



Memo: Unlocking California

Solving Our Public Problems at Scale

by Zack Rosen

This memo is written for UHNW donors researching how to deploy \$10M+/year into California politics and policy successfully.

My POV is these donors will either “hang together or fall apart” in their efforts. The California legislature is a \$900m/year political system of entrenched players. The only reasonable way to make progress at scale requires a 10:1 leverage. Our success to-date in ending the housing shortage on a ~\$5M/year budget at California YIMBY provides a model.

California is home to the most productive engine for growth in the global economy. But that blessing has turned into a curse for our citizens, because our civic leaders have failed to govern our state effectively in the 21st century.

Reversing this trend is a worthy and achievable goal.

This memo summarizes our approach and philosophy to this work via my experience as co-founder of California YIMBY, Abundance Network, Pantheon.

Abundance is helping establish an emerging category of philanthropic capital yet-to-be named, but thought of as “solving public problems at scale.” It is roughly analogous to the philanthropic capital organized and deployed 100 years ago during the Progressive era when business leaders partnered with public leaders to build power in Municipal then State the Federal government 1910-1940. They then exercised that power to remake the American system of government for the industrial era, win World War II, and unleash the greatest wave of shared prosperity in the world until China 1970-2010.

We have written a rough analysis of [this history](#) and the slide to dysfunctional governing 1960-today.

The goal of this memo is to explain this alternative category of philanthropic capital clearly so you can decide if it's a fit (or not) in your philanthropic capital allocation.

My background

- I worked on Howard Dean's Internet team, which invented the model that elected Obama President. I built my career in tech to have the credibility to help tech leaders be maximally effective in the domain of politics and government.
- I founded and was CEO of Pantheon from \$0 to \$100M+ ARR.
- I co-founded California YIMBY which is about 50% of the way through ending the California housing shortage (the most crippling public problem in the most important state in the United States of America.)

In my experience, the existing players in politics and government do not know how to modernize our public institutions. Leaders from business must help public leaders in hands-on ways figure this out. We must learn how to retrofit what we do in our day jobs to transform our public institutions, and make them healthy and viable again.

The analogue is what leaders from business did in 1910-1935 when they rebuilt government for the industrial era—it was originally designed for a 90% farm economy. Practices from running scaled industrial operations were painstakingly retrofitted to our American system of self government: bookkeeping, inventory management, professional civil service and scaled municipal infrastructure and services (sewers, police, fire, public health)—all were designed implemented and scaled in a ~30 year period by a single generation of public leaders.

Where we may disagree

The basic thing we may disagree on is that policy is the product and campaigns are the sales & marketing function. To be effective, you need to understand how to work backwards from government change to politics.

The **product** comes first, the sales and marketing (GTM functions) come second. All the tricky political and coalition questions—what is the political identity, the party coding, which races etc.—come after you lock in your policy goals and roadmap.

Building a political team that does not have a policy team—or policy goals—is like building a startup with sales & marketing but no engineers or product managers or designers. It won't work.

Next, you must learn how coalitional power is built and exercised. This is the key understanding you will need to be effective. CEOs/VCs can't get their head around this, but it's the key difference in democratic institutions v.s. building companies.

With tech companies the market winner gets 70% of the market power, and everyone just standardizes on them. In politics, the hard-lines of power are hyper-fractured and so you must agglomerate power via coalition. Our system of self-government is built around interlocking mechanisms of power that must scaffold together into a much larger whole.

The methodology and capability of getting these interlocking bodies to agree is the basis of building and exercising coalitional power. One regional body controlled by its elected members can simply say “no” to the thing you want to accomplish: city council, MTC board, legislative committee etc.

Relatedly, 70% of your startup lessons will work beautifully. 30% will blow you up. The trouble is knowing the difference.

I don't know if you are the right financial partner for our work, because I don't know if you have the patience to learn how power is exercised in the American system of government. In which case we will always be mismatched, and should not waste one another's time.

Spirit of all of this is very "PLEASE SEND THE CALVARY"... with a dose of "I've seen multiple donors try to help and make our job *way* harder" skepticism.

The average philanthropic involvement in our work has been a serious net-negative. For example, philanthropists in L.A. just tanked their housing market (via measure ULA) and may end up accidentally forcing a state-wide ballot prop to set revenue measures to 66% again, which would cause wreckage in municipal governments up and down the state. And up close, ~80% of the philanthropy being poured into San Francisco is either being lit on fire, or put into things that make it harder not easier to govern our ungovernable city.

Money in California Politics

There are three types of money in politics.

1. Gambling: Donate to an elected, hope for the best. Most hard money is this (ActBlue etc.)
2. Card Counting: Hire an expert and make risk-adjusted bets. ← **This is probably you**
3. The House: Get a 2pt edge, and sustain it. The big stuff has to be done this way (overturning Roe vs. Wade in the courts despite it being 2:1 unpopular for example..)
← **This is what Abundance is building**

Framework for Deploying Philanthropic Capital

There are three boxes you should check before you greenlight funding:

- A** Do you have conviction that you understand the policy levers necessary to change government to improve people's lives in [domain]?
- B** Can you build the political power necessary in the jurisdictions required to pull these levers?
- C** Do you have the resources—talent, money—over the time required to create/sustain the political power to pull the policy levers to achieve the government change?

Here is a framework—questions to answer—to check boxes **A** and **B**. You will need an experienced team to build the plan and work-back for **C**.

Question #1: What is your goal?

Some of the inbound funders are referencing the Fairshake campaign as a success model. I have only passing knowledge of the (successful) Fairshake campaign, but my understanding was it was a straightforward lobbying effort to push back on crippling regulation via Federal authorities. It's a great example of 'working backwards from government change goal.' Very clear and actionable.

My first question is, who was the counterparty? (e.g. who would want to *regulate* Crypto) Perhaps Banks were pushing to regulate, in which case this would be a meaningful fight. If not, and it was only pro-finance-regulation orgs, then I am less impressed, as those groups are quite weak in D.C.

In any case, you should start by answering this question:

Goal: [Action X] to [Change Y]

For Fairshake, it was something like:

Goal: Lobby Congress to Stop Crypto Regulation.

For California YIMBY it is

Goal: Lobby California State Legislature to Legalize Housing

How do you frame your goal? Often times projects get funded with no more than this:

Goal: Buy Political Advertisements to [...?]

This is what I meant by 'working backwards from Government Change' to politics. The campaign consultants are like Account Executives. They will sell you activities all day long (and pocket 5-15% of your advertising spend) without forcing you to identify your goal.

Question #2: What is the jurisdiction to achieve your goal?

For Fairshake it was (I believe) Congress and presumably Federal regulatory bodies. For California YIMBY it has been the State Legislature stomping on Municipal Governments.

For each goal, you will need to map the jurisdictional authorities who control what you want to do. This means intersection at all levels of government, from the Supervisor district, the Municipal code, to regional authorities (MTC etc.) to State to Federal Statutes.

This likely requires expertise you do not have.

Question #3: How will you build the political power to exercise the jurisdictional bodies to achieve your goal?

Now that you have mapped the jurisdictional bodies, you can begin the political work back. Each body will need its own plan.... Again, you probably do not have this expertise yet and will need to find/hire it.

Example: Ending the Housing Shortage in California

We weren't the first to understand the housing shortage was immiserating Californians. But we were the first to make major progress ending it. How?

[Here](#) is a good state-of-play on housing from Bloomberg. I co-founded California YIMBY with Brian Hanlon and Nat Friedman in 2017. We are about ~halfway through solving the housing shortage in California, which is the lodestone of horrible outcomes for Californians.

What does it mean to have the highest rate of poverty of any state in the United States of America? It means if you are a poor kid, you are better off growing up in Mississippi.

It means we Californians suck at governing ourselves. This is especially true of our philanthropists.

We built north of 200,000 units in the 1950s with a population under 10M. We are building 80,000 units today for a population over 40m. Why? Because we made it illegal to build new housing 1970-2020 while California philanthropies sat on their hands or often worse, invested in NIMBY activist organizations on the basis of funding "equity" programs.

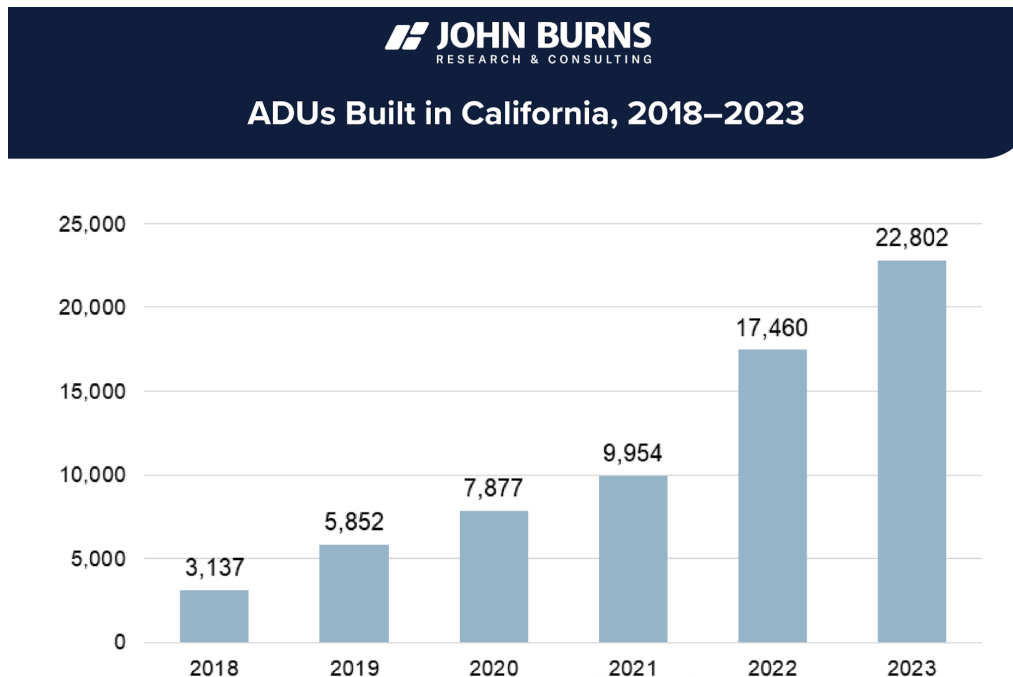
The difficult thing on housing is that you need to bore a giant hole through 4x domains of land-use policy in order to enable the market to come back. Essentially we need to undo 70 years of NIMBY land-use policy that covers every jurisdiction in heavy layers of red tape:

1. **Ministerial** (85% complete): Approval: If your project is legal, can you build it? Or can Peskin fuck you over. With the housing exemption from CEQA and HAA strengthening we are now 'defacto ministerial'. This was the hardest political lift we will have to do, as we had to take down the exaction-machine of equity groups, labor, and NIMBYs.
2. **Zoning** (60% complete): Is it legal to build your project? With SB79 and strengthening RHNA process we have upzoned high-demand cities via the largest up-zoning in the history of the United States.
3. **Fees** (0% complete): Today +/- \$200K per home in high demand California Cities... e.g. the cost of building a home in Ohio. Working on this now..

4. **Implementation** (10% complete): Building codes, power/water/sewer hookup, plan-check etc. Have you experienced San Francisco Department of Building Inspections? Abundance Network will need to pick up a lot of this work because it's at the Municipal level of government. This is gonna be a long-tail of work.

Until all 4x layers are drilled, you don't get much. However, we have successfully punched through all 4x layers for ADUs.

Boom:



That's a fast-growing \$3-4B/year market we created via government change. When we punch through on Multifamily, we'll open up a \$100-\$200B+/market, building 250,000 new homes per year for current and future Californians.

Access to economic opportunity is the core of the American dream. We are on path to restoring that access for the most important agglomerations of talent and industry in the United States.

How are we doing this?

This work is being led by a 15-person land-use-policy tunnel boring crew based in the Bay Area. None of it is rocket science. Most of it was funded by tech founders: Mark Zuckerberg, Dustin Moskowitz, Patrick Collison, Ken Duda are 80%+ of the funding.

The key to our success was being rigorous about the workback. Everything flowed from clearly articulated policy goals, choosing the right political jurisdiction, and being dogged and smart in our political execution as we nurtured the pro-housing coalition in the California legislature.

And there were lots and lots of trial and error, learnings, blowups, etc. But 90% just hands on execution. "Work works." All of this is repeatable and scalable.

It took us 7-years to get 50% of the way through the 4x layers. It will take another 7-years to complete the job... unless the cavalry comes, in which case we think we can pull it off in 3-4 years. Specifically, other HNWI funders and more helpfully the Corporate GovRel from Google, Meta, Apple lifted a finger to help. (They do no work on this issue...)

The goal: Reinvent our public institutions

Our shared goal is simple but ambitious: to reinvent America's public institutions—especially government—so they can meet the demands of the 21st century. That means building the foundational infrastructure our economy runs on (power, housing, transportation) and delivering the essential services people rely on (education, healthcare) at a consistently high standard. If we get this right, we unlock an era of true abundance—where the innovation born in Silicon Valley demonstrably improves the lives of every American in a durable, positive-sum way.

Our inability to deliver abundance—and our tendency to let institutions get trapped in zero-sum conflict—is driving the political instability crescendoing in our national politics. Democratic controlled states have a product problem, not a messaging problem: the lived experience of residents doesn't match our stated values. Democrats are susceptible to believing their own talking points over demonstrable performance, instead of taking a curious, humble, outcome-focused look at what's working and what isn't across different governing models, including both MAGA-aligned and democrat controlled jurisdictions.

It's a wild state of affairs that voters have to choose between. (A) MAGA states that are delivering progressive outcomes or (B) Blue states that are claiming progressive values but probably increasing inequality and poverty.

For example:

- [Texas](#) is now crushing California in their clean energy build out.
- [Mississippi](#) through the civic leadership of Jim Barksdale went from worst-in the nation education performance to best-in the nation while California has backslid.

- [California](#) having the highest rate of poverty in the United States
- [Blue States](#) collectively are increasingly failing at governing our public education systems

In the end, what matters in governing is not what you say, or your self conception, but what you do and what you deliver. There is no-one to blame for the failures of self-government but ourselves. The successes for Abundance outcomes in MAGA controlled jurisdictions isn't a lucky accident. What exactly is going on there?

Scaling Abundance Nationally

We have a “show not tell” approach to our work. Now that there is real traction, there is growing funder demand to explain the work.

We have helped bring online a \$250M/year capital stack to scale this work across all 50 States, across many policy domains—starting with housing, energy, and transportation.... the core infrastructure you need to build in the country—from municipal government, up to state, up to federal.

This is the only reasonable way we can retool the American system of government for the modern era. We are in the early stages of this retooling. We know how to change government via regulation. But we do not yet have the playbooks for modernizing human-capital bound government delivery (police, education, public health.) You can learn more about the [frontier](#) of this work from our San Francisco operation.

The capital stack today is (yearly):

1. [John Arnold](#): \$120m
2. [Moskowitz](#): \$40M
3. [Ballmer](#): \$30M→\$100M

Total Abundance Capital Stack: ~\$200M/year (scaling quickly.)

John Arnold is 3 years ahead of the funders in California on this. His attitude has been "I am not going to pay to fix California from Texas. You guys have your own billionaires who can do that."

If you greenlight, you should meet John.

Municipal Chapters

85% of government employees work for State and Local. We tax federally, but deliver government municipally.

This is why you simply cannot rearchitect and rebuild the American government top-down: Federal > State > Municipal. The only reasonable way to do the work of Abundance is from the ground up: Municipal > State > Federal.

That's what we are building via [Abundance Network](#):

1. 20 Employees
 - a. \$4M Core Operating Budget
 - b. \$4M Municipal Chapters (5x) Operating Budget
 - c. \$5M Campaign budget per cycle

2. National Programs
 - a. 150x [Electeds](#)
 - b. 120x [Donor Members](#)
 - c. 100x [Professional Members](#)

3. Chapters
 - a. [San Francisco](#)—\$1.5M
 - b. [Santa Monica](#)—\$60K
 - c. [Oakland](#)—\$1.5M
 - d. [Burlington](#)—\$500K
 - e. Seattle—\$100K

We spent our first 5 years in dedicated R&D. We have emerged from this phase of work with 60% of the 'tools in the toolbox' required to scale up in every municipality and state in the United States.

The next phase of work will be learning how to assemble these tools rapidly. Then we scale.

Here is what we have accomplished (with our local and policy coalition partners):

- Flipped San Francisco Democratic Party
- Flipped San Francisco Board of Supervisors
- Created Sunset Dunes Park, the largest pedestrianization project on the West coast of the United States
- Created JFK Promenade, turning S.F.-top 5% most dangerous street in middle of Golden Gate Park into a promenade
- Flipped Santa Monica City Council

We are months away from:

- Upzoning San Francisco via Family Zoning Plan

- Securing \$900M of OpEx/year for Bay Area transit to undergird regional recovery

San Francisco

We built our San Francisco operation with Scott Weiner's policy and political team:

- Maggie Muir: Ours and Scott's political consultant
- Todd David: Ours and Scott's S.F. political director
- Graeme Erickson Joeck: Ran organizing for Planned Parenthood nationally
- Annie Fryman: Ours and Scott's former Land-Use policy leader
- Andres Powers: Ours and Scott's and Breed's former Director of Policy
- Jeff Cretan: Ours and Scott's and Breed's former Spokesperson

We helped organize the Moderate faction that has taken power in the city alongside NorCal Carpenters, Neighbors, GrowSF, and SFYIMBYs. You can read our lessons learned doing work in San Francisco Government here:

[📄 WTF San Francisco? SF Politics & Government Deep Dive](#) ← ask me for access



Relative to achieving our policy goals:

- **GrowSF** has been a major net-positive (very focused).

- **San Francisco Standard** has been a serious net-positive (huge unlock; journalism is required ingredient for democracy)
- **Neighbors** has been a net-negative as of late. Recalling Chesa was a major accomplishment, but since then they have been throwing sand in the gears of Abundance policies

For the next four years of work, these are the most important partners we need to help build up:

1. **SPUR:** We are very fortunate to have a nations-leading municipal think tank, which is run by the former Chief of Staff and Supervisor Sean Elsbernd. Their work on Charter Reform, Transportation Policy, and Good Government is underfunded.
2. **Streets for All:** Unlock housing, there is a dearth of policy and political organizing for transportation and streets. We need to inject ~1-2M/year into this work '26 '27.

Building Institutional Power for Abundance in California

Our system of American self-government is built around the mechanisms of institutional power: the courts, federal congress, state legislative bodies, regional bodies, municipal bodies on down. The only way to structurally change government is to interface with it at the right level of jurisdictional power. This requires designing, building, and scaling institutional power in a way that is deliberately mapped to the architecture of our system of self-government.

This is why Unions, NRA, ACLU, and all scaled-institutions that exercise political power across the United States are architected in a federated operational model. If you do not architect this in from the beginning, your ability to shape government will be severely curtailed at scale.

In addition, it's far more effective to deploy *less capital* in a sustained manner—over decades—than a large infusion of capital that fades quickly. This is because our systems of self-government are interlocking, and institutional power is exercised via coalitions, and coalitions are only formed by sustained commitments. Examples:

- The NRAs commitment to the GOP
- The Pro-Choice movement's commitment to the Left
- Public Sector Unions sustained operations in Municipal and State governments

This is why when you meet electeds and you cannot demonstrate your staying power they will discount your ability to execute by 90%. Your counterparties will be at the table their entire career and have long memories. Experienced electeds see donors come and go all of the time and will rightly assume you will not be around after [N] cycles.

Net, institutional political power can only be built on permanent capital streams. If you are seriously planning to set up shop in California, we should meet.

