

County of Santa Clara
Department of Planning and Development



79698

DATE: January 21, 2016

TO: Housing, Land Use, Environment, and Transportation Committee (HLUET)

FROM: Kirk Girard, Director, Dept. of Planning and Development

SUBJECT: Preparation of a Sustainable Agricultural Lands Policy Framework for Southern Santa Clara County

RECOMMENDED ACTION

Consider recommendations relating to proposed preparation of a Sustainable Agricultural Lands Policy Framework for southern Santa Clara County.

Possible action:

- a. Receive report from Department of Planning and Development.
- b. Provide direction to Administration relating to Committee involvement in Framework preparation process.

FISCAL IMPLICATIONS

There are no potential impacts to the County General Fund as a result of accepting this Report.

The preparation of the Sustainable Agricultural Lands Policy Framework will be funded by \$100,000 in State Grant funds received from the California Department of Conservation. In-kind staff time will be funded within existing Department of Planning and Development budget allocations.

Completion of a Sustainable Agricultural Lands Policy Framework will increase the county's competitiveness for agricultural conservation easement grant awards from the Department of Conservation.

CONTRACT HISTORY

Not Applicable.

REASONS FOR RECOMMENDATION

This report is intended to provide a briefing to the HLUET Committee regarding the proposed Sustainable Agricultural Lands Policy Framework for Southern Santa Clara County (“Framework”) and to seek direction / feedback from the Committee regarding involvement of the Committee and the Board of Supervisors during the Framework preparation process. The preparation of the Framework, which will occur the next two calendar years (through 2017), is anticipated to be a high profile, multi-jurisdictional project that is a leadership opportunity for the County to prepare a new regional program to preserve agricultural lands and sustain a strong farming economy in Southern Santa Clara County.

1. In March, 2015, the County applied for a Sustainable Agricultural Lands Strategy (“SALS”) Grant from the State Department of Conservation to prepare the Framework. In July, 2015, the County was notified that it was awarded a SALS Grant in the amount of \$100,000. At the December 15, 2015 Board of Supervisors Hearing, the Board approved the SALS Grant Agreement with the State.
2. The proposed Framework is intended to create a new regional approach for preserving agricultural lands and sustaining a strong farming industry in Southern Santa Clara County. As outlined in the report recently published by the Agricultural Commissioner’s Office – *“The Economic Contribution of Agriculture to the County of Santa Clara 2014”* the agricultural industry currently contributes over \$1.6 billion in economic output to Santa Clara County.
3. The preservation of agricultural lands and maintenance of a strong farming industry is one of the core goals and policies within the County General Plan. The County currently implements these policies through the establishment of Agricultural Zoning Districts and the implementation of its Williamson Act Program. Other agencies such as LAFCO and the Cities of Gilroy and Morgan Hill also have agricultural protection policies intended to preserve agricultural land and maintain a viable agricultural industry.
4. Despite the existence of these agricultural preservation policies and programs, several recent studies have shown that agricultural lands in Southern Santa Clara County are being lost to land conversion. Between 1984 and 2000, 45% of the farmland in Santa Clara County was converted to other uses. More recently, the Department of Conservation reported that over 1,000 acres of farmland in the County were converted to non-agricultural uses between 2008 and 2010 (Attachment 4). The Greenbelt Alliance has estimated that over 55% of the remaining farmland in Santa Clara County is at risk of land conversion.
5. Preparation of the Framework will be a two year process that will encompass three major steps, as outlined in the adopted workplan. This includes; (a) mapping of agricultural lands most at risk to land conversion and an evaluation of the ramifications of conversion, (b) preparation of a Draft Framework that identifies new integrated policies and programs to preserve agricultural lands, and (c) preparation of a Final Framework for adoption by the County and other local agencies. The Framework is intended to create agricultural preservation policies that can be used by the County and

other agencies such as the Cities of Morgan Hill, Gilroy, San Jose, LAFCO, and the Santa Clara County Open Space Authority.

6. Preparation of the Framework will be conducted by the Department of Planning and Development staff and consultants working for the County. The Santa Clara County Open Space Authority will partner with the County during this process and assist in preparation of the Framework.
7. Preparation of the Framework is a leadership opportunity for the County in developing an integrated policy approach for agricultural preservation in Southern Santa Clara County. Development of a successful multi-jurisdictional agricultural lands preservation framework could serve as a regional model that other Counties and regions in California could follow.
8. The Framework could be modeled after the approach used for the Santa Clara Valley Habitat Plan, adopted by the Board in 2012, which created a regional policy framework and program to address impacts to endangered species habitat, through a partnership between six local agencies (County, San Jose, Morgan Hill, Gilroy, Santa Clara Valley Water District, VTA) and Federal and State Agencies.
9. The Administration is seeking comment and concurrence from the HLUET Committee for the two statements below:

a) Ensure an active role for HLUET and the Board during the Framework preparation process.

Preparation of the Agricultural Framework will entail the creation of new County policies for preservation of agricultural lands and will entail extensive engagement with stakeholders in Southern Santa Clara County. As such, the Administration requests that the HLUET Committee and the Board of Supervisors stay actively engaged during the Framework preparation process.

Ongoing engagement would entail periodic status reports to the HLUET Committee with annual reports to the Board of Supervisors. The Administration would return to HLUET and the Board at key milestones in the process, such as the publication of reports, or when policy and program direction is needed.

b) Maintain an extensive public outreach program during the Framework preparation process.

The Administration is seeking feedback from the Committee regarding the organization of an initial kickoff event and the framework for ongoing stakeholder engagement during the Framework preparation process.

The Administration is planning a kickoff event that officially announces the beginning of the Framework process and garners interested party, public and media interest in the topic of agriculture and agricultural preservation in Southern Santa Clara County. The event would showcase the important value of agricultural lands and the farming industry in Santa Clara County and the need for collective effort to establish a Framework.

The kickoff event could be a workshop sponsored by the Board of Supervisors or the HLUET Committee and would include invited speakers associated with farming industry and experts with knowledge of agricultural preservation programs. Representatives from the State associated with the SALS Grant Program have expressed an interest in attending and speaking at a kickoff event.

At an appropriate juncture in the preparation of the Framework, the County would sponsor a full day conference, comprised of several panels and roundtables that focuses on the needs of the agricultural industry and solutions that could be incorporated into the Framework and an agricultural conservation program in Southern Santa Clara County.

With respect to ongoing stakeholder engagement, the Administration proposes a Technical Advisory Committee (TAC) made up of Agricultural Sector and Municipal Sector representatives. The TAC would be comprised of stakeholders within the agricultural industry including farmers, landowners, the Farm Bureau, agricultural industry representatives, and other experts and stakeholders associated with the agriculture and agricultural preservation; and staff from Cities such as the Gilroy, Morgan Hill, and Gilroy, LAFCO, the Santa Clara Valley Water District, and other interested agencies. Staff is beginning the outreach process to identify potential TAC members. The TAC would be formed prior to the kickoff event. Staff would engage the TAC throughout the Framework preparation process for feedback on key policy and program approaches within the Framework.

In addition to the standing TAC, preparation of the Framework would include a strategy; for example, a Collective Impact Model of community engagement, to solicit participation of all those with interests in the outcome.

The Final Framework would be presented to the decision-making bodies of all participating agencies for proposed incorporation into their individual policy frameworks and implementation plans.

The Administration seeks any initial feedback from HLUET regarding which stakeholders to engage during the Framework preparation process and any alternative approaches to community participation.

CHILD IMPACT

The recommended action will have no impact on children and youth.

SENIOR IMPACT

The recommended action will have no impact on seniors.

SUSTAINABILITY IMPLICATIONS

Preparation of a Framework for agricultural lands preservation for South County will have positive sustainability implications by developing a consolidated framework for preserving agriculture and sustaining the farming industry in Southern Santa Clara County. Preservation of these agricultural lands and farming will ensure regional food security, contain urban sprawl, maintain groundwater recharge, and reduce greenhouse gas emissions.

BACKGROUND

SALC Grant Program

The Sustainable Agricultural Land Conservation (“SALC”) Program was created by the State Strategic Growth Council as a program to fund strategic plans for agricultural preservation and land conservation easements of agricultural lands. The Program is funded by Greenhouse Gas Reduction funds from Cap and Trade revenue. The purpose of the program is to preserve agricultural land from conversion to uses that generate increased greenhouse gas emissions such as urbanization. Funding for the SALC Program first began in 2015, with proposals for the first competitive grants due in March, 2015. The Program funds two types of grants; (1) Strategic Agricultural Grants that create strategic plans to preserve agricultural lands and (2) Agricultural Conservation Grant Easements to directly protect agricultural lands by funding the purchase of conservation easements. The County applied for and received funding under the Strategic Agricultural Grants to prepare a Sustainable Agricultural Lands Conservation Framework for Southern Santa Clara County. The County is only one of five jurisdictions to receive this competitive grant.

The State has recently announced the second round of funding and availability of SALC Grants for local jurisdictions. The draft requirements for this second round require that grant recipients incorporate prescribed policies and methods into their Agricultural Preservation Programs, including the designation of agricultural greenbelts, agricultural mitigation programs, and conservation easement programs. This new grant cycle may also require that recipients demonstrate a reduction in greenhouse gas emissions from agricultural preservation actions prior to receiving State grant monies. Department of Conservation staff

has notified the County that these proposed new requirements do not apply to the SALS Grant awarded to the County.

County SALS Grant Application / Framework

In March, 2015, County Planning Staff, working in conjunction with staff from the Santa Clara Valley Open Space Authority, prepared a grant application for the competitive SALS Grant. On March 24, 2015, the Board of Supervisors adopted a resolution authorizing staff to apply for the SALS Grant. In July, 2015, California Department of Conservation staff notified the County that it received one of the five awarded competitive SALS Grants, in the amount of \$100,000. Under the SALS Grant Funding requirements, activities associated with the Grant must be completed within a two year period.

The County intends to use the SALS Grant monies to prepare a Sustainable Agricultural Lands Policy Framework for Southern Santa Clara County (“Framework”). Under the accepted workplan for the Framework, all monies from the State SALS Grant funding would be used to pay for consultant costs on the Framework preparation process. Staff anticipates having consultants for the program under contract by February 2015. As a requirement of the SALS Grant, the County must provide match funding, which may occur in the form of in-kind staffing. Under the workplan, in-kind staffing will be provided by staff in the Santa Clara County Planning Office. As a partner applying to the State for the SALS Grant Funding, the Santa Clara Valley Open Space Authority will also provide in-kind staff support to assist in the preparation of the Framework.

Framework Workplan

As outlined in the Work Plan accepted by the State, preparation of the Framework will occur within three phases over a two year period; (a) Task 1 - Priority Agricultural Lands Mapping, Greenhouse Gas Emissions analysis and Policy Gap Analysis, (b) Task 2 - Preparation of a Draft Sustainable Agricultural Lands Policy Framework, and (c) Task 3- Preparation of a Final Sustainable Agricultural Lands Policy Framework. These three tasks and the anticipated time frame and final work products associated with each of these phases are described in further detail below.

Task 1 – Priority Agricultural Lands Mapping

This first phase includes conducting mapping within the existing unincorporated rural areas in order to assess the current viability and vulnerability of agricultural lands and the farming industry in Southern Santa Clara County. Mapping will include an analysis of the current agricultural lands that are most vulnerable to land conversion and an evaluation of the increase in greenhouse gas emissions that would occur if these lands are converted to urban or residential uses. This Task will also include an evaluation of the economic vitality of the farming industry in Southern Santa Clara and current and potential threats. Finally, this task

will include an evaluation of current Agricultural preservation policies employed by the County and other Agencies and conduct a policy gap analysis to identify any new programs and policies that could be used to preserve agricultural lands.

Task 2 – Preparation of a Draft Framework

Task 2 will entail the preparation of a Draft Sustainable Agricultural Lands Policy Framework for Santa Clara County. This will be a policy document that discloses the current vulnerability of agricultural lands and the farming industry in Southern Santa Clara County and the ramifications of potential losses, including the loss of food security, an increase in greenhouse gas emissions and economic impacts. The Framework will describe and outline new policies that can be adopted to ensure the ongoing preservation of Agricultural lands and the farming industry and an implementation plan to enact those policies. Preparation of the Draft Framework will entail much outreach with stakeholders, including review and feedback by a Technical Advisory Committee; comprised of stakeholders within the agricultural industry and municipal sector comprised of representatives from local agencies, including the Cities of Gilroy, Morgan Hill, and San Jose.

Task 3 – Preparation of a Final Framework

Following public comment, the Draft Framework will be revised to create a Final Framework, intended to be adopted by the County of Santa Clara, the Open Space Authority, and other local agencies. This Final Framework would provide a detailed implementation plan outlining the policy and program steps for implementing the Framework.

Potential New Agricultural Preservation Tools

There are several new agricultural preservation policies and programs that could be incorporated into the Framework. These programs have been used within other counties and regions in California for agricultural preservation. The Technical Advisory Committee will be evaluating these programs for implementation.

Agricultural Mitigation Fees / Transfer of Development Rights – Under this approach, mitigation fees would be levied against any proposed land development that converts agricultural lands to other uses. A Transfer of Development Rights program allows Cities to collect fees to be used for agricultural preservation in exchange for allowing an increase in development density. Under both programs, a designated conservation agency would receive the monies collected from the mitigation and TDR fees, to be subsequently used to purchase conservation easements on agricultural lands.

Conservation Easement Program – In tandem with an Agricultural Mitigation Fee program, a designated conservation agency could establish a program to purchase

agricultural easements over existing farmlands, using funds from a variety of sources, including state or local funding.

County Agricultural Zoning- The County could evaluate potential modifications to its development regulations pertaining to residential and non-residential development on existing parcels within the Agricultural Zoning districts in the rural areas. This may entail the establishment of development standards intended to minimize the loss of agricultural productivity when agricultural lands are developed for residential purposes.

CONSEQUENCES OF NEGATIVE ACTION

The HLUET Committee will not accept the Report. The Administration will revise the report as directed by HLUET.

STEPS FOLLOWING APPROVAL

The Administration would begin the Framework preparation process, which will include initiating public outreach efforts including organization of the kickoff event and formation of the Agricultural and Public Sector Technical Advisory Committees. The Administration will return to the HLUET Committee with status reports as directed by the Committee.

ATTACHMENTS:

- Draft Grant Application (PDF)
- Sustainable Agricultural Land Conservation Program (PDF)
- SALCP Budget (PDF)
- DOC Conversion Report (PDF)