state government-started or supported insurance companies, like the California FAIR Plan or Citizens Property Insurance in Florida, often the insurer of last resort for Sunshine State residents, could become the norm.

"The insurance companies are in business to make money, and if they're in a market where they don't believe they'll be able to turn a profit because of escalating costs of damage, somebody's got to pick up the slack, and typically, the only entity big enough to do that is the government," he said. "Would I be surprised if the federal government leveraged something like FEMA (Federal Emergency Management Agency) and started issuing state-by-state policies? Not at all."

Burt sees another problem.

"The state is capping the insurance premium chargeable by the private market," he said. "In order to do that, they serve as the backstop.

"There's probably not enough money being collected to pay for the damages (when a catastrophe strikes). So, it's a lot of passing the buck right now and, ultimately, the homeowners will pay for it," Burt added.

A paper published by the Federal Reserve in March 2021 supports Sharga and Burt, saying if there are fewer private insurers

David Burt

Janet Jozwik

Robert Chrisman

providing coverage for climate events, "state and local governments could face pressure to provide coverage or absorb losses for areas affected by natural disasters."

Exacerbating the problem, the Fed's paper says, could be people leaving areas prone to climate events.

"Coupled with a potential reduction in the tax base from emigration, governments could face increasing fiscal pressures and become less able to service their debt," the Fed wrote. "This reduced ability to service debt could result in a higher probability of municipal bond defaults and knock-on consequences for municipal debt markets broadly."

Climate Change on Mortgage Servicing Rights

Could extreme weather problems devalue mortgage servicing rights (MSRs) which banks and other lenders sometimes sell to raise capital to make additional loans? MSR owners service mortgages, including collecting payments and, often, taxes and insurance, on each account they manage.

"It's a hot-button issue," said Eric Nokken, a director at Oakdale, Minn.-based Wilary Winn, which values MSRs and advises banks. But, he adds, MSR valuations are mostly based on a combination of interest rates and prepayment speeds.

Climate change, Sharga said, can alter MSR valuations because "it factors in a significant amount of more risk than your basic vanilla portfolio of MSRs."

Robert Chrisman, a California Mortgage Bankers Association board member, agrees.

"Blame it on climate change. Blame it on whatever," he said. "The fact of the matter is that it's having an impact on borrowers' mentality, on lenders' pricing and on insurance premiums and investor interest in buying pools of loans made up of mortgages from those states."

Chrisman declined to say how much MSRs have or will devalue due to climate change but offered an observation similar to Sharga's:

"MSRs base their value in part on how long the company will collect those premiums," he said. "If that appears to be shortened, then MSR investors are going to pay less of a premium because the odds of them not having the loan on their books for a regular length of time is diminished."

Further, Chrisman said, it's possible to sell custom-designed MSRs.

"If they are afraid of fire risk or hurricane risk or earthquake risk or whatever, they can buy pools of loans made up of places like the Dakotas or Missouri or wherever there's not those risks," he said. "It may be that MSR buyers are shying away more and more from locations that are either uninsurable or present an undue risk to their future cash flows."

Janet Jozwik, a senior managing director at Arlington, Va.-based RiskSpan, which analyzes mortgages, says the mortgage industry is looking differently at climate change.

"Two years ago, people in the mortgage industry were like, 'Oh, this is predominantly an insurance industry issue,' but now people in the mortgage industry are taking it much more seriously," she said. "The people we've talked to seem more concerned about hurricanes than wildfires because hurricanes, unlike wildfires, have a much broader impact."

In a report on its website, Riskspan suggests any climate or weather event has the potential to impact homeowners and real estate investors alike.

"Even in cases where property insurance is adequate, the fallout has the potential to hit investor cash flows in a variety of ways," the report said. "Acute climate events like hurricanes create short-term (homeowner) delinquency and prepayment spikes in affected areas.

"Chronic risks such as sea level rise and increased wildfire risk can depress housing values in areas most susceptible to these events. Potential impacts to property insurance costs, utility costs (water and electricity in areas prone to excessive heat and drought, for example) and property taxes used to fund climate-mitigating infrastructure projects all contribute to uncertainty in loan and MSR modeling," the Riskspan report continued.

Burt says weather events can change homeowner behavior, including bringing about mortgage default.

"But the other thing that's more impactful is asset devaluation risk," he said. "It's really unclear what that does to prepayment fees.

"It becomes much harder (for the homeowner) to take advantage of lower interest rates should one come about. The lower the optionality of the borrowers, the higher the values of MSRs because it keeps people in their homes and their current mortgages," Burt added.

Michael Lau, CEO of Denver-based Pingora Asset Management, an MSR investor, says geography and weather events can impact MSR valuations.

"You look at a portfolio of loans and let's say it's got a 50% concentration in California and Florida," he said. "You're going to haircut the California ones because those homeowners tend to prepay faster.

"You also have to pay interest on California accounts that are escrowed, which you don't have in every state. In Florida, you have a lot of fraud. And you do think about hurricanes in Florida and wildfires in California," he added.

But there are worse concerns, he says.

"What you really think about is flood," he said. "It's not so much the wind and the rain. It's flood because most people are woefully underinsured for flood. There's the National Flood Insurance Program but it's got a limit ($250,000) on how much it will pay out.

"MSR valuations will come down because of higher costs, but it's going to be gradual. It's getting a lot of press when these insurance companies pull out of states, and I've got to believe there's some folks in Washington starting to pay attention to this and starting to think about what we're going to do," Lau added.

Mortgage-Backed Securities

Since most residential mortgage-backed securities (RMBS) are guaranteed by the GSEs, whether it's Fannie Mae, Freddie Mae or the Government National Mortgage Association (Ginnie Mae), John Bastoni, a senior trader with San Diego- and Boston-based Breckinridge Capital Advisors, says that while climate change is a concern, the risk, at least for the GSE-backed RMBS he trades, doesn't keep him awake at night.

"We take climate risks seriously," he said. "We do price it into our models but, at the end of the day, it's manageable to us.

"We can certainly sleep at night," he added.

RMBS are an asset-backed security often secured by a collection of mortgages and an asset, often a house.

Bastoni describes the GSE-backed $7 trillion RMBS market as relatively safe. The idea behind allowing banks to sell their mortgages, and, thus, help create RMBSs, is that it will recapitalize the banks for the loans they made, enabling them to make even more loans.

"Typically, what happens if a property is destroyed, whether it be from a natural disaster, is that it becomes a prepayment to MBS investors," he said. "The agency will buy the loan out of the pool."

That results, he said, in getting his principal returned.

"I might lose a month or two of interest but, in the end, that's a minor concern," he said. "The timing of those cash flows might be altered and that's going to change my return profile, but I'm not facing any credit losses because the agency guarantees that."

"(GSE-backed) MBS offer investment grade credit quality and a yield-to-maturity of almost 5%, based on the Bloomberg MBS Index as of June 30, 2023," Blackrock reported at the end of August.

In the non-agency RMBS space – which isn't backed by any of the GSEs – it's a different story. Bastoni described the non-agency MBS market as being valued at close to $1 trillion.

"There's no guarantor," he said. "There's no GSE backing those loans, so if I buy a pool of 10 securities and one of them gets destroyed, I could face a loss of 10% of my principal."

Bastoni added that Breckinridge doesn't invest in the non-agency RMBSs, but he says the GSEs are talking more about climate change.

"We've seen them (the GSEs) start to disclose more climate and ESG (environmental, social and governmental) related metrics on their bonds in the past couple of years," he said. "So, it's picking up, not just in the investor universe but also on the issuer side."

In addition, he said, he's seen the GSEs become more forthcoming with some of the data they've kept behind the scenes.

"Usually, when you look at an MBS pool, you'll get a state breakdown," he said. "So, you'll look at a pool that might have 100 loans in it, and you might get a state breakdown that says 20% Florida, 20% Texas and 20% Massachusetts, and loans located maybe on coastal areas of Florida might a little bit riskier than loans located inland.

"We are trying to get more granular with the data that we get from them," he added.

As for how climate change impacts the pricing of RMBS, Bastoni said, "The market's been slow to adopt any sort of pricing concessions for climate change. We do that right now but it's really proprietary."

Breckinridge uses a combination of proprietary software and market sources for their analysis, says Kristin Wetherbee, a company spokeswoman.

DeltaTerra Capital recently announced it will collaborate with Intercontinental Exchange, a global provider of financial technology and data services, to offer climate-adjusted credit risk analytics for investors of residential and commercial mortgage-backed securities.

"The 'Klima' models and analytics are an important toolkit providing transparency into whether markets are adequately factoring in future insurance costs and other climate-related fundamental drivers when buying and selling property, loans, and related securities," Burt said.

The companies will integrate ICE's "Physical Climate Risk Data," with DeltaTerra's "Klima" financial risk models.

In a separate statement, Burt said, "By incorporating our market risk models and property risk estimates at the foundational level of climate risk analysis, rather than bolting financial relationships onto broad climate averages, we can develop and offer a much richer understanding of true system risks."

The plan is to offer the service initially to agency credit risk transfer (CRT) and commercial mortgage-backed securities (CMBS) investors. Other types of non-agency RMBS will be covered in the very near future, said Min Pefanis, a spokeswoman for DeltaTerra Capital.

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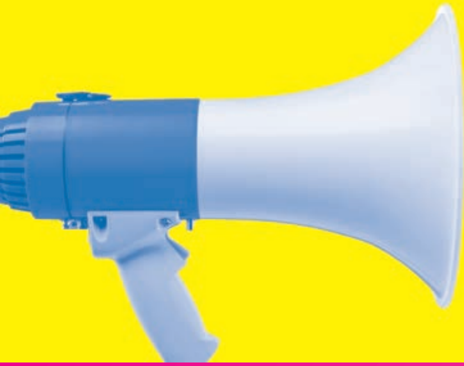

TOP MARKETING & PUBLIC RELATIONS EXECUTIVES 2023

Macie Rookus

Rookus is the manager, field marketing, West Region for Cox Business. Her territory includes San Diego, Orange County, Santa Barbara and Palos Verdes in California, and Phoenix, Arizona. In her more than 15 years with Vox, she has led and developed marketing programs and events including the always well-attended and anticipated Top Tech Awards honoring IT professionals in the region. Rookus is part of the team that created Top Tech Awards in 2008. Since its inception, the Top Tech Awards has grown expansively and stands today as its premier information technology peer-to-peer recognition event in San Diego. Top Tech has honored more than 1,000 tech leaders and hosted more than 10,000 attendees. A Top Tech award is regarded as a mark of superlative creativity, planning and execution in technology. She joined Cox as the first Region Marketing Specialist for Cox Business, and has helped usher growth from a small line of business to several hundred million dollars in the region. She has a bachelor of arts degree in communications from Cal State San Marcos, and is an active mother of two young children. Her husband is a San Diego police officer. businesswoman. She is a graduate of San Diego State University.

Bridget Palitz

Palitz is an accomplished public relations and marketing professional with nearly 30 years of agency and consulting experience in San Diego. She spent the first 14 years of her career working for a single boutique agency (a rarity in this field) where she rose to the rank of vice president and managed the San Diego office when she was still in her 20s. She then went out on her own to found her own PR and marketing consultancy, Short Fuse Marketing, in 2009. She still enjoys this role today and represents clients in a wide range of industries (B2B and B2C) but has a particular passion for working with nonprofits. She currently handles public relations for the San Diego Museum Council, which is comprised of 60 plus local museums , historic sites, aquariums, gardens, parks and other cultural institutions. She also represents the Living Coast Discovery Center. Other nonprofits include the California Wolf Center, Fern Street Circus, the New Chldren's Museum, Cohen's Veteran Network and Habitat for Humanity. She was a SD METRO Magazine 40 Under 40 when she was only 25. She is an alumna of UC San Diego.

Beth Binger

Over the past twenty years have represented as many truly iconic and landscape-shaping real estate developments as BCI's president, Beth Binger. She has been responsible for the public relations efforts for projects totaling more than $10 billion. Significant projects include the new $3.4 billion T1 at San Diego International Airport , the $2.5-3 billion UC San Diego Hillcrest Medical Campus Redevelopment , and the $1.1 billion Triton Center at UC San Diego on behalf of civil engineer Latitude 33 Planning and Engineering . The stylist Pendry San Diego Hotel on behalf of the Robert Green Company. The $555 million San Diego Central Courthouse on behalf of general contractor Rudolph and Sletten. The $ 1 billion Green Build at the San Diego International Airport. She has taken a leadership role with the UC San Diego Alumni Association and has been a past president of the association.

Jennifer Whitelaw

When it comes to real estate news in Southern California, Whitelaw is an influential figure. She is the owner of Whitelaw Marketing and a senior consultant to TW2 Marketing. A communications marketer with extensive commercial real estate experience, she is a trusted advisor to top firms, organizations and leaders because of her ability to shape messages for wide visibility and industry impact. She works closely with her clients to develop marketing communications programs that seamlessly incorporate elements of marketing, research , design, public relations, community relations, copywriting, social media, video production and much more, In addition to leading TW2's real estate accounts, her marketing expertise extends to law, financial services , arts and entertainment and nonprofit organizations . At any given time she works directly with over a dozen industry leading clients. She recently achieved national recognition for Riverwalk, a 200-acre mixed-use development at the heart of Mission Valley. She serves on the ULI San Diego-Tijuana Chapter's Executive Committee and co-chairs its program committee. She is a past president and board member of Citizens Coordinate for Century 3 (C-3), a nonprofit dedicated to education and advocacy on issues of policy, planning and design. She is an alumna of UCLA.

Joice Truban Curry

Curry is a proud San Diego State University alumna. She started her PR agency when she was only 27 and during a recession. In addition, she was ahead of her time with her company model of utilizing consultants, thus reducing the overhead as well as liabilities. Cutting edge at the time, many practitioners have adopted the model. She was the youngest and two time president of the San Diego chapter of the Public Relations Society of America, and a three-time national PRSA Silver Award winner as well as multiple other public relations and social media awards. She volunteers for the Red Cross and Salvation Army among her many pro bono activities for a variety of San Diego nonprofits. She gives countless hours to the Alzheimer's Association San Diego/Imperial Chapter. She is constantly taking informational interviews from public relations students and helping them out whenever she can. She creates and leads programs for clients spanning the arts, education, hospitality, tourism, retail, business-to-business, and many others. Her firm, c3Communications weathered the storms economic downturns and the pandemic by diversifying her client roster. She has been an SD METRO Magazine 40 Under 40 honoree, and a Visionary in Philanthropy by the Salvation Army.

Sydnie Moore

With 30 years of writing, media, public relations and marketing experience, Moore currently heads Moore & Moore Communications. With special expertise in media and community relations, she also specializes in social media content development/ strategizing/ consulting, brand development and website development. She is a skilled writer , and has developed websites, blogs, digital newsletters and has contributed to the San Diego Union-Tribune. She has years of experience working with local, regional and national print and online/electronic media. Prior to starting her own business, she worked as an account supervisor for two leading San Diego public relations and advertising firms. She has contributed her time to nonprofits such as Words Alive, Junior Achievement, the National Conference and the San Diego Council on Literacy. She earned her BA in telecommunications from San Diego State University and became proficient in Spanish after attending the University of Madrid.

Stephanie Thompson
La Jolla Music Society

Teresa Siles
Nuffer Smith Tucker

Sara Katz
Southwest Strategies

Ceanne Guerra
Cox Communications

Price Adams
Nuffer Smith Tucker

Chris Wahl
Southwest Strategies

Ellen L. Sindelar
Hahn Loeser

The San Diego Automotive Museum: A lasting legacy drives into the future

By Andrew Simmerman

The recent strike of the United Auto Workers (UAW) on the three major U.S. automakers has put the auto industry front and center of America's consciousness once again. National headlines are filled with the impact on jobs and the economy that the strike brings, putting into view the broad scope of importance the auto industry has in our country. According to a report from consulting firm Anderson Economic Group, the strike that started on Sept. 15 resulted in $3.95 billion in economic losses in its first two weeks, as reported in Axios. The strike also underscores the innovation constantly at the forefront of the automobile business as worker demands include the transition to Electric Vehicles is a main topic.

While this news has national relevance, for most San Diegans cars also hold a place in our own personal histories. Who doesn't remember the first time they got behind the wheel, filled with nerves when taking their driver's test as a teenager? Or that first solo ride that allowed for full control of the music played on the radio? Whether it was a rundown Volvo with 250,000 miles on it or a brand-new Corvette, the relationship with our first car is a treasured memory.

It's these histories and stories - national and personal - that are preserved and told right here in our own backyard - in Balboa Park more specifically. The San Diego Automotive Museum (SDAM) has a mission "to tell the story of the social and technological past, present, and future of motorized vehicles throughout its collections, exhibitions, and educational programs." While the Museum has undergone a variety of iterations in its history, current renovations are underway to make it clear that SDAM has ambitions of becoming one of the nation's greatest preservers and storytellers of the automotive industry, to be enjoyed by future generations of auto enthusiasts. And none of it would be possible without the involvement of the Barnhart-Reese Family, one of San Diego's most revered construction and philanthropic families.

The Evolution of the San Diego Automotive Museum

The San Diego Automotive Museum building has a fascinating history: in February of 1935, the San Diego Automotive Museum was constructed as the California State Building, as part of Balboa Park's 1935 California Pacific Exposition. The initial idea was for the State Building to be a miniature tour of California, with each of the 58 counties receiving space to display their commercial, industrial, social, and tourist benefits, with the front entrance displaying four large panels around the concave walls, depicting various periods of California's growth. The California Pacific Exposition lasted into 1936 with over 4.5 million visitors passing through the State Building.

During World War II, Balboa Park was commandeered by the Navy, after the California State Building had already become a National Guard Armory in 1937. In the post-war era, the City of San Diego was eager for Balboa Park to become a tourist and community destination again, and the California State Building was renamed the Balboa Park Conference Center in 1948, with repairs to include resurfacing floors, new paint, and installation of a kitchen and restrooms. Throughout the 1950s, 1960s, and 1970s, the building served as an exhibit hall, hosting boat shows, aviation conventions, musical events, flower shows, and hobby group meetings, among many others.

Fast forward to the late 1970s, a group of local San Diego automotive enthusiasts sought to bring an automotive museum to San Diego. The group proposed the idea in 1979 to the San Diego City Council, who unanimously approved their now-named San Diego Automotive Museum in 1980 and granted a long-term lease to the former California State Building.

After eight years of fighting red tape and making renovations, the San Diego Automotive Museum finally opened on December 11, 1988, with its first exhibition:

Power and Glory: The Evolution of Racing.

In the 35 years since its opening the San Diego Automotive Museum has captured the hearts and minds of the millions of local enthusiasts and tourists worldwide, who have visited the first-rate collection. Popular exhibits have included the award-winning Japanese Steel featuring the history of Japanese car manufacturing; Unpopular Mechanics which featured the negative reputation vehicles typically stemming from things like mechanical or design issues, radical new exteriors, or just bad publicity; Cars with Character showcased the distinct looks and abilities of an amazing variety of cars used in films and TV; Salute to the Troops; and Bootleggers (on display until February 2024). The most popular is the permanent exhibit with rotating local cars from the San Diego low-rider community.

Events such as the growing popularity of Trunk or Treat in October, March's annual Blood Drive with the San Diego Blood Bank, monthly Cars & Coffee gathering, the growing monthly Motorcycles in the Park, an upcoming Car Rally and Golf Tournament in 2024, and the THE Party in the Park, the Museum's annual fundraising gala attended by over 500 people each year are helping cement the Museum as the place go for family and community events for car lovers.

Today, the Museum is a living tribute to the automobile as a cultural and generational icon, led by its CEO, San Diego native Lenny Leszczynski. Lenny shares that his adoration for cars started when his uncle took him to the Petersen Museum in Los Angeles. "It was there that I discovered and fell in love with a 1964 Chevy Impala, which five years later I was lucky enough to buy," explains Leszczynski. Passionate about SDAM, Lenny regularly invites the community to, and attends, free events. These include favorites like Cars & Coffee, Motorcycles in the Park, and family events like Trunk or Treat, with the goal of making the Museum the go-to destination for car enthusiasts. "We want this to be the place where car people go!" he told KUSI in a previous interview.

In order for SDAM to be the place where car people go, the Museum acknowledged it needed a bit of a tune-up, and it turned to valued partners and patrons to help make it happen.

Great patrons of the SDAM

Although one-time, project-based funding has accomplished a lot towards the Museum's goals, it cannot be relied upon in the long term. The Museum relies upon community stewards and donors such as Dorothea Laub, the Berg Family Trust, the Dunn Family Foundation, and The Conrad Prebys Foundation. Additional donors include Denny Sanford, Discount Tire, the Manchester Family, and Ray Brock, among others.

For the Museum's expansion project, it is the Barnhart family of companies who stepped in to help. Since 1983, Doug Barnhart – and the Barnhart family – have become synonymous with a portrait of a San Diego construction, civic and philanthropic leader. Barnhart built Douglas E. Barnhart Inc., along with his wife, Nancy – and later his daughter, Tami Barnhart-Reese, and son-in-law West Reese, into a vivid example of construction industry leadership.

During Barnhart's ownership of the construction company that bared his name, he oversaw large, iconic San Diego projects including Petco Park; the Terminal 2 expansion at Lindbergh Field; the then San Diego Chargers Training Facility; SDSU's Tony Gwynn Stadium; SDSU's College of Arts & Letters; the USD Shiley Theater Renovation; Poway City Hall; Coronado Country Club; Viejas Casino, and the San Diego Supercomputer Center. It's the Barnhart-Reese Construction company that has found cost-cutting ways to lead the latest renovations at SDAM.

In addition to their company's role in construction projects at the Museum, Doug and Nancy Barnhart have personally donated to the Museum, making financial contributions to the library and worked to reduce construction costs during the two-year library project as well as to the Museum's Gift Shop which was also in need of upgrades. Honoring their giving, the modern space is now called the Doug and Nancy Banhart Gift Shop and includes a new check-in desk to welcome guests and new flooring to add to the overall guest experience when they arrive.

This type of support of the San Diego Automotive Museum isn't all that surprising given their philosophy of, "It's not the person or company, it's about the project and what it does for the community," according to Doug Barnhart. In that spirit, the Barnharts have frequently contributed time, labor and materials to build many projects for nonprofit organizations throughout the region, including The Ronald McDonald House, Becky's House, the San Diego Center for Children, and the SDAM. Their impact is not just made through donations, it's embedded in the company's ethos. "I get a lot of credit for the nonprofit charitable projects but deserve very little of it. I had a lot of help from business partners, Barnhart employees and others in the community." Auto enthusiasts walking through the doors of SDAM everyday benefit from this generosity, and it's the exact reason Barnhart-Reese was turned to as major renovations were being planned.

Renovating to reflect the innovative industry

In 2021, Mr. Leszczynski and the Board of Directors, along with the support of Balboa Park's Committee of 100, embarked on a journey to upgrade the Museum's interior and exterior and renovate it to its 1935 outward façade and inside modernizations and turned to trusted partner Barnhart-Reese Construction Inc. to lead the journey.

Barnhart-Reese Construction also began the $760,000 remodel of the Berg Family Automotive Library in late 2022, renovating the 3,200 square-foot library in close collaboration with the SDAM team to ensure every detail reflects the image of the San Diego Automotive Museum in the community. The Automotive Library, made possible by a generous gift from the Berg Family Trust and through the Museum's community of donors, hosts an extensive automotive-related library with over 4,000 books, approximately 40,000 magazines, and 3,259 repair manuals. The unique collections and paper archive number about 70,000, including ads, automotive parts, and other ephemera. Designed by Roesling Nakamura Terada Architects, the grand re-opening of the Berg Family Automotive Library and Skeets Research Center will take place in late 2023, with the official ribbon cutting in January 2024.

Outside, a recently completed restoration reflects the building's original 1935 façade, with beautiful Mayan-revival accents, new paint, and the four restored tile murals depicting California's industrial progress during the Great Depression. Barnhart-Reese Construction oversaw the installation of the new tiles, helping bring a 1935 black and white photo of the murals, into a colorful and historical entrance to the Museum, while the parking lot directly in front of the Museum was transformed into a beautiful park, thanks to the City of San Diego, and features trees, grass, and event space.

In 2021, the Museum signed a 25-year lease with the City of San Diego, which includes a stipulation giving the SDAM permission to expand. The new building will create more exhibition areas, a newly constructed entryway, event space, and classrooms. The plans take the current structure from 37,000 square feet to 56,000 for additional exhibition areas to display more cars and motorcycles. The event spaces include the Museum floor, a more robust board and meeting room, and a 7,500 square-foot outdoor area overlooking Balboa Park. The expansion will include classroom spaces designated primarily for education programs. Youth will meet with mentors, study in the classroom, or work interactively on vehicles or motors.

"We are thrilled by our latest renovations, which is modernizing our museum for

enjoyment of future generations of auto enthusiasts," says Leszczynski, adding, "but I'd be remiss not to mention that none of this would be possible without the generosity and support of the Barnhart-Reese Family."

A $23M capital campaign takes off

The latest renovations of course don't come without major costs. In order to complete the expansion its 38,000 square foot building with an additional 18,000 square feet of space for an incredible display of cars and motorcycles, in January 2023 the San Diego Automotive Museum launched a Capital Campaign to raise $23 million. SDAM's Balboa Park lease is the only one among the many wonderful museums on the property whose lease allows such an expansion.

The new San Diego Automotive Museum's 56,000 square foot facility will immediately place SDAM among the most noteworthy presenters of classic automobiles and motorcycles in the nation and position us as a prime attraction at Balboa Park.

The SDAM's Capital Campaign expansion aims to transform the Museum into a world-class venue that can accommodate more visitors and showcase more remarkable automotive vehicles. With the modernization of its building, SDAM can reimagine its library and event spaces, expand its street gallery and gift shop, and increase the capacity for new and permanent exhibits. These upgrades and additions will help SDAM become a premier destination for anyone who loves cars and culture. It will also include a more hands-on Children's Exploration Area, Interaction Education Displays, and a Motorcycle Gallery to display the Museum's collection of over 30 motorcycles, among many other upgrades, to truly make it a world-class automotive museum.

Expanding also means more access to underrepresented communities

CEO Leszczynski believes the term "expansion" should mean more than just growth of the Museum's physical space, referring to an expansion of existing and new programs that will benefit underrepresented communities.

Combining his passion for automobiles, mentoring, and youth education, Lenny created the Career Technical Education Academy for low-income youth in San Diego. The Academy equips teens with automotive industry knowledge, budget management, and provides mentors for a successful transition into adulthood. Leszczynski explains, "I'm excited for us to take these kids and plug them into every automotive immersion experience we can think of." And that's what Lenny does, connecting youth, visitors, and the community to the car culture's past, present, and future. The Career Technical Education Academy is partially funded by the Museum's annual event, THE Party in the Park, now in its third year, an event that the Barnhart- Reese family sponsors each year.

The Museum is also proud of its many community partnerships. In 2022, Lenny asked the youth of Morse High School Auto Shop to pinstripe the Museum's 1913 Cadillac Model 30 before the Las Vegas Concours d'Elegance. It went on to win Best-in-Class for the "Antiques Through 1934" category. And through their partnership with the San Diego Blood Bank, the Museum holds an annual blood drive where free family memberships to the museum are offered to donors along with meet and greets with local speedway drivers like Sunny Trent.

Additionally, through its community

collaboration with the United Lowrider Coalition, the Museum added signs and other ephemera related to cruising ordinances into SDAM's collection and gathered interviews, vehicle data, and more to enrich the archive with Latino/Chicano voices. Lenny also worked with the curatorial team to set up a permanent exhibit of lowrider vehicles, which features regularly rotated local cars. This is of particular relevance given the recent passage of California Assemblymember David Alvarez' Assembly Bill 436, backed by the United Lowrider Coalition, that will legalize cruising statewide if signed by Governor Gavin Newsom.

Becoming the 2024 World Design Capital

The success of the capital campaign will infuse funding into these programs and partnerships and more like them, and the timing of this reimagining of the SDAM couldn't come at a better time as San Diego - along with our southern neighbor Tijuana, Mexico - will launch into the global design spotlight as the 2024 World Design Capital.

Every two years, the World Design Organization designates a World Design Capital to recognize and showcase a city or region's effective use of design in driving economic, social, cultural and environmental progress. The cities of San Diego and Tijuana represent the first cross-border region to be designated World Design Capital and the first time a U.S. city has been selected for this prestigious distinction.

"Having been selected as the World Design Capital is a recognition of our region's reputation for innovation and of the exciting arts and cultural offerings on both sides of the border," said San Diego Mayor Todd Gloria in a press release. "World Design Capital San Diego Tijuana 2024 will provide a yearlong platform to showcase design, and it will further enhance cross-border collaboration while raising the profile of our binational region on the global stage."

This honor is a major recognition that San Diego's arts institutions and museum ecosystem - to which the San Diego Automotive Museum and Balboa Park belong - are world-class.

The auto industry itself is also experiencing a major cultural moment, with auto racing exploding in popularity thanks to expanded access to programming and documentary shows like Netflix's Drive to Survive series about Formula 1 racing.

While you might not have previously known, it's clear that The San Diego Automotive Museum is making major moves to cement itself as one of San Diego's most globally prominent cultural institutions.

For additional information about the San Diego Automotive Museum, please contact: Sharon Smith, Community Outreach and Strategic Partnership Director at 619-987-8020 sharon@sdautomuseum.org

Born and raised in San Diego, Andrew Simmerman is a non-profit leader, educator, entrepreneur, and communications professional currently serving as Director of Community Relations with KIPP SoCal Public Schools.

Mascot Signs & Branding: Elevating School Spirit Through Exceptional Signage

In the world of branding and signage, one company is stepping into the limelight with a mission to ignite school spirit and pride like never before. Mascot Signs & Branding, the latest offshoot of the esteemed V Group, is set to revolutionize the signage and branding industry for K-12 schools. With a wealth of experience garnered from serving major league sports teams and prestigious universities, Mascot Signs & Branding is poised to create a lasting impact on educational institutions across the nation.

A Legacy of Excellence: V Group's Expertise

Mascot Signs & Branding emerges as the brainchild of the well-established V Group. For years, V Group has been a prominent name in the signage and printing industry, leaving its indelible mark on the world of major league sports teams and large universities. V Group's reputation is built on excellence, innovation, and a relentless commitment to delivering top-notch branding and signage solutions.

A Focus on Education: The Birth of Mascot Signs & Branding

Mascot Signs & Branding is a specialized endeavor that concentrates exclusively on serving K-12 schools. This reflects the recognition that educational institutions at the elementary and secondary levels have unique branding and signage requirements. By creating a distinct entity dedicated to this sector, Mascot Signs & Branding aims to provide tailored solutions that cater specifically to the needs of schools.

The Powerhouse Team: Ron Morabito and Jack Leary

The driving force behind Mascot Signs & Branding is a dynamic duo of industry veterans. Ron Morabito, with his extensive experience in overseeing large-scale sports and university signage and branding projects at V Group, brings a wealth of knowledge and expertise to the table. His understanding of the branding intricacies of sports teams and universities provides a solid foundation for Mascot Signs & Branding's foray into the education sector.

Complementing Morabito's background is Jack Leary, whose long-standing career has been dedicated to signage and branding solutions for K-12 schools. Leary's deep understanding of the unique challenges and aspirations of educational institutions positions Mascot Signs & Branding to not only meet but exceed the expectations of its clients in the K-12 sector.

A Winning Combination: Education and Branding

Mascot Signs & Branding understands that a school's brand identity is more than just a logo on a sign. It's about fostering a sense of belonging, instilling pride, and creating a positive atmosphere for students, faculty, and staff. The company's approach blends the artistic aspects of branding with the technical precision required for signage, resulting in solutions that resonate with the school's community.

Tailored Solutions for Schools

Mascot Signs & Branding offers a comprehensive range of services designed to address the unique needs of K-12 schools. From crafting eye-catching entrance signs that set the tone for the school's identity to designing vibrant murals that inspire creativity, their services encompass all aspects of branding and signage.

Whether it's creating mascot-themed banners, producing custom signage for school events, or implementing wayfinding systems to ensure smooth navigation, Mascot Signs & Branding is dedicated to elevating the overall experience within educational institutions.

Mascot Signs & Branding brings together the best of both worlds: a legacy of excellence in signage and branding combined with a laser-focused commitment to K-12 schools. Ron Morabito's expertise in major league sports and university branding, paired with Jack Leary's deep understanding of the needs of educational institutions, forms a formidable team ready to revolutionize school branding and signage. With Mascot Signs & Branding's tailored solutions, schools can look forward to fostering a stronger sense of identity, pride, and community, ultimately enhancing the educational experience for students and staff alike.

mascotsigns.com info@mascotsigns.com 925.451.2683

In '68 LBJ Wanted Nixon, Not Humphrey, for President

By Douglas Page

Editor's Note: This is an edited transcript of SD METRO's interview with Luke A. Nichter, author of a newly published book, The Year That Broke Politics, about the 1968 Presidential campaign between former Vice President Richard Nixon, Vice President Hubert Humphrey and former Alabama Gov. George Wallace, which might be one of the most controversial presidential elections in U.S. history. The transcript was edited for brevity and clarity. The full interview can be viewed on SD METRO's website.

Of all the interviews you did -- it looks like you did about 85 -- which were the best three and why?

I would say number one is former Vice President Walter Mondale. He was co chair of Humphrey'sPresidential campaign. He became very close to Hubert Humphrey in the 1970s. And he said they talked about 1968 many times. And so, I felt almost as if what he was saying to me about 1968 came from Humphrey or that at least they discussed it.

Mondale challenged me to focus on Lyndon Johnson. Mondale said, "If you want to know what I think, Lyndon Johnson absolutely did not want Hubert Humphrey to win." And he said it twice. This is a dramatically different conclusion than what's in 50 years of the literature.

I said, "Do you think Johnson possibly wanted Nixon to win?" And he said, "Maybe."

My second choice is Anna Chennault. She was a mysterious, fascinating figure, and so many people have written about her, and almost no one actually tried to talk to her.

And I would give a collective answer for the third choice. I would say the presidential kids. They're not kids anymore, but hats off to them. I talked to two of the Wallace kids, Hubert Humphrey III, or Skip Humphrey as he's known, the Nixon daughters, Tricia and Julie, and then the Johnson daughters, Linda and Lucy. They add a human element that you don't get from looking at old memos, at dusty, old records. And I try to incorporate that human element as much as possible.

What makes Anna Chennault so special? What gives her entrée around Washington?

She was ahead of her time in a sense that she was a very diminutive in stature Chinese woman who excelled in areas of life typically dominated by men in terms of military, foreign policy, and informal diplomat. I think she was friends with virtually every political and military leader in Southeast Asia, all of the anti-communist nations. Her own family lost everything to the Communist takeover of China in 1949. I think certainly her famous last name from her (husband) Maj. Gen. Claire Chennault, a famous World War II general. She then hooked up with Thomas Corcoran, one of the biggest New Dealers in Washington, a prominent Democrat. And I think Chennault's own politics… Everybody says prominent Republican, I think that goes too far.

What was the most intriguing thing you learned from your research that you would have thought you would never learn about Johnson and Nixon?

The cover of the book is this famous silhouette of Johnson, this famous silhouette of Nixon talking in

the shadows in the White House. I think that's symbolic of what I found often went on during 1968. Two months after I saw Mondale, the Rev. Billy Graham died. And that triggered the beginning of a process that continues to today as we talk to open his 70 years of political papers.

There's a chapter in the book called "Messenger," where Graham is passing messages, not just between Johnson and Nixon, but he's also checking up on former Alabama Gov. George Wallace, California Gov. Ronald Reagan, former President Dwight Eisenhower, and other key political officials on both sides of the aisle. The peak of activity is right after Labor Day 1968, when Nixon passes a message through Graham to Johnson, where Nixon pledges, as President, that he would never criticize Johnson by name. He says he's the hardest working president in 140 years, which was an implicit appeal to Johnson's own political hero, Andrew Jackson in the 1820s.

Nixon said he would give Johnson credit for Vietnam when it was all over and do everything that a President Nixon could do to give Johnson a great place in history.

For many people, it's hard to think that an evangelical Christian, like Billy Graham, is out there being the liaison between various political factions.

Graham attracted Hollywood and media moguls. And he really learned from that experience. I would say he probably became an organizational genius, a media genius, a marketing genius.

Presidents copied his advance techniques before his crusade rallies, the way he did motorcades, and organized large numbers of people to deliver content and messages.

He was close to Johnson. I think he was the closest in terms of what he had in common personally. They were moderate Southerners, pro civil rights, each on the fringes of the South. Neither one was considered a true Southerner, especially by those in the deep South.

Graham represents millions of moderate Americans, especially in the South, traditionally New Deal Democrats who, by the 1960s, their votes are up for play, or they're starting to vote split ticket.

Was there anything about Johnson and Nixon's personalities that you discovered that doesn't fit their public persona?

I remember asking Johnson's youngest daughter, Lucy, about that, and I really can't say it any better than she did. She said, "You look at the surface, these are very different people, Democrat, a Republican, a liberal, a conservative, different temperaments, personalities, career arcs. But privately, you have to realize how much they had in common. They're both from fairly humble upbringings, they both were aware they didn't go to prep school, they didn't go to the best colleges. Nixon to Whittier, Johnson to a South Texas State in San Marcos, Texas. They felt they were always looked down on by elites, by the establishment, by national media. Each had been Vice President under more charismatic Presidents, Nixon to Eisenhower, Johnson to Kennedy. They always felt they lived in their shadow."

Hubert Humphrey obviously carries a lot of water for LBJ. What was the relationship like between these two?

Humphrey's from the left of Johnson, the liberal wing of the party, which is important during the civil rights era. Johnson really needs their help to pass the Civil Rights Act of '64, the Voting Rights Act of '65, and there's another Civil Rights Act of '68. Humphrey is the floor manager for the '64 Civil Rights Act. He doesn't get a lot of credit for that. But by '68 they're barely on speaking terms. I think part of it is the tension that's normal between a Vice President and a President.

Humphrey was the happy warrior. His political temperament was very different. The Johnson people always told me, "Johnson believed to be president, you had to have a killer instinct." Talk about a morbid profession. But after all, the President is Commander in Chief and you have to make potentially life and death decisions at a moment's notice, without emotions, based on incomplete information, and imperfect timetables. And Johnson ultimately concluded that Humphrey didn't have that killer instinct. He simply wasn't presidential timber. And while Nixon was his longtime rival foe politically, he respected him. He thought he had presidential timber.

What gives Nixon a competitive advantage over other Republican candidates?

I think a few things went in Nixon's favor after losing narrowly in 1960 and then more decisively for the governorship in '62. He leaves California and moves to New York City, which is not exactly a place where a conservative with a Republican future would go to practice law, which he'd not done since the 1940s.

Nixon started over. He had time to read and reflect. I think he did a lot of soul searching. He studied his mistakes and where he went wrong. He came back in '68, I think, as a much more mellow version of himself.

If television defeated him in '60, television helped elect him in '68. He learned he wasn't a natural. He wasn't as stiff as Johnson, but he wasn't good at it like Kennedy. But he learned to do okay at television.

What is the middle class seeing when they're watching the nightly news that's influencing or prodding them along in how they're going to vote?

The world was stirred up. A lot of the experiences of the 1960s were going on around the world, and you look at month by month in 1968, and each month unfolded in a way with a series of events that could have been completely unpredictable the month before.

While you don't use the term, George Wallace certainly appears to be the Donald Trump of his day, and his

supporters and voters seem to be very similar, too. And yet Wallace, like Trump, isn't shown a lot of respect by the media and for that matter, neither are his supporters. Why?

He was a national Democrat, not an Alabama Democrat. And he made statements in '62, '63, for example, that he would stand personally in the schoolhouse door to block integration at the University of Alabama. He declared, "Segregation today, tomorrow, and forever," in his inaugural address as governor in '63. And these are remarks that he ultimately came to regret. He was obviously very naive to think you could say something like that, and it wouldn't affect you for the remainder of your life. But I think this was a time when Southerners are beginning to peel away. I think they saw national Democrats moving to the left, not just on civil rights, but on lots of other issues, too.

You said in an earlier interview that Nixon wasn't sure he wanted to run for President 1968. And yet, according to his own book, Leaders, he discusses meeting, while vice president, former President Herbert Hoover and Gen. Douglas MacArthur. After he leaves the vice presidency, he makes frequent trips to Europe, meeting Charles de Gaulle and Konrad Adenauer. Add in his eight years as vice president, and it's hard to believe he wasn't the most prepared candidate to become the next President, maybe after Humphrey. And yet you mentioned he's not sure he can win. Why is this?

Nixon, the Graham diary says, struggled with the decision. He looked at what it put his wife, Pat, and daughters through in '60, and then again in '62. I think he was an emotional wreck.

If he lost, would he have any law clients left in terms of his ability to have an income in the future? Could his daughters go to a college and not be harassed? These are real, tangible human concerns that transcend politics.

Graham's diary says Nixon was on the edge of making this decision around Christmastime '67 or New Year's '68, and Nixon asked Graham to come to where he was staying with his friend, Bebe Rebozo. Graham was surprised. He says in his diary that Nixon had not made his decision. He was on the fence.

Graham, I think, helped convince him that it was his duty to run again; that he was still a young man. A few days later, Nixon cabled Graham and said he was decisive. And Julie (Nixon) also says that Graham was decisive. I'm not going to say Nixon would have run without Graham's nudge. He might still have, but I think Graham's help came at a really important time.

When you think about the effectiveness of presidents that we've had in the United States, that is their ability to achieve their political goals, how does Nixon stack up?

Many people have pointed out Nixon's fairly progressive domestic policies for a Republican. He supports the E.P.A., the Clean Air Act, and the Clean Water Act. You can go on and on. Even in foreign policy, going to China, going to Moscow, ending the Vietnam War the way Nixon did. These ideas had roots in the Johnson years. The size of government didn't shrink under a Republican. Under Nixon in response to the Great Society, it grew. Nixon didn't blow up the Great Society.

Johnson could play potentially a very powerful force for Nixon, to control a Democratic Congress. Nixon's the first President in 140 years to have neither the House nor the Senate controlled by the Republicans. Johnson was desperate to remain the nation's top Democrat in his brief post presidency of about four years.

Nixon is the only native Californian to become President of the United States. What do you think had more influence on him, being from California or his Quaker faith?

Nixon was an authentic Californian. I think what made him different was two things. Being from California, he really understood the Pacific world. He understood that was the future, whether it be the war in Vietnam, but also the huge populations of China and of India. In the late 1960s, China had a population of 800 million. I think he focused more on the Pacific world, he saw how absurd it was that China basically lived, as he said, "Outside the family of nations." This had to be rectified by some future President while we could on our terms.

Israel is at war with Hamas. When you think about President Biden, is he doing what Nixon would do?

First, the lesson of history is that there's an awful lot we don't know. It takes a long time to piece together what really happened about a complex, fast moving story that the media, frankly, is struggling to keep up with.

Second, I wonder what Russia and China are doing behind the scenes. I don't think a surprise attack, as it's being characterized, happens without some kind of sponsorship. There's no doubt that both Russia and China are very happy to see the news change suddenly. It seems to suit their interest to cause a little chaos. Those are things I also wonder about.

I think he would engage in creative diplomacy. You go back 50 years to Henry Kissinger's shuttle diplomacy, meeting nonstop, continuously flying back and forth between Syria and Egypt, and Lebanon and Israel, trying to broker a deal using unconventional tactics at times, intermediaries, secret messages, things that don't necessarily happen in the open. And unconventional diplomacy was a hallmark of Nixon's trip to China in '72, Moscow later in '72.

I don't know what Nixon would do, but surely, he would tap those unconventional, behind the scenes, diplomatic channels.

The interview was conducted by SD METRO associate editor Douglas Page. He can be reached at dpage@sandiegometro. com.

CATALINA DEFYING LOGIC

CELEBRATING THE PEOPLE'S ISLAND

By Marlise Kast-Myers

My mom was turning 80, obviously a major milestone and a party worth throwing for the woman who gave me life. As the epitome of sacrifice, she was raised in Ghana as the daughter of missionaries, deprived of riches so she could invest in the poor. Her love for others never faded, dedicating over 10 years building schools, clinics, and housing alongside my South African father in the country of Lesotho.

Later in life, they left their roots to be close to their two daughters in San Diego, launching a landscaping company to fund their philanthropic projects in Africa. Defying logic, my parents still return regularly, traveling over 10,500 miles to bring hope to the next generation.

Now, as my mother approached her 80th year, my sister and I joined forces to give her the one thing her heart desired most: family.

Between six adults and three teenagers, finding a weekend that worked with a web of schedules wasn't easy; but my mother asked for little, so we were determined to make it happen. Hawaii—or flying anywhere for that matter—was out of the question. Still, we wanted an island getaway close enough to home yet, mentally worlds away.

And so, at my mom's birthday dinner we brought out a piñata, blindfolded her, and handed her a bat. Head to the sky, she swung at the air, stopping only to slap her knee in hysterics. With help from her grandkids, she eventually triggered a shower of candy from the paper-mâché carcass. Along with the treats, fell out a card reading: "Mom, we're going to Catalina. All of us."

Of course, she cried. "You mean it? You really mean it?!"

We did. At least that's what we told ourselves. Just 22 miles off California's coast, the rocky island is accessible by ferry from Dana Point, Long Beach, and San Pedro harbors. Tickets from nearby Dana Point were sold out, so we departed from Long Beach.

To maximize our stay, we took the 9:50 Catalina Express ferry to Avalon, costing roughly $80 per person for the round-trip fare. Parking ran another $22 a day. Based on our budget, we planned to stay three days on the island.

Like kids on a rollercoaster, we sat on the top deck at the front of the ship,

The historic Casino pins the bays of Avalon and Descanso Beach.

cheering when a pod of dolphins sprung from the sea. Suddenly, my mom motioned the rows of strangers to “all rise”, encouraging them to join her porpoise parade. One-by-one, we shimmied over to make room for the masses, now sitting cheek-to-cheek with randoms.

During the 1-hour journey, my mom handed out granola bars and Gatorade, then pointed to the island like a pirate, before dancing to the beat of source-less music. That was my mom, culminating all the habits that embarrassed me in my youth, to now look at her as the woman I wanted to become.

Once on land, she insisted we walk—luggage, coolers, and all—through the main street of Avalon. In this 2-sq-mile stretch are a cluster of shops, restaurants, bars, and 30+ hotels dotting the cheerful town. It’s here on the southeastern side of the island where some 5,000 residents call home and visitors seek utopia.

We certainly found it; from the white-sandy shores of Descanso Beach, we strolled the boardwalk while kayaks and paddleboards glided through our living postcard. Towering palms and water as juicy as blueberries made it easy to lose ourselves on the map. Like a Mediterranean dream, sailboats bobbed offshore, framed by sugary sands and sprawling greens dotted with white cabanas begging for summer brides.

Nearing the 130-year anniversary of the Santa Catalina Island Company, made this trip a season of celebrations. The party really took off in 1919 when chewing gum tycoon, William Wrigley Jr. paid the pioneering Banning brothers $3 million for the fire-ravaged island. Wrigley invested millions more to transform the rugged island into one with water, utilities, telecommunications, streets, schools, homes, hotels, and steamships. His vision wooed everyone from Winston Churchill and Ronald Reagan to Marilyn Monroe and Charlie Chaplin.

But Wrigley didn’t build his island empire for Hollywood’s elite; He built it for the gum-chewers of the world. Catalina was his token of gratitude to—in his words— “the tired shop girl, the artisan, the clerk, and the Boy Scout.”

In my family, we checked every category, other than “the clerk.” And so, I took my Boy Scout nephews, my artisan niece, and my shop-girl self to the Catalina Aerial Adventure. My mom insisted the grandkids experience this adrenaline-filled activity, working their way across ziplines and rope-courses with spirit and courage.

Between golfing, paddleboarding, diving, parasailing, fishing, falconry, biking, hiking, and tours, we had plenty of activities at our fingertips.

But for now, we would eat. After a casual lunch at Antonio's Pizza, we walked to our hotel for check-in, and just like that, we had the lay of the land. Although the island is 76-square-miles, most restaurants, attractions, and hotels are along Avalon Harbor.

This included our property of choice, Bellanca Hotel. Opened in 2020, this boutique hotel was the cool kid in town, just steps

A rare quiet day at Avalon Beach.

from the beach with a rooftop deck, modern rooms, harbor views, and the trendy Naughty Fox Restaurant. The staff welcomed us with champagne and macaroons, and introduced to such perks as complementary bikes, beach accessories, and luggage transportation upon departure.

By booking side-by-side rooms, our party of nine dominated the second floor, propping doors open with flipflops so we could trade coffee pods. For a family raised on Motel 6, we were wide-eyed by the fireplaces, soaking tubs, and adjoining balconies.

It was our time, a blink in life when we lived in harmony for the one who formed us, shaped us into the people we are today, and the generation we'll empower tomorrow. We did it for mom: the hotel boardgames, the sunset bike rides, the midnight ice cream, and the rooftop gatherings. Over boxed wine and charcuterie from a cooler, we toasted to "family" and the miracle of making it happen.

But the miracle didn't stop there. The following morning, my 84-year-old father insisted we all hike Hermit Gulch. The 4-mile strenuous loop was out of the question, but my parents were determined to give it a shot. Again, defying logic, they climbed steep trails to soak in views of Avalon Canyon across the San Pedro Channel.

After celebratory tacos and margaritas at The Sandtrap, we rented golfcarts to explore the wild side of the island. Bumps, turns, and curves had my parents hanging on for dear life, while my husband hollered, "We have exactly one hour, or they'll deduct from our deposit!"

Tires screeched as we hugged the cliffside, doing our best to read paper maps flapping in the wind. Acting as our self-appointed guide, my sister pointed out Wrigley Memorial, an iconic landmark paying tribute to the founder's vision to protect the island. The monument was appropriately wrapped by the 36-acre Botanic Garden, created by Wrigley's wife, Ada in 1935.

In God speed, we zipped by the baseball field where Wrigley set up spring training for the Chicago Cubs in 1921. As part owner, he coached their progress from the terrace of his elegant estate, Mt Ada, now operating as Catalina's only 4-star hotel.

Weaving downhill, we leaned-in toward the Spanish-style Chimes Tower that rang out as we passed. "We have 15 minutes left," my husband shouted.

Beyond the jungle-like terrain of Descanso Canyon, we flew past the historic Casino, the Yacht Club, and then our hotel where my parent's jumped curbside.

"Man down," I shouted. "Everyone okay?"

My parents gave us a thumbs up, and away the "youngsters" went, stopping midway for saltwater taffy and fudge at Lloyd's candy shop. After our rapid-fire tour, we reunited at The Lobster Trap for fresh seafood, followed by movie night at the Casino.

Built in 1929, this dance pavilion was the impetus for the big band era, drawing 3,000 people at any given time. Encompassing the ground floor is a 1,184-seat theater, where motion pictures were—and still are—played. As a playground to the stars, the Casino united Hollywood legends with the working class, in Wrigley's ongoing efforts to make people happy.

He certainly succeeded.

Our 9-person tribe was happy, especially the following morning during the Bison Expedition. This two-hour tour explores the grazing grounds of Catalina's bison, descendants of a small herd left on the island by a movie crew in the 1920s.

The two-hour safari traversed Catalina's rugged interior, where

88 percent of the island is designated as protected land. Snaking through the grasslands was the 38-mile Trans-Catalina Trail, attracting hikers, campers, and of course the bison.

If there's ever been a time to visit Catalina, it's now. The once-thriving herd of 550 has dwindled to around 70 after an infertility program was introduced to restore native flora. Aboard the open-air Hummer, our guide told us bison are seldom seen these days.

But we were in luck.

Stradling an overgrown trail stood a magnificent beast, looking tired, dirty, and alone—as if fully aware he was among the last of the buffalo to roam in paradise. These Hollywood legacies were literally a dying breed, and one we cherished for sharing their moment in the spotlight.

That afternoon, my mom and I walked arm-in-arm to the Catalina Museum, discovering the rich history of the island, serving as the location for over 500 motion pictures. In the 1940's the Navy underwent clandestine operations by using the island for maritime espionage training. In 1943, Norma Jean Baker lived in Avalon before her glamourous life as Marilyn Monroe. In 2007, the island survived a wildfire burning over 4,750 acres.

Through it all, Catalina remained "The People's Island." Thanks to Wrigley's vision, he created a destination that brought Hollywood stars and blue-collar workers together; that ignored social classes and taught people to dance like no one was watching; to walk instead of drive, to toast on rooftops, and to encourage strangers to "all rise" at the sight of nature.

In our case, mom may have brought us together, but it was Catalina that kept us in place.

Regardless of age—whether it be 80 years for my mom, or 130 years for Catalina—both were living their best lives and maybe, even defying logic, just a bit.

It's an adrenaline-fuled balancing act at the Catalina Aerial Adventure

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