

ABC NEWS

Fire, drought and real estate prices are ending the Californian dream

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By: North America correspondent Kathryn Diss and Cameron Schwarz in California

California has long been America's promised land, tempting frontiersmen to take huge risks for hundreds of years, lured by the promise of gold, oil and lush farmland.

But as climate change leaves towns dry and increases the risk of catastrophic fires, and big cities like San Francisco and Los Angeles become unaffordable, is the "California Dream" coming to an end?



As bushfires and droughts become more frequent, and the state becomes more expensive, California's population has declined for the first time.

Since the gold rush began in the 1850s, the state has been defined by massive population growth as people from all over the world sought fortune out west.

The population boomed again after World War II as the defense and aerospace industries set up shop.

Then came the tech bonanza of the 1980s and 1990s which put Silicon Valley on the map.

But for the first time in its history, California's population declined last year.

Californians give up on the dream

America's most populous state lost 182,000 people in 2020.

It might not sound like much in a state of 39 million people, but it's the equivalent of all the residents of Santa Barbara and all the residents of Santa Monica packing up and heading elsewhere.

More people are now leaving California than those moving in.

Over the past decade, California's population growth of 6.1 per cent was the slowest in a century and below the national average of 7.4 per cent.

Demographers attribute the decline to several factors, including stricter immigration policies, a declining birth rate and increased deaths as a result of the coronavirus pandemic. It resulted in the state losing a congressional seat for the first time in its 170-year history.

In comparison, Texas, which has fast become a new home for entrepreneurs, young families and Silicon Valley types because of the affordable lifestyle it offers, gained two seats.

Locals will tell you people are leaving the lucky state because of high taxes, its political leaders, and the increasing likelihood of catastrophic weather conditions like bushfires and heatwaves.

And some Californians simply can no longer afford to live here.

San Francisco, Los Angeles and San Diego have become expensive, with house prices growing in line with Silicon Valley's rise.

The median house price in San Francisco is \$1.8 million. That's even more expensive than Sydney, where the median house price is \$1.3 million.

Critics argue that has pushed out and priced out many middle-class Americans, created an ever-widening wedge between the state's poor and the uber-rich.

It has also exacerbated the state's homelessness crisis, with an estimated 161,000 people sleeping rough. That's the highest of any state in the US.

But California's difficulties are not just limited to cities and surrounding suburbs.

Reaping the spoils of the state's rich agricultural soils has become nearly impossible for many Californians whose families have worked the land for generations.

Locals fear 2021 might be a crisis

Francesca Marchini, 32, is the fourth generation of her Italian family to farm in



San Francisco has increasingly become unaffordable after tech companies migrated to northern California.



The number of people experiencing homelessness is on the rise in California.

California's Central Valley, the heart of the state's agriculture industry and home to some of the richest soil on the planet.

But even she's not sure if the Californian Dream, which her ancestors travelled from Italy in search of in the 1920s, will be around for her own children.

"I'm encouraging them to be diverse because I don't know about farming for my children now or my brother's children," she said.

As a little girl growing up in the San Joaquin valley, Ms. Marchini's dream was to stay on the land and raise a family in the middle of an almond farm.

She now does that with her husband, four-year-old son Jeffrey, and two-year-old daughter Maggie. But she worries about the future as the state's water supplies continue to dwindle.

"It is our passion and our heart to keep farming," she said.

"We just want to grow the best product around, but water is the key to growing these products, to ship them domestically and around the world."

"It's an unknown future for us, that's for sure."

The effects of the last severe drought, which lasted around four years until the end of 2015, are still being felt.

Underground aquifers, heavily relied upon by farmers when there's little winter rain or snowpack on the Sierra Nevada mountains, have been severely depleted in recent years.

Many areas, sapped dry by the last drought, haven't replenished, leading farmers to drill new wells, which just go deeper into the water table.

As a result, towns have literally started to sink.

"I definitely think we're going to have to live under this new normal of less water," Ms. Marchini said.

"We're not yet in a crisis but 2021 might be a crisis."

Drought forcing tough decisions

About two hours' drive south in the Valley, the signs of drought are even more apparent.

While it's not unusual for the state's landscape to turn dry and parched as the northern hemisphere's summer approaches, it's abnormal in the middle of May.

On John Guthrie's ranch, which has belonged to his family for 150 years, there's about a third of the feed grass on the ground than normal when heading into the dry months.



"It's an unknown future for us, that's for sure," says Francesca, who was raised on a Californian almond farm.

One of his vital dams at this time of year is usually overflowing and feeding through other tributaries on his property.

In mid-May, it's already bone dry.

"It's warmer than it usually is, it's warmer sooner and it lasts longer, we have these catastrophic wildfires ... so something is definitely different," he said.

"The part that I'm worried about is the next 10 years, the next 20 years with my family, I fear we're in a downward trend."

It has forced Mr. Guthrie to sell more cattle than he'd like, move his current stock to greener pastures and buy in hay at huge expense.

If it wasn't for the family name, he'd consider packing up.

Families with long California ties consider a move

Nestled in the foothills of the spectacular Sierra Nevada mountains, Tom Mulholland's family has grown citrus fruit in the San Joaquin Valley for 60 years.

He was the largest supplier of mandarins to Australia during the off-season and worked with Woolworths to develop the 'Delight' variety.

His ancestry in the region runs deep. His grandfather was the chief engineer who designed the controversial aqueduct system that delivered water to Los Angeles in the 1900s, paving the way for the city's meteoric rise.

But even his deep roots weren't enough to keep him in the game in a big way.

About a year-and-a-half ago, he made the tough decision to sell out.

"If there's no water, there's no plants. [We need] soil, water and sun," he said.

"We've got the sun, thank you. We've still got the dirt here, but without the water, we're not going to make it here."



Every year gets more difficult for John, but he's not ready to give up the ranch that has been in his family for 150 years.



Tom Mulholland grew mandarins on his farm for six decades, but decided to sell out last year.

Mr. Mulholland believes climate change is to blame.

"Denial of that is being written up, but I think science is going to prove that there is in fact warming on this earth," he said.

While he acknowledges the effect the tech industry has brought on less fortunate Californians, he sees it as the next frontier, which could in fact bring about more sustainable farming practices.

"What can we accomplish from here? Elon Musk was able to build rockets and cars from here in California," he said.

"Look at all the significant discoveries coming out of Silicon Valley, those are all new ways of looking at this."

'I didn't know what to do, water is essential'

Decades of overdrawing aquifers to feed the state's booming agriculture industry is having a flow-on effect, particularly for low-income communities in the Central Valley.

One day, Carolina Garcia turned the taps on and nothing came out.

For two weeks, her family went without running water, after the well they relied upon for more than a decade went dry.

"I was sad, I was desperate. I didn't know what to do," Mr. Garcia said.

"Water is essential, it was hard to see our kids suffering."

Unable to afford to pay the tens of thousands of dollars for a new well, Ms. Garcia went looking for help.

The family of 10 will now live off two temporary water tanks donated by a local non-profit until the city's piping reaches their home.

The organization, Self Help Enterprises, has helped 300 other families like Carolina's across the Valley.

Since April, demand has jumped 40 per cent.

Without the donation, they would have been forced to pack up and leave the state.



Tom believes Californian innovation could solve the state's issues for farmers.



A charity installed water tanks on the Garcia family's property after their well ran dry.

"We would have probably had to move somewhere else," she said.

But ultimately, Ms. Garcia is a California girl.

"I know I'm probably going to be judged by a lot of people but I don't care, I'm just happy [to stay]."