

# Central Valley Land Use Report

## *Executive Summary*

*In the fall of 1996 a group of farmers, ranchers, and representatives of agricultural organizations came together to form the Agricultural Task Force for Resource Conservation and Economic Growth in the Central Valley.*

***The purpose of the Agricultural Task Force for Resource Conservation and Economic Growth in the Central Valley is to address the issue of rapid population growth in the Central Valley and its impact on agricultural resources. The focus of the task force is to recommend policies to conserve and protect resources vital to the long-term economic health and productivity of agriculture in the Central Valley.***

The Agricultural Task Force for Resource Conservation and Economic Growth in the Central Valley has two goals for the Central Valley:

1. Maintain and enhance agriculture as an economically viable enterprise, and
2. Conserve important agricultural land.

The task force recognizes that traditional methods of planning and growth management in the Central Valley will lead to significant loss of farmland in the nation's richest agricultural region. Instead of allowing this to happen, the task force believes that policies and actions by all levels of government should support agriculture's role as a vitally important industry and a necessary component for the future success of California and the nation.

Urbanization must accommodate future population growth more efficiently than it has in the past, and important agricultural land in the Central Valley must be recognized as a valuable natural resource that this state and nation cannot afford to lose.

Furthermore, for agriculture to continue as successful enterprises throughout the Central Valley, it must have access to specific resources and a favorable economic and regulatory climate. This includes not only an adequate land base that provides the critical mass necessary to support California's diverse and complex agricultural system, but also an adequate water supply at rates agriculture can afford; good air quality that allows us to maintain decent yields and a regulatory environment that doesn't cause undue interference with agricultural operations. We recognize, of course, that certain environmental and social standards must be maintained for California's long-term health that certain environmental and social standards must be maintained for California's long-term health.

This report addresses ten principles that will help accomplish our goals. These principles include the need for:

- Actions that support agriculture as an industry so that a strong agricultural economy can continue in the Central Valley;

- Secure incentives for land owners through the use of agricultural land conservation strategies;
- Changes that increase the fiscal stability of local governments;
- The use of unified countywide plans with clear agricultural and urban policies;
- Amendments to the California Environmental Quality Act that provide more thorough and consistent environmental evaluation when proposals to convert important agricultural land to non-agricultural uses occur;
- Policies and incentives that keep urban uses in urban areas and encourage city-centered development by using existing urbanized land more efficiently through infill, higher density development, and revitalization of existing urban areas;
- Secure funding for the state infrastructure bank to support efficient urban development and farmland conservation;
- Transportation policies that result in efficient urban development and the conservation of productive farmland; and
- Clarification of the roles of government with regard to growth and development and resource conservation.

The task force recognizes that implementing these principles will require a cooperative effort by many interested and affected groups. Keeping agriculture an economically viable enterprise in the Central Valley and conserving important agricultural land involves issues that affect all Californians.

The direction the Central Valley takes on these issues has the potential to result in enormous consequences. We hope this report marks the beginning of a process, rather than an end, where agriculture's voice can be heard on such important issues as growth management and resource protection.

To order a copy of the report, please contact the [California Farm Bureau Federation](#) at (916) 446-4647, or the Agricultural Council of California at (916) 443-4887.

### *Introduction*

There is widespread concern that rapid rates of population growth in California's Great Central Valley and the lack of a coordinated strategy to handle such growth is contributing to several serious problems, which include the following:

- An accelerating loss of productive agricultural land.
- Fiscal problems in Central Valley cities and counties due to insufficient planning for growth.
- Increasing conflict between farmers and their urban neighbors at the urban/agricultural edge.

In this report, we have presented agriculture's point of view. Although not everyone in the agricultural community will fully accept the policies developed by this task force, we have tried to provide a fair representation of the issues and views of this broad-based community. Farmers and ranchers are the major landowners in the Central Valley, yet it is evident that no unified voice speaks on their behalf regarding agricultural land and resource protection issues. In fact, the agricultural community often plays both sides of the issue, wanting protection from the problems associated with farming next to urban areas while also encouraging growth into

productive agricultural areas by making land readily available for development (i.e., selling for conversion to non-agricultural land uses when the price is right).

This report focuses on the Central Valley. Although many of the principles presented here could be of interest to other significant agricultural areas experiencing urban encroachment, our concerns address the Central Valley.

We believe that California agriculture - particularly in the Central Valley - is a strategically important industry that makes a staggering contribution to the overall economic vitality of our state. California leads the nation in the value of its crop and commodity production, and no other agricultural region of equivalent size in the world approaches this economic powerhouse.

Farm operations result in other amenities that are not as easy to quantify in economic terms, but are important to the overall welfare of Central Valley citizens. Agricultural land provides open space and a rural way of life, flood control protection, a location for ground water recharge, a quality view shed, and habitat for a large variety of species. While the Central Valley is renowned for its excellent soils and valuable agricultural production, recent studies show that urbanization is occurring rapidly. From 1980 to 1995, the Central Valley population rose by 1.8 million, which is almost a 50 percent increase in those 15 years. Between 1984 and 1994, 120,000 acres of farmland were converted to non-agricultural uses; over 70% of these acres were irrigated cropland. (1)

Clearly, we are losing our finite supply of fertile agricultural land to urbanization. We know, too, that as the state's population grows, agricultural loses more of its water supply to urbanization. In the Central Valley, population growth and current patterns of urbanization have also resulted in deteriorating air quality and escalating costs to local governments as they try to accommodate this growth.

**Members of this task force believe that it is in the best interest of all citizens of this state and country to maintain and enhance the agricultural production capabilities of the Great Central Valley of California.**

In preparing this report, we have considered the importance of a landowner's private property rights. The recommendations in this report do not intend to impinge upon these fundamental rights. The task force recognizes, however, that we operate within a land-use framework created by existing local, state, and federal laws as well as state and federal court decisions. Although private property rights that allow us to do whatever we want with our lands do not currently exist, we must defend and protect all rights that remain. We also recognize that as with all rights, including private property rights, there exists a corresponding set of responsibilities.

In California the power of local governments to regulate land use is a legally and historically established legitimate exercise of authority to protect the health, safety, and welfare of its citizens. A delicate balance exists between private property rights and the rights of a community. Poor land use planning costs the taxpayers, degrades the quality of a community, and creates additional conflicts - particularly for landowners who are trying to farm.

The more populated our state becomes, the more we need to develop good land use planning tools to manage growth. This requires hard decisions. Sometimes these decisions serve the public good and the overall interests of the agricultural industry but appear to be in conflict with the rights of individual landowners. The task force has tried to balance these competing interests. We believe that individual landowners should not bear the entire costs associated with population growth and good land use planning.

For these reasons, our report primarily advocates an incentive-based approach for good land use planning rather than one that is regulatory and mandatory in nature. We believe that with our approach, California agriculture, collectively, can preserve existing private property rights, continue to farm, and at the same time help manage California's population growth without significant harm to the industry.

Above all, we want agriculture to join in the debate with other interests on such important matters as growth management and land use. We recognize the importance of an open dialogue among all levels of government, farmers, ranchers, builders, developers, and environmental interests so that in the end the challenges facing the Central Valley can be met through cooperative efforts. We view this policy document as the beginning of a process and not the end.

Jack Pandol and Mike Chrisman

#### *Agricultural Production in an Urban State*

California has led the nation in total farm production every year since 1948. In its 50th consecutive year as the nation's top agricultural producer, California agriculture reached a record, totaling \$24.5 billion in 1996.

In addition, California agriculture is a major contributor to U.S. export trade, exporting more than \$12 billion in agricultural products. Every \$1 billion in exports creates an estimated 27,000 jobs for Californians.

Nearly five hundred miles long and an average 50 miles wide, the Central Valley is an integral part of California agriculture, with a farm gate market value of over \$16 billion in 1996. With regard to the value of agricultural production, nine of the nation's top ten counties are in California and six of these are in the Central Valley. <sup>(2)</sup>

Even though fewer than one percent of California's 32 million people are actually farmers, their impact on the economy is great:

- About 30 percent of the Central Valley's total personal income derives from agriculture;
- Farming is a renewable economic resource for California, creating income that is replenished each succeeding year;
- California farmers are one of the state's major sources of new income. <sup>(3)</sup>

While this state is first in the nation for the value of its agricultural production, it also has the largest population. The Central Valley has become a major recipient of the state's continuous

population growth, with many Central Valley counties experiencing faster growth rates than most counties in Southern California and the San Francisco Bay Area.

In 1940 the Central Valley population was one million. Today it is well over five million. According to [Department of Finance projections](#), population in the 18 Central Valley counties will reach more than 14 million by 2040. <sup>(4)</sup>

These rates of growth along with the current urbanization patterns will result in the loss of more than one million acres of productive agricultural land in the Central Valley by 2040.

Other problems from increased urbanization have occurred as well:

- Intense demand on existing water supply and distribution systems has resulted in the taking of water from agriculture to accommodate urban growth.
- Air quality has deteriorated. Because the Central Valley is an enclosed air basin, achieving necessary improvements in air quality is difficult. Studies by the [University of California](#) have documented 25 to 30 percent yield losses in many crops in the Central Valley due to air pollution. Projected population growth and corresponding increases in vehicle miles traveled will make it much more difficult to solve this economic and public health problem.
- Current patterns of urbanization have contributed to revenue shortfalls in local government budgets. The high cost of infrastructure and services demanded by urban development can't be met under the current level of fees and taxes levied to cover these costs, forcing local governments to choose between raising fees, assessments, and taxes to cover the shortfall, or reducing their level of services, neither of which is very popular. Communities that grow in predictable, concentric patterns at higher densities are better able to meet their fiscal obligations without resorting to increases in fees and taxes.

*Although the value of agricultural production appears to have increased while losing farmland to urbanization, at some point we reach diminishing returns. <sup>(5)</sup> During California's post World War II sprawl, new agricultural technologies and additional irrigation allowed more intense agricultural production to occur while prime soils were being urbanized. This is no longer a viable option. We cannot expect the same kinds of yields nor remain competitive in a global market if agriculture is pushed onto lower quality soils that require higher inputs. Furthermore, environmental concerns and the lack of water make bringing these lands into intense agricultural production impractical, in not, impossible.*

Agriculture in the Central Valley brings important economic and environmental aspects to this state, but these will be severely diminished if we continue to make decisions as we have in the past. Current growth and economic pressures coupled with inadequate resource and land use policies are leading the Central Valley to a similar destiny as that of Los Angeles, Orange, and Santa Clara counties. <sup>(6)</sup>

Projected population growth for the Central Valley and improvements in the state's economy will only increase the pressure to convert agricultural land to urban uses. Clearly, urbanization brings a multitude of issues that affect the future of agriculture and the future quality of life for citizens in the Central Valley. Therefore, we must act now to protect our resources and conserve agricultural land for production agriculture.

*Table 1. Agricultural Production of Central Valley Counties*

<b>County</b>	<b>1996 Market Value of Agricultural Production (\$1,000)</b>	<b>County</b>	<b>1996 Market Value of Agricultural Production (\$1,000)</b>
Butte	282,975	Colusa	306,908
Fresno	3,313,426	Glenn	263,854
Kern	2,067,028	Kings	883,887
Madera	712,113	Merced	1,429,918
Sacramento	244,416	San Joaquin	1,351,530
Shasta	45,870	Solano	211,631
Stanislaus	1,233,196	Sutter	302,706
Tehama	114,977	Tulare	2,901,921
Yolo	312,653	Yuba	135,612
<b>Total</b>			<b>16,015,621</b>

*Table 2. Central Valley Population Growth in the 1980s*

<b>County</b>	<b>1980 Population</b>	<b>1990 Population</b>	<b>Percent Growth</b>
Butte	143,851	182,120	26.6
Colusa	12,791	16,275	27.2
Fresno	514,621	667,490	29.7
Glenn	21,350	24,798	16.1
Kern	403,089	543,477	34.8
Kings	73,738	101,469	37.6
Madera	63,116	88,090	39.6
Merced	134,560	178,403	32.6
Sacramento	783,381	1,041,469	32.6
San Joaquin	347,342	480,628	38.4

Shasta	115,715	147,036	27.1
Solano*	235,203	340,421	44.7
Stanislaus	265,900	370,522	39.3
Sutter	52,246	64,415	23.3
Tehama	38,888	49,625	27.6
Tulare	245,738	311,921	26.9
Yolo	113,374	141,092	24.4
Yuba	49,733	58,228	17.1

*Table 3. Current Population and Projected Growth in the Central Valley*

<b>County</b>	<b>Current Population (January 1997)</b>	<b>Projected Population in 2040</b>
Butte	199,100	182,120
Colusa	18,300	49,100
Fresno	776,200	2,497,700
Glenn	26,800	69,800
Kern	628,200	1,954,800
Kings	118,200	296,900
Madera	111,600	317,900
Merced	201,000	626,900
Sacramento	1,140,600	2,352,000
San Joaquin	535,400	1,356,500
Shasta	162,700	337,700
Solano*	375,400	743,100
Stanislaus	419,600	1,224,900
Sutter	74,700	271,500

Tehama	54,800	105,800
Tulare	355,500	952,100
Yolo	154,500	386,100
Yuba	60,500	185,500

*\* Although a significant portion of Solano County is in the Central Valley, it also borders the San Pablo Bay and is a Bay Area county. These population figures reflect growth in the entire county.*

### Goals

Two goals are of primary importance to this task force:

- Maintain and enhance agriculture as an economically viable enterprise in the Central Valley.
- Conserve important agricultural land in the Central Valley.

To accomplish these goals, we must plan for the long-term protection of agricultural land for agricultural production. Agricultural land should not be the path of least resistance for residential, commercial, and industrial developers. Instead, growth and development must occur in such a way that it will cause the least adverse effect on agriculture.

Other resources in addition to land are important for a vibrant agricultural economy. Our goals are meaningless if agricultural land is protected but other necessary resources for agriculture are lost to urbanization. Consequently, a reasonable level of resource certainty for farmers and ranchers must accompany the conservation of agricultural land for agricultural production.

### Basic Principles

We support the following ten principles to reach these goals:

1. Support for agriculture as an industry that will encourage a strong agricultural economy to continue in the Central Valley;
2. The use of agricultural land conservation strategies, including agricultural conservation easements and enforceably restricted lands, to provide incentives for landowners;
3. Federal, state, and local water policies that ensure an adequate and affordable water supply for agriculture;
4. Fiscal stability and revenue discretion for local governments so that land use decisions can be based on good planning and the long-term health of our communities and resources rather than short-term fiscal gain;
5. The development in each Central Valley county of a unified countywide plan (involving the county and cities) with specific agricultural and urban policies;



6. Amendments and use of the California Environmental Quality Act (CEQA) to provide more thorough and consistent environmental evaluation when proposals to convert important agricultural land to non-agricultural uses occur;
7. Policies and incentives that keep urban uses in urban areas and encourage city-centered development by using existing urbanized land more efficiently through infill, higher density development, and revitalization of existing urban areas;
8. Funding for the state infrastructure bank with clear priorities on the kinds of infrastructure projects that will be eligible to receive financing from the state bank;
9. Federal, state, and local transportation policies that support compact development, the conservation of important agricultural land, and clean air;
10. A clarification and refinement of the roles that city, county and state governments should play in making land use decisions.

A discussion of relevant actions and a more detailed explanation of each principle is provided below.

***Principle 1: Support for agriculture as an industry that will encourage a strong agricultural economy to continue in the Central Valley.***

Urban growth patterns and the reallocation of resources in the past few decades have tended to support the dominance of urban land uses over agriculture. We believe the competition between agriculture and urban development should be reduced. In order to level the playing field, agriculture needs to be recognized as a legitimate and necessary land use in its own right and not merely a way to hold land until urban development consumes it. For a strong agricultural economy to continue in our nation's most populated state, agriculture must be recognized for its significant and positive contributions to the economy, health, and welfare of our society. We support actions that reinforce agriculture's role and help this important industry continue as a strong force in our economy.

The following list contains examples of actions that illustrate support for the agricultural industry and encourage a strong agricultural economy:

- Modern soil surveys should be completed for the Central Valley and the state should match the federal funds earmarked to complete this process.
- In contrast to land developed for urban uses, agricultural land can more readily provide habitat for various species. We support habitat conservation policies that also allow economically viable agricultural production. We oppose the conversion of important agricultural land to habitat land when mitigating urban development, and we are concerned about large-scale loss of agricultural land for mitigation and restoration efforts.
- Buffers should be required on newly created urban edges in cities and unincorporated urban areas in order to protect agricultural land uses from urban land uses and vice versa. The party responsible for making the change in land use that generates the potential conflict should provide the buffer so that the burden of providing a buffer does not automatically fall on the agricultural landowner or farmer/rancher. The proposed buffer should be developed by the local government planning department and reviewed by the Agricultural Commissioner who can comment on its adequacy with regard to protecting agricultural land from the potential negative impacts of adjacent urban development.

- We support efforts to strengthen the provisions of the state's "Right-to-Farm" law. For example, attorney fees should be awarded to owners or operators of agricultural activities, operations, or facilities who successfully assert immunity against nuisance liability under Civil Code section 3482.5 ("Right-to-Farm" law). We support a provision in the law that would grant immunity from frivolous lawsuits.
- Public support for research should be expanded and include research related to food and fiber production, including new product development, vertical integration, export enhancement, and safe and effective cultural practices. We support measures that expand trade incentives, remove barriers to global competitiveness, and eliminate unnecessary regulatory burdens.

***Principle 2: The use of agricultural land conservation strategies, including agricultural conservation easements and enforceably restricted lands, to provide incentives for landowners.***

The following package of incentive programs are intended to help provide long-term economic security for California agriculture. We support changes in both state and federal law that will encourage landowner participation in long-term conservation strategies. These new programs should be voluntary and provide significant financial incentives to offset the desire by landowners to maximize their return on investment through parcelization and conversion to non-agricultural uses. Government can't force agricultural landowners to produce food; it can, however, discourage food production by excessive taxation, over regulation, and poor land use planning. Our intent is to make sure that government encourages the production of food, fiber and other agricultural commodities. In addition to conserving the land base, the focus of an incentive program must encourage the profitability of farming and thus help to maintain the business of agriculture. One of the desired consequences of more profitable agricultural enterprises will be land use stability in rural California.

Although the Williamson Act has been effective in conserving agricultural land, it does not achieve long-term conservation, especially in areas under extreme pressure for urbanization. A program similar to the Williamson Act that establishes enforceably restricted land, but which involves a contract for 20 to 30 years instead of ten years and offers greater incentives for landowners should be established for the conservation of farmland. We also support voluntary agricultural conservation easements under the Agricultural Land Stewardship Program (ALSP) that encourage and support viable agricultural production. Both enforceably restricted agreements and agricultural conservation easements should be focused on areas that are under intense development pressure. We favor agricultural conservation easements and enforceably restricted land agreements that provide the following incentives for landowners:

- (a) No restrictions, other than existing local zoning laws, that remove the ability to change crops or commodities, or alter agricultural practices, to maintain a viable enterprise.
- (b) Standard clauses in easement contracts that protect the landowner in unusual circumstances (e.g., "amendment of easement" and "termination of easement" clauses) to ensure that the purpose of the easement (in this case, production agriculture) is maintained and not prohibited or deemed impossible through conditions beyond the control of the landowner.
- (c) A secure and affordable water supply for irrigation.

## **State and Local Issues**

(d) No reassessment for property tax purposes of new irrigation equipment that is used on the land.

(e) Investment tax credit for water-saving devices used on the land.

(f) State income tax credit equal to the value of the conservation easement when a landowner donates an agricultural conservation easement.

(g) A significant income tax credit when a landowner enters land into a thirty-year enforceable restriction.

## **Federal Issues**

(h) A capital gains tax reduction for the seller of farmland when the land sold is under a permanent agricultural conservation easement or a long-term agricultural conservation strategy. The reduction would be based on the number of years left in the agreement, with more years bringing a greater reduction.

(i) An exemption from estate taxes on farmland when the land is under a permanent agricultural conservation easement or a long-term agricultural conservation strategy.

The current Agricultural Land Stewardship Program needs to be adequately funded so that a stable revenue is available for the purchase of agricultural conservation easements. We support pursuing one or more of the following funding options, along with other relevant options that may be appropriate:

(a) Williamson Act cancellation fees that are currently directed back to the state's general fund,

(b) The USDA Conservation Reserve Program,

(c) A land conversion assessment (if agricultural land is converted for urban uses, the project proponents would be required to contribute to a fund that is established for the sole purpose of purchasing agricultural conservation easements),

(d) A bond act (state general obligation bond) for the purpose of funding the purchase of agricultural conservation easements,

(e) Ongoing appropriation from the state budget (e.g., dedication of tidelands oil revenue, general fund appropriation).

We also encourage localities to develop their own funding options, such as a voter-approved, dedicated sales tax or a non-agricultural parcel tax.

We envision a list of criteria that establishes which lands receive priority for funding from the Agricultural Land Stewardship Program for the purchase of conservation easements. Landowners would elect to participate in the ALSP on a voluntary basis and easements would be purchased on lands that meet the criteria and in order of priority. These criteria need to be established so that public money is used in the most efficient way. In any case, in order for local governments to be eligible for state money to fund the purchase of conservation easements in their jurisdictions, they must have a unified countywide plan. <sup>(7)</sup> (see Principle 5) Priority for easement purchases should be given to agricultural land in the path of development.

Strategies for agricultural land conservation could also include transfer of development rights where such a program is feasible and useful for preventing the unnecessary conversion of productive agricultural land.

***Principle 3: Federal, state and local water policies that ensure an adequate and affordable water supply for agriculture.***

We support restoring, expanding, and developing water supplies for agricultural land at rates affordable to agriculture. We encourage the use of efficient water management practices by agricultural and urban water users.

Any transfer of water from agricultural land in the Central Valley to urban centers or for urban development in the state should not exceed water needed for that land to be economically farmed. In addition, water transfers should not alter a sustainable water balance between imported and exported water and the groundwater basin. Furthermore, local and regional agricultural economies and dependent communities should not be adversely affected by the transfer of water.

Before local governments in the Central Valley approve more urban development, a proven water source for that development should be identified and established. These water supplies should not include taking water currently directed to, or available from, agricultural land if that water is necessary for agricultural production.

For urban development, we encourage desalinization as a water source and community designs and plans that achieve more efficient water use, including the use of recycled water.

Clearly, increased urban development and the state's growing population has significantly impacted California's water supply infrastructure. We believe that new water demands should be responsible for the costs of developing new water supplies.

***Principle 4: Fiscal stability and revenue discretion for local governments so that land use decisions can be based on good planning and the long-term health of our communities and resources rather than short-term fiscal gain.***

Although existing laws already state the importance of agriculture and farmland conservation, implementation of these laws is difficult primarily because local governments receive economic signals that are contrary to these stated policies and goals. Good land use planning is difficult, for

example, when local governments are increasingly forced to rely on sales tax as their principal source of revenue growth.

Economic incentives must be built into the system to encourage local governments to plan for the long-term health and welfare of Central Valley communities, which includes the conservation of agricultural land and the continuation of production agriculture.

We support the return of property tax money to counties and cities that was taken by the state earlier this decade for the Educational Revenue Augmentation Fund (ERAF). Local governments—particularly counties—need relief from fiscal instability which becomes the driving force behind land use decisions. These decisions are based on short-term fiscal benefits instead of a long-term sustainable vision for the community and our resources.

We support fair and equitable revenue sharing agreements among cities and counties to reduce competition for auto malls and shopping centers and allow both cities and counties to survive financially. The agreements should be negotiated by the cities and counties and reflect the cities' role in providing urban services and the counties' role in protecting resources, and their respective costs to serve new development.

***Principle 5: The development in each Central Valley county of a unified countywide plan (involving the county and cities) with specific agricultural and urban policies.***

Current state law requires each county and city to develop, update, and follow its general plan. Instead of requiring individual plans, we believe the state should encourage and fund the development of a unified countywide plan within each of the 18 Central Valley counties. These plans should be unique to each county considering its conservation and development objectives.

State funding for any new mandates should be provided. This would maintain local control but reduce the current fragmented approach to land use planning by achieving a more cooperative and comprehensive approach. Counties and cities would have access to state-of-the-art planning tools while developing their countywide plans. The countywide plans should help define the roles of counties and cities with regard to land use and help direct future decisions. We oppose, however, the institution of any new form of regional government in the Central Valley.

All local governments within a county should participate in the creation of its countywide plan. Following the completion of their countywide plans, local governments would be eligible to receive the following:

- (a) infrastructure financing through the state infrastructure bank,
- (b) funds to finance the purchase of conservation easements, and
- (c) continued funding for, and access to, state-of-the-art planning tools for future projects and plans, including computer modeling and GIS mapping to help cities and counties visualize the long-term effects of a project or plan on their community and the entire Central Valley.

Before any state or federal money is used to finance infrastructure projects, findings of the project's consistency with countywide plans should be required.

We support policies in countywide plans that try to improve conditions affecting the entire Central Valley (e.g., air and water quality issues). Each countywide plan should contain an Agricultural Policy and an Urban Development Policy. (see Principle 7).

The California Department of Conservation and the California Department of Food and Agriculture should verify that a countywide plan with agricultural and urban policies is in place before local governments receive funds for the purchase of conservation easements.

In addition to countywide plans, we support increased regional cooperation among counties on common land use issues. It is especially important for the planning professionals in the cities and county to share information and ideas.

***Principle 6: Amendments and use of the California Environmental Quality Act (CEQA) to provide more thorough and consistent environmental evaluation when proposals to convert important agricultural land to non-agricultural uses occur.***

While we acknowledge the use of CEQA to study environmental impacts of proposed projects, we oppose the use of CEQA as a last ditch effort to halt infill, higher density development, or agricultural land conversion when such development is planned and appropriate for a given area and can result in less pressure to convert other agricultural land to urban uses.

We support amendments to the CEQA statute and its regulatory guidelines that will result in useful information to help local decision makers understand the spectrum of environmental impacts that could result when agricultural land is converted to non-agricultural uses. This includes the potential for increased conflict between adjacent agricultural and non-agricultural land uses and the negative impacts on resources that are necessary for agriculture, such as water. (8) The long-term cumulative social impact of losing important agricultural land and resources should also be addressed if the state's per capita production of agricultural products is diminished as the population grows.

Existing law is often narrowly interpreted so that the conversion of agricultural land to nonagricultural uses is not considered a significant environmental impact under CEQA. Likewise, impacts on agricultural resources are not necessarily considered significant. Consequently, we support amending CEQA to provide greater recognition of the potential negative impacts resulting from farmland conversion, including cumulative effects.

The agricultural community has called attention to the need for water supply planning so urban development doesn't automatically rely upon agricultural water supplies for future expansion. Recent lawsuits to protect agricultural enterprises from the adverse impacts of new developments in agricultural zones often center on the loss of agricultural water supplies and impacts on the continued viability of neighboring farm operations. We believe CEQA should include an examination of conflicts between land use and water use policy. We believe that the dedication of land for agricultural use through the use of the Williamson Act, conservation easements, and

other methods are thwarted if water supplies necessary to those lands are transferred to non-agricultural uses.

In addition, amendments to CEQA could be useful in addressing the problems associated with the establishment of wildlife habitat preserves. Under existing law, when a wildlife refuge or other kind of protected habitat is created, the neighboring agricultural operations are often required to modify their activities. If CEQA recognizes the importance of agricultural land and resources, agriculture would be elevated to the same level of importance as wildlife and natural lands. This could result in a fairer distribution of necessary mitigation measures.

Currently, routine agricultural operations, including customary plant and animal husbandry practices, do not constitute a "project" under CEQA. We support this and oppose any changes in CEQA that would add regulatory burdens on agricultural activities.

***Principle 7: Policies and incentives that keep urban uses in urban areas and encourage city-centered development by using existing urbanized land more efficiently through infill, higher density development, and revitalization of existing urban areas.***

In order for the agricultural industry to have the motivation and confidence to make the necessary investments in the industry, it needs a measure of certainty with regard to the use of farmland. This certainty has been eroded through the rapid urbanization of Central Valley farmland. Therefore, the land use decision-making process must involve an objective, measurable, goal-driven process to create a measure of certainty for agricultural land and restore confidence in the future of agriculture. This also serves to reduce speculation and competition for the land from those who want to use the Valley's prime farmland for non-agricultural uses.

Through unified countywide plans, local jurisdictions should create their own method for reaching the measurable goals for increasing residential densities.

### *Agricultural Policy*

The purpose of an Agricultural Policy is to develop long-term strategies that encourage economically viable agriculture <sup>(9)</sup> and create conditions to conserve agricultural land and other resources.

#### **A. The Agricultural Policy should include the following:**

1. A description and map showing the location of important agricultural lands in the county.
2. Goals, policies, and relevant standards that promote the protection of these agricultural lands for the production of food and fiber.
3. Implementation measures that show how the county and cities are going to carry out the goals and policies.

#### **B. The Agricultural Policy should specify how the county and cities plan to implement the following principles:**

Establish criteria for deciding which lands receive priority for funding of agricultural conservation easements.

Protect important agricultural land from non agricultural uses that contribute to the urbanization of this finite resource.

Establish adequate minimum parcel sizes to reflect local conditions in agricultural areas so they are economically viable for production agriculture rather than rural homesites and ranchettes.

Establish an objective, measurable, and quantifiable process for deciding which lands will be developed and which lands will be conserved for agricultural use. (10)

### *Urban Development Policy*

The purpose an Urban Development Policy is to encourage city-centered growth at more efficient densities so we can create a workable infrastructure to accommodate the planned growth of the region.

#### **A. The Urban Development Policy should include the following:**

1. Goals and policies that establish certainty for development location, standards, and fees.
2. Implementation measures that show how local governments are going to carry out the goals and policies.
3. A framework for cooperative intergovernmental land use planning that allows urbanization to occur in an efficient, cost-effective manner that enhances the quality of life for citizens of the communities as well as conserving the resources of the county.
4. A clarification of the roles of the cities, county, and local agency formation commissions (LAFCO) in land use decisions.

#### **B. The Urban Development Policy should specify how the county and cities plan to implement the following principles:**

1. Restrict urban uses to urban areas where the full range of municipal services are available.
2. Encourage infill, the revitalization of existing urban areas, and more efficient land use, including increased average densities for new residential development.
3. Establish an efficient transportation system to improve air quality.
4. Improve the conservation and use of resources, including water.

We support an amendment to the planning and zoning law that would eliminate the obligation of counties to provide housing in the unincorporated areas and instead require housing to be located in city limits. This is appropriate provided counties prevent commercial and industrial development (other than agriculture) in the unincorporated area.

We favor a state law that would require school districts to locate their facilities in areas designated for urban development rather than using less expensive agricultural land for schools.



We support restricting future urban development to cities and existing unincorporated communities. These unincorporated urbanized areas should financially support county-administered urban services that are comparable to those services provided by cities.

**Within city spheres of influence:**

- (a) Cities should be responsible for providing municipal services;
- (b) Annexation to cities is preferable to the formation of new county service areas or the expansion of existing county service areas;
- (c) Land should be annexed to the city prior to being developed for urban purposes or prior to receiving municipal services;
- (d) Land uses allowed by the county without annexation should be equal to, or more restrictive than, land uses allowed by the city;
- (e) County imposed development standards and capital improvement requirements for new or expanding developments should not be less than those that are imposed by the city.

Urban development should use land more efficiently. We support increased density requirements for new residential development in cities and existing unincorporated communities. We also support a reduction in fees and an expedited permit process for infill development.<sup>11</sup>

Cities should encourage developers to meet increased average residential density standards in areas recently developed before annexation can occur and before spheres of influence can be amended. We support an amendment to the Cortese /Knox Local Government Reorganization Act that would require cities to make findings for review by LAFCO prior to seeking approval to increase the sphere of influence and prior to seeking land annexation. LAFCO should be allowed to approve the sphere expansion or city annexation only if the findings show that the city has met a specified average residential density requirement for new and recent development in existing city limits and established a pattern of more efficient land use. Cities may need to rezone existing commercial and industrial land inside city limits to meet these residential standards. Development on future approved expansions should also meet these density standards.

We support an amendment to the Planning and Zoning Law that would require unincorporated communities to participate in a similar process as cities (currently, the LAFCO process) before land contiguous to unincorporated communities can be redesignated and/or re-zoned to accommodate community expansion.

Cities and unincorporated communities should not discourage multi-story development so that future development in cities and unincorporated urban areas can expand upward, where appropriate, instead of outward.

Cities and counties should be encouraged to establish a hierarchy of development fees that will promote infill development, higher densities, and city-centered development. The development

fees for projects closer to the urban center should be less than the fees for property farther from the urban center and development fees for higher density projects should be less than the fees for lower density projects.

The state and federal governments should remove barriers to the re-use of urban land, including removing regulatory and liability barriers to the re-use of urban brownfields.

***Principle 8: Funding for the state infrastructure bank with clear priorities on the kinds of infrastructure projects that will be eligible to receive financing from the state bank.***

We support additional funding for the state infrastructure bank, provided that development projects funded with this money meet the goals of this report. To be eligible to receive funds, counties and cities should have a unified countywide plan with policies that are consistent with the goals of this report, including policies that encourage infill, higher density development, the revitalization of existing urban areas, and efficient land use. Projects eligible for funds from the state infrastructure bank should be within an already developed urban service area or within a proposed new town that is consistent with the agricultural land conservation policies presented in this report.

The state infrastructure bank should give first priority to local government infrastructure financing that helps maintain existing infrastructure and improves the capacity of existing infrastructure to accommodate increased densities on land that is already urbanized. Funding for infrastructure on newly urbanized land should occur only if development meets specific density and location requirements that result in the conversion of the least amount of agricultural land.

***Principle 9: Federal, state and local transportation policies that support compact development, the conservation of important agricultural land, and clean air.***

We encourage urban designs and community plans that reduce the use of personal automobiles and thereby reduce the negative impacts on air quality and the corresponding lower crop yields.

Transportation decisions by local, state, and federal governments and by private sector transportation developers (e.g., the builders of toll roads) - particularly with regard to the location of major infrastructure - should include an analysis of the consistency of such decisions with unified countywide plans. Such infrastructure projects should support the goals of more efficient land use and resource protection.

We oppose the expansion of commuter transportation access from the Central Valley to major urban areas outside the Central Valley if such access encourages people to use the communities in the Central Valley as bedroom communities. Expanded access may be appropriate after agricultural conservation policies are firmly and thoroughly applied throughout the Central Valley.

***Principle 10: A clarification and refinement of the roles that city, county and state governments should play in making land-use decisions.***

We strongly support local control over land use decisions. Any agency responsible for making land use decisions must have responsibility, authority, and accountability. Cities should be responsible for accommodating urban growth and development. Counties should be responsible for cooperating with their cities to develop efficient urban growth patterns and the conservation and protection of resources. Funding for local governments should support this distribution of responsibilities and the unified countywide plans should establish and reinforce this relationship.

The state should assist local governments by establishing a data monitoring system that collects information on development patterns in every city and county of the Central Valley. It is a reasonable role for the state to collect and generate objective data relating to urban development and farmland conversion. This includes densities for existing and new development, land conversions for both residential and non-residential development, and population growth. The Department of Conservation and the Office of Planning and Research are existing state agencies that could play a role in this task.

The information gathered by the state and available through this data system should be used by local governments when documenting or substantiating necessary findings for land use decisions. Furthermore, findings by local governments should accompany applications for public money from the state to finance infrastructure (state infrastructure bank), to fund conservation easements (Agricultural Land Stewardship Program), and to fund local planning programs with state-of-the-art planning tools. These findings should include proof that the county/city has implemented the goals and policies in its countywide plan, which could be substantiated by the state-established data monitoring system.

Development in the Central Valley by all levels of government should reflect the policies stated in this report and serve as examples of how development should be accomplished rather than reflect less stringent standards that demonstrate their autonomy and lack of regard for the goals of local government.

*Sidebar: Can the Central Valley Learn from the Experience of Los Angeles?*

## **1925 - 1955 CROP ACREAGE TRENDS FOR LOS ANGELES COUNTY AND SOUTHERN CALIFORNIA**

The Los Angeles area is undergoing a major transition. The change is from rural to urban, from country to city, from agriculture to industry, from "barn to skyscraper."...

The southern portion of the State is likewise outstanding in the magnitude, diversity, and value of its farm enterprises...Southland agriculture also provides an important source of new wealth, of employment, of food supply, and of industrial raw materials...

The unprecedented growth of population in the Los Angeles area has been much discussed and need not be elaborated upon here. This growth, however, has been a major factor, if not the major factor, in acceleration of the shift from agriculture to industry...

This great influx of people has inevitably brought about major changes in land use, in food requirements, in marketing procedures, and in numerous other matters...

Los Angeles has been unique among the larger cities of the nation in having a major portion of its food supply originate near the city. This has been particularly true of fruits and vegetables. These local sources have not only assured residents of a generous food supply, but also one of relatively low cost, of freshness, and of good quality. Although not widely recognized, this factor as it relates to living costs has been important to many eastern firms considering a branch or a move to Los Angeles...

In connection with adequacy of food supply, an interesting paradox occurs in a farm-city transition area such as this. Demand for food is obviously increased by the growing population, yet ability of the area to produce food is decreased as the demand is increased...

Conversion of agricultural land to urban uses will not stop in Southern California unless the increase in population stops or is appreciably reduced. Renewed interest in the use of zoning for protection of agricultural lands may result in some protection against premature subdivision. A number of problems must be solved to make such zoning an effective and equitable tool, but efforts along this line may result in a way of preserving temporarily or even more permanently some of the richest lands available to farmers anywhere in the world. Areas where urbanization is only beginning may wish to give agricultural zoning careful consideration for more orderly and logical development...

Unless population growth slows, unless new lands are brought under irrigation, and unless yields can be further increased to offset farm acreage losses to urban uses, then metropolitan Los Angeles must expect to look farther afield for its food supplies and raw materials, and must expect to pay somewhat higher prices for these supplies and materials.

Excerpts from *Crop Acreage Trends for Los Angeles County and Southern California*, Published by the Los Angeles County Board of Supervisors, June, 1955

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#### *Footnotes*

1. These figures involve a conservative estimate by public policy specialist Dr. Alvin D. Sokolow, UC Cooperative Extension, Davis, using data from the California Department of Conservation's Farmland Mapping and Monitoring Program.
2. In order, these counties include Fresno (\$3.3 billion), Tulare (\$2.8 billion), Kern (\$2.1 billion), Monterey (\$1.9 billion), Merced (\$1.4 billion), San Joaquin (\$1.4 billion), Stanislaus (\$1.2 billion), Riverside (\$1.1 billion), and San Diego (\$4.4 billion). These are 1996 figures from California Department of Food and Agriculture.
3. Extracts from a research report by Harold O. Carter, Emeritus Director of the UC Agricultural Issues Center, and George Goldman, economist, UC Berkeley College of Natural Resources, November 1992.
4. American Farmland Trust released a report in October 1995, Alternatives for Future Urban Growth in California's Central Valley: The Bottom Line for Agriculture and Taxpayers. This involved a study of 11 Central Valley counties which showed that low-density urban sprawl would consume more than one million acres of farmland by 2040 with approximately 60 percent of the conversion to involve prime farmland and farmland of statewide importance. Using California Department of Finance population projections, preliminary research by Rudy Plazek and John Cone projects the conversion of over 2.4 million acres of valley floor farmland in the 18 Central Valley counties by 2040. In a current study, Plazek and Cone are calculating the average developed land utilization ratio per capita for each metropolitan area in the Central

Valley, which will allow more precision in estimating the potential extent of valley floor farmland conversion in a business-as-usual scenario for the future.

5. Research by Albert G. Medvitz shows that production values in California increased beginning in the 1940s, but actually started to decline in the late 1970s when figures are adjusted for inflation. His research was presented at the annual meeting of the American Association for the Advancement of Science at San Jose State University on June 24, 1996. (Publication pending by the UC Agricultural Issues Center.)

6. These were leading agricultural counties in the United States fifty years ago. Los Angeles County was the top farm county in the nation in terms of farmgate value from 1909 to 1949. Fresno County is the leader today.

7. Under the existing Agricultural Land Stewardship Program, the funding of voluntary agricultural conservation easements on agricultural land requires such easements to be consistent with the city or county general plan, and the general plan must demonstrate a long-term commitment to agricultural land conservation, particularly in the area where the easement is proposed.

8. Significant efforts are underway throughout the state to reallocate agricultural water and convert agricultural land to other uses. Although it is difficult to quantify the amount, it can be conservatively estimated that anywhere from 2 to 5 million acre-feet of agricultural water has either been reallocated or is now being targeted for reallocation to other uses. This includes reallocations related to the CVPIA, the Monterey Agreement, the DWR Supplemental Water Purchase Program, the Colorado River discussions, and CalFed. Part of the mission of the CalFed program is to develop a long-term Delta solution. As the details of the solution are slowly revealed, it has become increasingly evident that the various programs are based on the premise of reallocating water from agricultural land. Currently there is little, if any, obligation for CalFed to respond to the attendant effects of the proposed reallocations. It is believed by members of this Task Force that strengthening CEQA is one way of requiring CalFed to acknowledge and address the ramifications of the proposed programs, including the cumulative impacts of the various reallocation proposals.

9. A viable agricultural property can be defined as land with appropriate economic and natural resources which, when subject to prudent management and considering adjacent land use, is justifiably retained in agriculture.

10. The 1981 Farmland Protection Policy Act at the federal level cleared the way for the US Soil Conservation Service (now the Natural Resources Conservation Service) to develop a land evaluation and site assessment (LESA) system to evaluate federal agency projects that threaten to convert farmland. Both the land evaluation and site assessment portions in the system are assigned points through a scoring system, which, when totaled indicates the parcel's relative agricultural value. Some states and local governments have adopted their own LESA systems which have been modified to reflect local goals and conditions. Tulare County's Rural Valley Lands Plan, a 1975 amendment to the general plan, assigns a point system for reviewing proposed rezonings of agricultural land use to urban uses.

11. Under the current system, liability insurance and financing discourage developers from building higher density residential development. Changes in the system must be made to provide incentives for developers to pursue this kind of development.