

YOLO COUNTY GENERAL PLAN

AGRICULTURAL PRESERVATION TECHNIQUES REPORT

The County of Yolo | December 4, 2006



DESIGN, COMMUNITY & ENVIRONMENT

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YOLO COUNTY
AGRICULTURAL PRESERVATION TECHNIQUES REPORT
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EXECUTIVE SUMMARY

This report profiles existing and potential agricultural preservation techniques for use in the General Plan Update currently being undertaken by Yolo County. It provides a snapshot of tools, some already in use in Yolo County, that the County may wish to consider for its General Plan Update. The report recommends modification to existing tools in use, and it also suggests new tools that could be considered by the County during the General Plan Update.

The preservation tools are organized into six categories according to the issues that they address. The six topics and key specific recommendations are as follows:

A. General Preservation Techniques

Chapter 3 describes general tools that can be used to preserve farmland.

- ◆ **Williamson Act Contracts and Farmland Security Zones.** The County is a leader in the State in its use of Williamson Act Contracts. Despite some shortcomings and somewhat diminishing use, Williamson Act preserves and Farmland Security Zones (an extension of the Williamson Act) remain important agricultural conservation tools. County zoning regulations currently limit the use of Farmland Security Zones to within 3 miles of city limits because Farmland Security Zones beyond that, including around the unincorporated communities, are not fully reimbursed by the State and require County subsidy. Nonetheless, since there are some pressures to urbanize on agricultural lands around unincorporated communities, the County could consider using Farmland Security Zones around the unincorporated communities to further help to preserve agriculture.
- ◆ **Urban Growth Boundaries.** The County may want to work with the cities so that each of the four cities adopt urban growth boundaries and associated policies that support the County's farmland preservation objectives. The agreement between the County and the Cities of Davis and Woodland to establish a "greenbelt" between County Roads 27 and 29

could serve as a model for agreements among the County and its other cities regarding limits to urbanization. The County may also want to clearly define urban boundaries for all of the unincorporated communities and to clarify their role in shaping growth.

- ◆ **Redevelopment Tax-Increment Pass-Through Agreements and Annexation Revenue-Sharing Agreements** are key components of the County's overall farmland preservation framework, providing revenues to the County that allow it to forego revenue-generating urban development on unincorporated agricultural land. The County recently updated its agreements with Davis and West Sacramento. The County could continue to work to strengthen the revenues from such agreements with each of the four cities, in order to ensure an ongoing stream of funding even if no urbanization occurs on agricultural land.
- ◆ **Taxation and Fee Mechanisms.** The County could consider taxation and fee mechanisms, and work with its four cities to adopt such measures, to fund agricultural preservation efforts and more broadly share the costs of agricultural and open space preservation. Parcel taxes or agricultural development impact fees could also be targeted to specific uses, or to specific types or locations of development, as a disincentive for undesirable growth patterns. An $\frac{1}{4}$ cent open space and agricultural preservation sales tax was recently reauthorized by Sonoma County voters, and may be a model for Yolo County.

B. Limits on Use

Chapter 4 describes ways the County could further limit uses within agricultural areas and ensure the predominance of farming, with emphasis on ways to limit residential and ranchette development. The three tools the County currently uses could be refocused and some or all of the other eight tools could also be implemented.

- ◆ **Use Restrictions.** The County may want to consider eliminating the potential for housing on smaller agricultural parcels, perhaps by restricting

parcels in Agricultural General (A-1) and Agricultural Exclusive (A-E) zones below a certain size threshold, such as 40 or 80 acres, to non-residential uses.

- ◆ **Conditional Use Permits for Houses In Agricultural Zones.** The County could require a conditional use permit for dwellings in agricultural zones as a way to shape and impose conditions on new rural homes to ensure continued production agriculture on the property and compatibility with surrounding agriculture.
- ◆ **Minimum Lots Sizes.** The County might want to consider increasing minimum parcel sizes in the A-1 and A-E zones, particularly in areas that are desirable for ranchette development.
- ◆ **Lot Merger Requirements.** Dwellings in agricultural zones can be made contingent upon the merger of the lot with other adjoining lots in the same ownership as a way to reduce the number of lots, smaller lots and homes in agricultural zones.
- ◆ **Agricultural Buffers.** Yolo County has a strong track-record of requiring agricultural buffers in accordance with General Plan Agricultural Element AP-22, and few if any changes to the current system seem warranted. One possible change to this policy could be to increase the width of the buffer.
- ◆ **Agricultural Easement as a Condition of Approval.** Dwellings in agricultural zones can be made contingent upon the placement of an agricultural conservation easement on the remainder of the parcel which will be kept in commercial agricultural use.
- ◆ **Limits on House Size in Agricultural Areas.** Limiting the size of a house that can be built on an agricultural parcel to reflect sizes typically accessory to the agricultural production use may limit urban residents who merely want to relocate to a rural area but are not necessarily interested in keeping the land in production agriculture, and who may be a source of residential-agricultural conflicts.
- ◆ **House Location Requirements.** The County could consider regulating the location on the lot of any house in an agricultural zone. By placing

houses in the corner of the lot, the remainder of the lot would be available for agricultural use.

- ◆ **Cluster Zoning and Parcel Averaging.** Cluster zoning may be an appropriate farmland preservation tool for certain parts of the county. Clustering could be targeted to areas of smaller lots and more intensive agricultural operations, viticulture, specialty farms and urban transitional areas. These tools could also be considered for antiquated subdivisions and non-conforming lots. Areas of a site on which cluster development occurs that are intended for agricultural production could be permanently protected with a conservation easement.
- ◆ **Agricultural Production and Stewardship Plans.** Development of dwellings in agricultural zones could be made contingent upon the preparation and implementation of an Agricultural Production and Stewardship Plan that details how the property will be kept in commercial agricultural use, including plantings, agricultural infrastructure and stewardship practices. Such a requirement could be used in conjunction with a requirement for a conservation easement, a Williamson Act contract and/or right-to-farm noticing.
- ◆ **Limitations on Use of Agricultural Water.** The County could require that development approvals be supported by a finding that proposed water sources for urban uses would not take water away from agricultural users.

C. Conservation Easements and Mitigation Programs

Yolo County already has an extensive program of agricultural conservation easements that ensure that land will be held for agriculture in perpetuity. Chapter 5 describes easement and mitigation programs already in place in the county, and suggests ways that these programs could be further enhanced.

- ◆ **Agricultural Conservation Easements** are regarded as one of the more effective farmland preservation tools and efforts to facilitate easements in

Yolo County should continue. The County may want to consider using the General Plan Update to identify specific criteria to protect the best farmland, farmland most at risk of development and lands that produce high-value crops.

- ◆ **Joint Use with Other Conservation Easements.** The County could provide greater allowances for adjoining agricultural and resource conservation easements. The County could take a role in disseminating information to agricultural property owners about resource conservation easement programs and financial assistance. The County could also allow for agricultural and resource conservation easements on the same property, to provide extra encouragement for preservation, and could also develop regulations that create incentives for productive agriculture on resource conservation lands. “Stacked” mitigation credits are not recommended.
- ◆ **Farmland Conversion Mitigation.** The County should consider adoption of pending changes to the farmland conversion mitigation program. These changes would require mitigation whenever farmland is converted, whether it is planned for growth or not; would allow payment of an in-lieu fee for projects under 40 acres in size; would increase the mitigation ratio; and would bar “stacked” mitigation. The County could also consider sliding-scale mitigation, varying its mitigation requirement based on the quality of the farmland developed and the density of the proposed development. The County might also allow out-of-county mitigation, allowing Yolo farmland to be protected through conservation easements placed as mitigation for loss of agricultural land caused by development projects within other jurisdictions. Out-of-county mitigation could be accepted subject to a conditional use permit requirement that enables County control over its implementation, including potential fees and additional land set-aside requirements. The County could also establish a mitigation bank to implement out-of-county mitigation.
- ◆ **Transfer of Development Rights.** The County may want to consider the Transfer of Development Rights program being proposed by the Yolo Land Trust, or a similar program, as a means to direct growth and

preservation in certain parts of the County. Under such a program, agricultural land owners in one part of the County could sell their development rights to developers in other parts of the County. Such a program could target as receiving sites the unincorporated towns or new development areas in the unincorporated county, or it could be used to encourage clustered development in agricultural districts. Such a program could also be created in conjunction with the cities, with development areas located inside of city limits.

D. Marketing and Economic Support

Even if land is preserved for agricultural use, preservation alone will not ensure the economic viability of agricultural operations. Chapter 6 considers four ways that Yolo County might further support agricultural operations.

- ◆ **Agricultural Marketing and Tourism.** The County may want to consider a central ongoing agricultural marketing and tourism program, perhaps within the County's Economic Development Department, to coordinate private and public initiatives and to integrate them with County business attraction and agricultural tourism efforts. The County could combine resource conservation, agricultural preservation and economic development objectives in such an agricultural marketing program.
- ◆ **Agricultural Districts.** The County may want to establish one or more distinct agricultural districts in areas such as Clarksburg or the Capay Valley. The County could help organize or strengthen marketing efforts in these areas. Each area could have a separate area plan, tailored zoning and other regulations, and could serve as a basis for strategic conservation easements and similar tools. Areas could be targeted for wineries.
- ◆ **Zoning for Agricultural Development.** In parts of the county where the County wants to accommodate smaller farms and agricultural industrial and marketing facilities, encourage agricultural tourism, and allow for needed farm worker housing, the County may want to consider more permissive use regulations, such as specifying a broader mix of uses or al-

lowing more uses by right or by administrative approval. Areas around cities may be appropriate locations for smaller farms and a broader mix of supportive agricultural industrial, marketing and tourism uses. Such uses could be encouraged in the context of protective conservation easements, agricultural production and stewardship plans, performance standards, clustering incentives, Williamson Act contracts and buffers, and balanced with Farmland Security Zones around the cities.

- ◆ **Enterprise Zones.** The County could explore use of the State or federal enterprise zone programs in certain areas of the county to aid in attracting and expanding targeted agribusiness industry clusters and creating jobs for targeted income groups. By developing the value-added and support industries and the infrastructure critical to agriculture in the long run, enterprise zones might help the County sustain agricultural viability and protect its agricultural resources. The feasibility of Enterprise Zones for agricultural industries and support businesses would need to be explored further.

E. Farmer Support

Many farmers, including those from families who have farmed for many generations, find it difficult today to maintain their agricultural operations. Chapter 7 considers tools that the County might use to support the operations of individual farmers. While one of these tools (Education and Technical Assistance) is already in use, the County government has no direct role in it, and the other tools have not been tried in Yolo County.

- ◆ **Increased Residential Densities.** There may also be a limited role for greater residential densities in some agricultural areas, possibly within certain targeted locations and within a context of protective conservation easements, agricultural production and stewardship plans, Williamson Act contracts and clustering incentives. This could allow farmers to live on their land and allow long-time farm families to build houses on their properties for family members. It may also allow for financing, without collateralizing the whole farm. Having people on the land can also result

in better stewardship and innovation, transitions to new generations of farmers, and can build a constituency for farmland preservation.

- ◆ **Regulatory Relief and Streamlining.** As an action under the General Plan Update, the County may want to review health, zoning and building permit regulations for possible regulatory relief and streamlining opportunities for agriculture and related industrial, marketing and tourism activities, and for farm worker housing. Additionally, the County could strengthen the agriculture liaison and ombudsmen role provided by the Agricultural Commissioner to aid in agricultural permitting, issue resolution, education and advocacy.
- ◆ **Education and Technical Assistance.** The County may want to assume a role in education and technical assistance to farmers to build on and coordinate existing efforts by various organizations.
- ◆ **Water Supply Incentives.** The County could work with the county's agricultural water purveyors to adjust their rate structures to provide incentives for farmers to forego development.

F. Rural Culture

Differences between rural and urban life sometimes create tensions and can lead to calls for limits on agricultural uses and for increased services that can only be provided through higher levels of funding enabled by urbanization. Chapter 8 considers three ways the County might ensure that rural residents understand what to expect in a rural lifestyle, thereby limiting the potential for future restrictions on agriculture or pressures for urbanization.

- ◆ **Right-to-Farm Ordinance and Agricultural Use Notice.** Yolo County's right-to-farm ordinance does not contain noticing requirements, which are instead imposed as a condition of discretionary approvals. Consideration of mandatory noticing for any transfer of property is recommended to improve upon the existing ordinance and the number of properties covered by noticing.

- ◆ **Lower Service Standards in Rural Areas.** The County could set lower service standards for rural areas and small towns, to make clear that the County will not attempt to meet urban standards in rural areas.
- ◆ **Rural Oath.** A voluntary pledge by residents to acknowledge that they understand that they live in a rural area and accept both the potential nuisances of nearby agriculture and the lower levels of service associated with rural life. Though not regulatory, this mechanism has an educational effect that encourages buy-in to the “rural lifestyle” by newcomers.

YOLO COUNTY
AGRICULTURAL PRESERVATION TECHNIQUES REPORT
EXECUTIVE SUMMARY

I INTRODUCTION

This report profiles existing and potential agricultural preservation techniques for use in the General Plan Update currently being undertaken by Yolo County. It provides a snapshot of tools, some already in use in Yolo County, that the County may wish to consider for inclusion in its General Plan Update. The report recommends modification to existing tools in use, and it also suggests new tools that could be considered by the County during the General Plan Update.

A. *Report Contents*

This report is organized into eight chapters, as follows:

- ◆ Chapter 1 is this introduction.
- ◆ Chapter 2 provides an overview of farmland, land conservation and recent urbanization trends in Yolo County. These issues are discussed in greater detail in the *Yolo County General Plan Update Background Report* (January 2005).

Chapters 3 through 8 are the bulk of this report. They describe agricultural preservation techniques organized into six categories according to the preservation issues that they address. The six topics are:

- ◆ Chapter 3, General Preservation Techniques.
- ◆ Chapter 4, Limits On Use in agricultural areas (with an emphasis on restrictions for single-family homes and ranchettes).
- ◆ Chapter 5, Conservation Easements and Mitigation Programs.
- ◆ Chapter 6, Marketing and Economic Support, focusing on measures to maintain an economically vital agricultural industry.
- ◆ Chapter 7, Farmer Support, focusing on ways to enhance economic viability of individual farms.
- ◆ Chapter 8, Rural Culture, addressing tools to assert and protect the distinctly rural agricultural character of the unincorporated county.

This report focuses on the actual tools that can be used to protect farmland, as opposed to the policy and regulatory documents through which these tools are enacted or enforced. Therefore, the paper does not include sections on documents such as the Yolo County General Plan or the Zoning Code. Instead, this paper reviews the individual tools included in these documents, such as minimum lot sizes, restrictions on use, mitigation requirements, performance standards and flexible incentive-based measures like transfer of development rights programs.

This report is based on precedents currently in use throughout the State, and on research from California and other states. Agricultural preservation techniques and tools in use in the counties of El Dorado, Marin, Monterey, San Luis Obispo, Solano, Sonoma and Ventura were considered for their potential application in Yolo County. Additionally, various techniques were discussed with the American Farmland Trust, the Great Valley Center, the County Agricultural Commissioner, the Yolo County Ag Futures Alliance, the Yolo Land Trust, Capay Valley Vision and South County Farmers for Progress.

With the exception of the Williamson Act, this report does not provide overviews of the various federal and State funding or compensation programs available to landowners or local jurisdictions for farmland preservation. These programs have been detailed in other published documents. For detailed information on compensation programs for California landowners, the reader should refer to *Conserving Agricultural Land Through Compensation: A Guide for California Landowners*, by Alvin D. Sokolow (2004). State-level tax relief programs, such as circuit breaker tax relief credits and differential assessment laws, and preservation programs enacted at the State level are outlined in *The Farmland Protection Toolbox Fact Sheet* by the American Farmland Trust (2002).¹

¹ Circuit breaker laws, not currently available in California, allow farmers to claim state income tax breaks to offset local property taxes. Differential assessment taxes agricultural land according to what income farmers can be expected to earn from it, as opposed to the land's market or development value.

2 OVERVIEW OF AGRICULTURAL LAND AND LAND CONSERVATION IN YOLO COUNTY

Yolo County is located in California's Central Valley, one of the most productive agricultural regions in North America. Yolo County is largely agricultural: In 2000, 85 percent of the County was agricultural, and only 4 percent of the County was urbanized, with the remaining 11 percent identified as "other land" including fallow land, rural ranchettes and habitat.²

The large amount of agricultural land in the County belies the fact that agriculture is an important economic sector in the County in which opportunities continue to evolve. While a changing agricultural economy has in recent years seen the loss of markets and agricultural infrastructure for more traditional commodities, the county continues to see growth in higher value added crops, wine grapes and wineries, organic products and specialty products such as grass fed beef. Dixon Downs, a 260-acre horse track, hotel/conference center and retail center contemplated in the city of Dixon in neighboring Solano County, could mean a boost for Yolo County's equine sector and related support sectors. These evolving opportunities have implications for how the county approaches agricultural preservation.

Like other Central Valley counties, Yolo County is experiencing urban development pressures from California's growing population. Statewide, the American Farmland Trust predicts that the combination of urban and rural ranchette development will consume 900,000 acres of farmland in the Central Valley by 2040, unless land use patterns change.³ Consistent with this pat-

² Jones & Stokes, *Yolo County General Plan Update Background Report*, January 2005, page 2-59. In this paper, the term "ranchettes" refers to residences built on lots ranging in size from 1.5 to 10 acres, generally in rural areas. Some agriculture may take place on ranchette lots, but it is seldom for commercial purposes. Ranchettes can provide an attractive rural lifestyle, but they also remove more land from commercial agricultural production per resident than any other kind of residential development, and they insert non-farming neighbors into agricultural areas. Thus, ranchettes pose serious conflicts for the commercial agricultural producers around them.

³ American Farmland Trust, *The Future is Now: Central Valley Farmland at the Tipping Point?*, April 2006 (available only online at <http://www.farmland.org/reports/futureisnow/ideasforchange.html>).

tern, Yolo County is already experiencing a loss in the number of farms, an aging farmer population, a decrease in the number of farms over 500 acres and a reduction in the number of full-time farmers.⁴ Since 1990, about 22,000 acres of farmland have gone out of production in Yolo County. During this same time, about 3,500 acres of new urban land have been created. An additional 2,500 acres are committed to future non-agricultural use, some to urban uses and some to infrastructure development.⁵ Yolo County's proximity to Sacramento and the San Francisco Bay Area could put additional urbanization pressures on the county in the future.

Yolo County has been proactive in foreseeing and addressing these pressures and was among the first counties in California to place importance on farmland preservation. Highlights of Yolo County's farmland preservation efforts include the following:

- ◆ Yolo County has 67 percent of its total land area in Williamson Act contracts. In 2005, the state Department of Conservation honored Yolo County with an agricultural stewardship award in recognition of the county's work to preserve agricultural land through its administration of the Williamson Act.
- ◆ Agreements between Yolo County and its cities limit most new urban development to areas within the cities' spheres of influence.
- ◆ Yolo County requires mitigation of farmland conversion at the rate of one acre preserved for every acre developed and is currently considering a rate of two acres mitigated for every acre developed.

⁴ Jones & Stokes, *Yolo County General Plan Update Background Report*, January 2005, pages 2-58 through 2-80. Paul Muller, Chair, Capay Valley Vision Agriculture and Environment Task Force. Personal Communication with Ricardo Bressanutti, Design, Community & Environment, August 22, 2006.

⁵ Department of Conservation News Room website, <http://www.consrv.ca.gov/index/news/2002%20News%20Releases/NR2002-21.htm>, accessed on May 25, 2006. The state has only recently begun to track residential development on lots between 1.5 and 10 acres, so the exact amount of farmland lost to ranchettes is not known.

- ◆ Yolo County LAFCO applies a strong Agricultural Conservation Policy to preserve county agricultural lands and discourage the premature conversion of farmland to urban uses.
- ◆ The Yolo Land Trust is among the Valley's leading farmland preservation organizations, with 3,500 acres of farm and ranch land under conservation easements.
- ◆ The County's General Plan includes an Agricultural Element with many progressive agricultural programs.
- ◆ The County's zoning ordinance includes four agricultural zones, and restrictions on both use and lot sizes within agricultural areas.

In fact, Yolo County's existing programs and policies are often referenced as a model for the region. For example, Alvin Sokolow's 1997 study of agricultural preservation techniques found that Yolo County's General Plan language was among the clearest in the Central Valley in its prioritization of farmland preservation.⁶

Despite Yolo County's success at preserving farmland, urbanization pressures are likely to continue. If Yolo County is to maintain its agricultural base, it will need to continue exploring new options for farmland protection as well as strategies for improving farming as a livelihood. Experts agree that multiple preservation tools are needed in order to effectively preserve farmland. Therefore, this report gives an overview of both possible refinements to existing tools as well as new tools that could complement existing efforts.

⁶ Alvin D. Sokolow, *Farmland Policy in California's Central Valley: State, County, and City Roles*, California Policy Research Center Brief, October 1997, page 6.

YOLO COUNTY
AGRICULTURAL PRESERVATION TECHNIQUES REPORT
OVERVIEW OF AGRICULTURAL LAND AND LAND CONSER-
VATION IN YOLO COUNTY

3 GENERAL PRESERVATION TECHNIQUES

This chapter describes tools that can be used to preserve farmland at the macro level, with policies and incentives to generally limit urbanization and keep land available for agricultural use.

Four of the five tools described in this chapter are already in use in Yolo County, but there is some room for improvement with each of them. Additionally, this chapter considers the possibility of new funding sources for agricultural preservation in the county.

A. *Williamson Act Contracts and Farmland Security Zones*

The California Land Conservation Act, better known as the Williamson Act, has been the State’s premier agricultural land protection program since its enactment in 1965. The Williamson Act preserves agricultural and open space lands through property tax incentives and voluntary restrictive use contracts. Private landowners voluntarily restrict their land to agricultural and compatible open-space uses under minimum 10-year rolling term contracts with counties and cities also acting voluntarily. In return, restricted parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value.⁷

Only land located within a locally designated “Agricultural Preserve” is eligible for a Williamson Act contract, but not all land within an Agricultural Preserve must be under contract.⁸ By State law, an Agricultural Preserve must be designated by the local government, must consist of no fewer than 100 acres and may be made up of land in one or more ownerships. Landowners with fewer than 100 acres may combine with neighbors to form preserves,

⁷ California Department of Conservation, *California Land Conservation (Williamson) Act Status Report*, August, 2002, page 1.

⁸ Jones & Stokes, *Yolo County General Plan Update Background Report*, January 2005, page 2-56.

provided the properties are contiguous. Smaller preserves may be established under certain circumstances.⁹

In Yolo County, Agricultural Preserves are designated using the Agricultural Preserve (A-P) zoning district.¹⁰ To enter into a contract requires a rezoning of the property to A-P. However, when a contract expires, the zoning doesn't automatically change. As a result, there is considerable land that is under the more restrictive requirements of the County's A-P zone but is not under contract, which has served to further protect farmland.

An extension of the Williamson Act, called the Farmland Security Zone (FSZ) Program, permits farmers and ranchers to garner greater property tax savings when counties create agricultural preserves. In FSZs, landowners agree to keep their land in agriculture for a minimal initial term of 20 years in exchange for an additional 35 percent property tax reduction.¹¹ School districts are also prohibited from condemning or buying land in FSZs;¹² this is significant because the building of a new school in an agricultural area is often a first step toward urbanization, and because schools are one of the most sensitive neighbors that can be located near agricultural uses.

The Williamson Act program is popular throughout the state, since it is voluntary and imposes no requirements on landowners other than prohibiting

⁹ Department of Conservation, Division of Land Resource Protection, *Williamson Act Questions and Answers Fact Sheet*, 2005.

¹⁰ Jones & Stokes, *Yolo County General Plan Update Background Report*, January 2005, page 2-56. Note that the State standard for minimum parcel sizes in an Agricultural Preserve is 10 acres for prime farmland and 40 acres for non-prime farmland. Yolo County far exceeds this requirement by requiring parcel sizes of 80 or more acres in the A-P zone.

¹¹ California Policy Reform Network website, <http://www.calpolicyreform.net/esummaries/valleyvision/index.htm>, accessed on May 17, 2005.

¹² California Department of Conservation, Division of Land Resource Protection website, *Farmland Security Zone Questions and Answers*, accessed on August 28, 2006, http://www.consrv.ca.gov/DLRP/lca/farmland_security_zones/index.htm.

urban development during the duration of contracts.¹³ The program has protected over half of California's prime farmland.¹⁴

However, the Williamson Act program also has some weaknesses as an agricultural preservation tool. Most obviously, it is a purely voluntary program and therefore relies on willingness of landowners to participate. More importantly, the financial benefits of participation may not be sufficient for landowners to participate, particularly since property tax increases are already limited under Proposition 13. Additionally, it is debatable whether the Williamson Act is effective in limiting growth around cities, particularly since landowners on the urban edge tend to use the law's 10-year non-renewal provisions and/or cancellation provisions to withdraw from the program. Moreover, the Williamson Act does not prohibit public agencies from placing public improvements on land restricted by a Williamson Act contract. Schools and other public facilities can be built outside FSZs on land that was previously contracted.¹⁵ While this can sometimes create flexibility to allow a community to build a needed public improvement on agricultural land, it can also be used as a loophole to initiate urbanization and accelerate loss of agricultural land despite the presence of a contract. Williamson Act subventions have been proposed for de-funding two out of the last five years, and may be again if State revenues decline.

In 1991, Yolo County had approximately 479,243 acres enrolled in the Williamson Act.¹⁶ This number has decreased steadily in the last 15 years, and went down to 418,935 acres of land by fiscal 2004-05. About 58 percent of

¹³ Alvin D. Sokolow and Mica Bennett, *Conserving Agricultural Land Through Compensation*, December 2004, page 30 to 31.

¹⁴ American Farmland Trust, "Agricultural Districts: A Tool for Protecting Local Agriculture," *Landworks Connection* (newsletter), Summer 2002, page 2.

¹⁵ American Farmland Trust, "Agricultural Districts: A Tool for Protecting Local Agriculture," *Landworks Connection* (newsletter), Summer 2002, pages 2 and 4.

¹⁶ *Yolo County Agricultural Element*, November 2002, page 3-9.

the land under contract is prime farmland.¹⁷ Yolo County's General Plan Agricultural Element emphasizes the use of Williamson Act preserves and FSZs as tools to preserve farmland, and the zoning code specifically restricts both the range and intensity of use of contracted land.¹⁸ Thus, the Williamson Act, despite some shortcomings and its somewhat diminishing use, remains an important agricultural conservation tool in Yolo County.

The County could further enhance its use of the Williamson Act by implementing more FSZs in areas of the county other than adjacent to city limits. The County zoning regulations currently limit the use of FSZs to within 3 miles of city limits because the State reimbursements for Williamson Act property tax losses to the County are \$8 per acre within 3 miles of a city and only \$5 per acre for land more than 3 miles from a city. The County has estimated the cost to implement FSZs countywide would be approximately \$1 million. Despite this significant cost, since there are some pressures to urbanize on agricultural lands around unincorporated communities, allowing FSZs in additional locations might help to preserve agriculture in these areas.

B. Annexation Policy

In California, annexations of lands to cities and special districts (such as community service districts that provide urban services) are overseen by each county's Local Agency Formation Commission (LAFCO). Each county's LAFCO is a state-mandated agency that operates separately from the county government. Therefore, LAFCO policies can differ from those of the county.

¹⁷ California Department of Conservation website, Williamson Act Program, Enrollment Statistics by County, Total Enrollment 1991-2003, [http://www.consrv.ca.gov/DLRP/lca/pubs/stats/Total%20Enrollment%20\(1991-03\).xls](http://www.consrv.ca.gov/DLRP/lca/pubs/stats/Total%20Enrollment%20(1991-03).xls), accessed on August 28, 2006.

¹⁸ *Yolo County Agricultural Element*, November 2002, page 3-11.

LAFCOs can serve the interest of farmland protection in how they apply their discretion to city annexation and sphere of influence proposals.¹⁹ The Yolo County LAFCO adopted an Agricultural Conservation Policy in 1994 to preserve county agricultural lands and discourage the premature conversion of farmland to urban uses. The policy applies to proposed boundary changes for both cities and special districts where urban development is the ultimate goal. The guiding policy states that “boundary changes for urban development should only be proposed, evaluated and approved in a manner which, to the fullest extent feasible, is consistent with the continuing growth and vitality of agriculture within the county.” This overarching policy is supported by guidelines and implementation standards that direct LAFCO in its review of proposals. The policy also sets out the conditions under which the annexation of prime agricultural lands can be approved, and the mitigations that must be instituted if that annexation is to be approved. LAFCO requires mitigation for loss of farmland at a ratio of one acre of agricultural land protected by a conservation easement for every acre converted to urban uses, or payment of an in-lieu fee if impacts are less than 40 acres. LAFCO maintains and implements the Agricultural Conservation Policy at the time a city makes a request for annexation of unincorporated territory.²⁰

In addition to the Agricultural Conservation Policy, the Yolo County LAFCO adopted a payment-in-lieu fee methodology in 2005 that allows for mitigation fees in lieu of the dedication of agricultural conservation easements that would otherwise be required by the policy.

LAFCO has been a close partner in the County’s agricultural preservation efforts. LAFCO’s strong preservation posture and its Agricultural Conservation Policy and mitigation requirements are critical elements of farmland protection in Yolo County. The County should continue to work with and support LAFCO in agricultural preservation. No changes to LAFCO policy or the County’s relationship with LAFCO are recommended.

¹⁹ Alvin D. Sokolow, *Farmland Policy in California’s Central Valley: State, County, and City Roles*, California Policy Research Center Brief, October, page 11.

C. Urban Growth Boundaries

Urban growth boundaries (UGBs) separate urbanized areas from non-urbanized areas by identifying the locations in which urbanization can occur. They are implemented to control outward expansion of development, encourage increased densities within the urban core and establish protected greenbelts of agriculture or open space around the perimeter.

UGBs can function at either the city or county level. In the case of cities, they generally represent the maximum areas that a city will annex. In the case of counties, they show the areas in which a county will allow non-agricultural development. UGBs are often best implemented as a coordinated effort between cities and counties, with the county responsible for limiting development permits and preserving agriculture within land under its jurisdiction.

UGBs can be established through decision-maker (City Council or Board of Supervisors) action, but are also commonly established by ballot initiative through voter approval. Some communities have adopted specific ordinances requiring voter approval to amend any portion of the growth boundary. Examples include Contra Costa County, which has a county-wide UGB, and Solano County's Orderly Growth Initiative (which expires in 2010), which effectively limits urban growth to Solano County's incorporated cities. Many cities in northern California also have UGBs.

UGBs create a clearly defined agricultural-rural interface, establish certainty for planners and landholders, and minimize the need for other resource intensive land protection mechanisms. When their modification requires voter approval, they are particularly potent as a means to halt urbanization. How-

²⁰ *Yolo County Agricultural Element*, November 2002, page 3-22.

ever, to be effective, they require cooperation between cities and their counties, and they can also limit land supply, thereby increasing housing prices.²¹

The Yolo County Agricultural Element references urban boundaries for the four cities in the county, which are defined as “the ultimate growth around incorporated cities in which the County and the cities will coordinate plans, policies and standards related to building construction, land use and zoning regulations, street and highway construction, public utility systems, and other closely related matters affecting the orderly development between city limit lines and the urban boundary, in accordance with written agreements between the county and the respective cities.”²² However, the County does not currently have agreements with the cities to ensure enforcement of these urban boundaries. The County may want to work with the cities so that each of the four cities adopt UGBs and associated policies that support the County’s farmland preservation objectives. These UGBs should be coordinated with the LAFCO Sphere of Influence boundaries established by that agency.

The Agricultural Element also states that, “Urban boundaries are also established around the following unincorporated communities in Yolo County to serve as official urban planning areas for these communities: Capay, Clarksburg, Dunnigan, Esparto, Guinda, Knights Landing, Madison, Rumsey, Yolo and Zamora.”²³ However, the urban boundaries have not been clearly delineated for all of these communities, and it does not appear that the County is using these boundaries to manage the location, amount and pace of development. The County may want to clearly define urban boundaries for all of the unincorporated communities and to clarify their role in shaping growth. This would include adding references to these boundaries in the other elements of the General Plan, particularly the Land Use Element and including these boundaries on the General Plan Land Use Diagram.

²¹ The Center for Rural and Regional Innovation – Queensland, *The Protection of Production on Agricultural Lands*, May 2005, page 48.

²² *Yolo County Agricultural Element*, November 2002, page 1-4.

²³ *Yolo County Agricultural Element*, November 2002, page 1-4.

Moreover, the urban boundaries defined in the Agricultural Element do not require voter approval to be changed. If the County desires to make these boundaries more solid, then a requirement for voter approval of the boundaries could be considered. A potential down side of requiring voter approval of changes to the urban boundaries of the county's unincorporated communities is that this effectively transfers major land use decisions from the elected Board of Supervisors to the voting electorate. Such votes tend to revolve more around small "bites" of highly distilled information that detailed analysis and understanding of project impacts and benefits.

It should be noted that the cities of Davis and Woodland have joined with the County to protect an 11,000-acre area between the two cities from annexation and/or urbanization.²⁴ This agreement between the three government bodies is a strong method of creating a UGB, since it would require approval from all three governments to change it. This agreement might serve as a model for agreements among the County and its other cities regarding limits to urbanization.

D. Redevelopment Tax-Increment Pass-Through Agreements and Annexation Revenue Sharing Agreements

When land is annexed to one of the cities from the unincorporated area, State law administered through LAFCO requires the County and City to execute a property tax revenue sharing agreement. In the past, the County has developed "master" agreements with the cities; however, changes in taxation have resulted more recently in case-by-case negotiations. Additionally, voluntary redevelopment tax-increment pass-through agreements with the four cities provide for the County to receive property tax revenues that it would have received in the absence of redevelopment project areas established by the cit-

²⁴ Smart Growth Online website, <http://www.smartgrowth.org/news/article.asp?art=3108&state=52&res=1024>, accessed on May 18, 2006.

ies. Two of these agreements (with Davis and Winters) stipulate that the County may not approve urban development at the edges of the cities.

These redevelopment tax increment pass-through agreements and annexation revenue-sharing agreements are key components of the County's overall farmland preservation framework, since they provide revenues to the County to encourage the County to retain these lands in continued agricultural use.

The County could work to strengthen these agreements with each of the four cities, in order to provide sufficient revenues to ensure an on-going stream of funding in exchange for continued preservation of agricultural land.

E. Taxation and Fee Mechanisms

Taxation is an increasingly common method of preserving open space in California cities and counties. The agricultural preservation programs described above cost money, and governments need to find ways to fund these programs. While it can be difficult to create the political consensus needed to impose a tax, the resulting revenue stream can be key to successful agricultural preservation. In addition to taxes, development impact fees collected on new building permits could also fund preservation efforts, without the need for voter approval.

The following are several common methods of taxation.

- ◆ **Sales Tax.** Some jurisdictions have adopted or sponsored public votes on incremental sales tax increases for open space preservation. This method has the benefit of bringing in funds from both residents and visitors who shop in the jurisdiction. It can also be somewhat easier to pass with voters than real estate-based taxes. A ¼ cent open space and agricultural preservation sales tax was recently reauthorized by Sonoma County voters, and may be a model for Yolo County.
- ◆ **Property and Real Estate Taxes.** Communities can also implement an ad valorem property tax, a flat rate parcel tax, or a real estate transfer tax

as a means to fund agricultural preservation. In Yolo County, Davis voters passed Measure O in 2000, approving a parcel tax that will generate an estimated \$17.5 million over 30 years to fund open space purchases in the city's planning area.

- ◆ **Special Benefit Districts.** In some cases, special benefit districts have been formed in residential areas that are identified as having specific benefits or access to open space above and beyond those of the average city resident. Residents in these areas may approve a special tax for their district that will specifically finance open space preservation and maintenance.
- ◆ **Development Impact Fees.** Development impact fees collected on new building permits could also fund preservation efforts, and could be adopted without voter approval.

The County could consider these taxation mechanisms and work with its four cities to adopt such measures to fund agricultural preservation efforts and more broadly share the costs of agricultural and open space preservation. Taxes could also be targeted to specific preservation programs, or to specific types or locations of development as a disincentive for undesirable growth patterns.

4 LIMITS ON USE

This chapter describes eight ways that the County can use to further limit uses within agricultural areas, so as to ensure the predominance of farming in agricultural areas.

The emphasis is on ways in which the County can limit residential and ranchette development in agricultural areas. According to the County Agricultural Commissioner and other sources, ranchette development is one of the greatest threats to farming in Yolo County, though other counties with less restrictive agricultural zoning have seen even greater losses of farmland to ranchettes.

The County currently uses three of the eight tools described in this report. Each of the three existing tools could be refocused and some or all of the other five could also be implemented, in order to minimize the loss of farmland to non-agricultural uses such as ranchettes.

A. Use Restrictions

Through zoning, local governments commonly prohibit or restrict non-agricultural uses on agricultural lands. The Yolo County Zoning Ordinance includes four zoning designations for agriculture:

- ◆ A-1: Agricultural General Zone
- ◆ A-P: Agricultural Preserve Zone
- ◆ A-E: Agricultural Exclusive Zone
- ◆ AGI: Agricultural Industry Zone

These zoning designations are described in detail in the January 2005 *Yolo County General Plan Background Report* (pages 2-54 and 2-55), so they are not described again in this report. In summary, they allow, either by right or as a conditional use, one single family dwelling and one ancillary dwelling per parcel, agricultural support businesses, agricultural industrial uses, farm worker camps, stores selling mostly Yolo grown and manufactured items, bed

and breakfasts, lodges, wineries and other uses related to agriculture, as well as recreation, energy, mining and certain other uses.

The County may want to consider eliminating the potential for housing on smaller agricultural parcels, either all together or in certain areas or particular zoning districts. As an example, this could be accomplished by precluding residential uses on parcels in Agricultural General (A-1) and Agricultural Exclusive (A-E) zones below a certain size threshold, such as 40 or 80 acres. This would help to ensure that the parcels in question would remain in agricultural use.

The American Farmland Trust suggests establishing a specific limit on the number of homes in agricultural areas, based on parcels sizes, the amount of land similarly zoned and factors relevant to their impact.

Restrictions on housing development in agricultural zones could have their own drawbacks, such as limiting the ability of truck farmers, organic farmers or start-up farmers (who generally have smaller scale operations) to live on their land and prohibiting long-time farm families from building houses on their properties for family members. These issues could probably be addressed through nuances in the zoning regulations. This would need to be studied in depth before any changes in minimum lot sizes were enacted. These issues are considered further in Chapter 7 of this report.

B. Conditional Use Permits for Houses in Agricultural Zones

If the County elects not to prohibit houses in certain agricultural zones, another alternative would be to require a conditional use permit to construct a house in an agricultural zone, thus making it a discretionary act subject to County control. The County's four agricultural zoning districts permit, by right, one single family dwelling and one ancillary dwelling per parcel. The County could amend its zoning regulations to require a conditional use permit for dwellings in agricultural zones. This would enable staff to consider

the location, size and other aspects of the proposal, and to impose conditions of approval, to support continued production farming on the property and maximize compatibility with on-site and surrounding agricultural uses. Such a requirement could be used on conjunction with a requirement for a conservation easement, a Williamson Act contract, an agricultural production and stewardship plan and/or right-to-farm noticing.

C. *Minimum Lot Sizes*

Minimum lot sizes in agricultural areas can help to ensure that land is retained in parcel sizes that are viable for agriculture and undesirable for urbanization or ranchette development. The American Farmland Trust, as one example, suggests that lot sizes should be no smaller than 20 acres to support agricultural use,²⁵ however, even parcel sizes as large as 20 acres can be attractive for ranchettes instead of viable agriculture.

As stated in the General Plan Agricultural Element, the purpose of Yolo County's minimum parcel size is "to ensure that parcels specifically designated for agricultural uses are large enough to sustain themselves while minimizing compatibility between adjacent land uses." The most widely applied agricultural zone in Yolo County, the A-P zone, has a minimum parcel size of 80 acres (cultivated, irrigated), 160 acres (cultivable, non-irrigated), and 320 acres (not cultivable). The minimum parcel size in the A-1 and A-E zones is 20 acres. The AGI zone has a minimum parcel size of one acre, but it is applied in few parts of the county.²⁶

The minimum parcel sizes in the A-P zone are clearly sufficient to support agriculture. The County might want to consider increasing minimum parcel sizes in the A-1 and A-E zones, particularly in areas that are desirable for

²⁵ American Farmland Trust, *Agricultural Protection Zoning Fact Sheet*, September 1998, page 1.

²⁶ Yolo County Code, Title 8, Land Development and Zoning, Chapter 2, Articles 4 through 6.

ranchette development. Alternatively, as previously discussed, parcels in these zones with sizes below a certain threshold, such as 40 or 80 acres, might be restricted to non-residential uses in some circumstances.

D. Lot Merger Requirements

Development of dwellings in agricultural zones can be made contingent upon the merger of the lot on which the house is proposed to be built with other adjoining lots that are in the same ownership. This would reduce the number of lots, the number of smaller lots and the number of homes in agricultural zones. Such a requirement could be used in conjunction with clustering incentives and a requirement for a Williamson Act contract, agricultural production and stewardship plan, and right-to-farm noticing. However, it is recognized that this may have adverse implications for the financing of the construction of the home.

E. Agricultural Buffers

Agricultural buffers are physical separations between residential and agricultural uses of land.²⁷ Typically, they are strips or corridors of vegetated land designed to ameliorate impacts from agricultural operations.²⁸ They may contain grassy or treed areas, providing a more natural environment than much of the intensively farmed land surrounding them.²⁹ They can also be used for recreation by urban residents.

Buffers can be used to minimize or avoid urban/agricultural land use conflicts, and to physically mark an UGB (as discussed in Section 3.C, above). They can help reduce actual or perceived impacts on neighboring residents (e.g. noise, odor, spray) and on agricultural operations (e.g. theft, trespass).³⁰ They also provide environmental benefits such as improved water quality, reduced phosphorus and nitrogen runoff, habitat creation, and increased biodiversity, as well as social benefits such as improved aesthetic quality of the landscape and increased recreational opportunities.³¹

²⁷ Great Valley Center, *Can City and Farm Coexist? The Agricultural Buffer Experience in California*, Modesto, CA, March 2002, page 1.

²⁸ William C. Sullivan, Olin M. Anderson and Sarah Taylor Lovell, "Agricultural buffers at the rural-urban fringe: an examination of approval by farmers, residents, and academics in the Midwestern United States," *Landscape and Urban Planning*, Volume 69, 2004, page 299.

²⁹ William C. Sullivan, Olin M. Anderson and Sarah Taylor Lovell, "Agricultural buffers at the rural-urban fringe: an examination of approval by farmers, residents, and academics in the Midwestern United States," *Landscape and Urban Planning*, Volume 69, 2004, page 301.

³⁰ City of Brentwood Agricultural Buffers website,
http://www.ci.brentwood.ca.us/boards/aarg/enterprise/agricultural_buffers.cfm, accessed on May 18, 2006.

³¹ William C. Sullivan, Olin M. Anderson and Sarah Taylor Lovell, "Agricultural buffers at the rural-urban fringe: an examination of approval by farmers, residents, and academics in the Midwestern United States," *Landscape and Urban Planning*, Volume 69, 2004, page 301.

For buffers to be effective in limiting off-site impacts, they need to be relatively wide, suggesting that they work best on large tracts of land.³² They also require a management entity to maintain them, and they can be ineffective in dealing with issues of trespass, vandalism, litter, theft or dogs. If not properly maintained and operated, they can appear as “unused” land, since they are generally not developed for either urban uses or agriculture. It must be recognized that these buffers also result in the conversion of farmland as an indirect result of edge development.

Yolo County’s Agricultural Element requires buffers between new urban (non-agricultural) uses and agricultural lands.³³ Specifically, Objective AO-10 calls for the use of adequate buffers to protect agricultural producers. Policy AP-22 calls for 150-foot setbacks where new urban (non-agricultural) development is approved adjacent to agriculture (with the exception of individual residences appurtenant to active farming operations) and for a setback of 300 feet for urban uses that adjoin agricultural preserves or active orchards, except where the adjacent property owner agrees in writing that the 300-foot buffer is not needed. Policy A-22 establishes the minimum buffer as no less than 100 feet.

Additionally, Policy AP-34 calls for the establishment of buffers when designated habitat areas are created adjacent to existing farming operations. The policy states that “buffers shall be established within the habitat area(s) that area sufficient in depth to allow ongoing farming practices to continue on adjacent agricultural lands, including the application of agricultural pesticides and herbicides.”

Agricultural Element Implementation Action AI-2 states that required setback or buffer areas are to be established by recorded easement or other instrument and that a method and mechanism for guaranteeing the maintenance of setback or buffer areas in a safe and orderly manner shall also be estab-

³² *CRCOG Best Practices Manual*, Chapter 2, page 2.

³³ *Yolo County Agricultural Element*, November 2002, page 3-24.

lished at the time of development approval. Options include creating a homeowners association or dedication of the buffer area to a non-profit organization or public entity.³⁴

In sum, Yolo County has a strong track-record of requiring agricultural buffers, and few if any changes to the current system seem warranted. One possible change could be to increase the width of the buffer.

F. Agricultural Easement as a Condition of Approval

Development of dwellings in agricultural zones can be made contingent upon the placement of an agricultural conservation easement on the remainder of the property to ensure that it will be kept in commercial agricultural use. Such a requirement could be used in conjunction with clustering incentives and a requirement for a Williamson Act contract, an agricultural production and stewardship plan, and right-to-farm noticing.

G. Limits on House Size in Agricultural Areas

As part of its General Plan Update, Marin County is considering placing limits on the size of a house that can be constructed on an agricultural parcel to reflect sizes typically accessory to the agricultural production use. The idea behind this limitation is that people who want to build large houses may often be urban residents who want to relocate to rural areas, and that these new residents constructing homes in rural areas can endanger agriculture. Yolo County could consider this type of approach as a means to limit rural living to people who are dedicated to the County's agricultural heritage.

³⁴ *Yolo County Agricultural Element*, November 2002, page 4-8.

H. House Location Requirements

When single family homes are built on agricultural land, the house location can be a big determinant of the on-going agricultural viability of the remainder of the parcel. If a house is centered on a large parcel, it may be difficult to maintain agricultural use on the parcel, but a house at the corner of a parcel may allow continued agricultural operations on the remainder of the site.

For these reasons, the County could consider regulations on house location for any house to be built in an agricultural zone. Houses would be required to be within a specified setback from the front and side lot lines of the property. By placing houses in the corner of the lot, the remainder of the lot would be available for agricultural use.

I. Cluster Zoning and Parcel Averaging

Cluster zoning ordinances allow or require houses to be grouped close together on small lots. The remaining land is preserved as open space, saved for farming or serves as a buffer, and it may be restricted by a conservation easement. Cluster subdivisions are an alternative to conventional subdivisions.

A similar tool is parcel averaging, which allows for a variation in minimum lot sizes so long as an average minimum size is maintained. In this approach, some lots that are smaller than the minimum average might be used for development, while remaining larger parcels would be retained in agriculture.

In agricultural areas, a clustering or parcel averaging policy can be used to encourage farmers to stay on their land instead of selling for development. Farmers may need to subdivide land for financing purposes, or they may need a limited number of small home sites for members of their families so that these family members can stay on the land for the long-term. Without clustering or parcel averaging, the only option in these circumstances may be to

propose a conventional land division that may prove harmful to agricultural resources.

Although clustering and parcel averaging can keep land available for agricultural use, it can also sometimes weaken commercial agriculture. Without proper controls, undeveloped portions of cluster subdivisions may not be large enough for efficient agricultural operations.³⁵ Some suggest that in California, clustering is most practical in coastal and mountainous areas, where a small cluster of homes is less likely to affect large-scale farming. In the Central Valley, it has been suggested that cluster zoning could create disconnected “islands” of farmland and residential units, resulting in leapfrog development.³⁶

Despite these short-comings, cluster zoning and parcel averaging may be an appropriate farmland preservation tool for certain parts of Yolo County. Clustering or parcel averaging could target areas that already have smaller lots, more intensive agricultural operations, viticulture, and specialty farms, and urban transitional areas. These tools could also be considered for antiquated subdivisions and non-conforming lots. Development clusters could be receiving sites for a transfer of development credits program. Areas of a site on which cluster development occurs that are intended for agricultural production could be permanently protected with a conservation easement.

J. Agricultural Production and Stewardship Plans

Development of dwellings in agricultural zones can be made contingent upon the preparation and implementation of an Agricultural Production and Stewardship Plan that details how the property receiving a dwelling will be kept in commercial agricultural use. Such a plan would be required to show how the

³⁵ American Farmland Trust, *The Farmland Protection Toolbox Fact Sheet*, October 2002, page 5.

³⁶ Institute for Local Self Government, *Farmland Protection Action Guide: 24 Strategies for California*, 2002, page 30.

remainder of the property would be planted with crops, orchards or vineyards, and would specify agricultural infrastructure and facilities, including a production water source, irrigation, fences and farm worker housing. It would outline stewardship practices to be employed. The plan could be reviewed by the County Agricultural Commissioner to verify that it would sustain farming practices and maximize agricultural compatibility. It could be used in conjunction with clustering incentives, and a requirement for a conservation easement, a Williamson Act contract and right-to-farm noticing.

Marin County is proposing to require the preparation of such plans as a condition of residential development through its new General Plan. A similar requirement could be put in place in Yolo County.

K. Limitations on Use of Agricultural Water

In many areas of the state, water that was previously dedicated for agricultural use has been used to support urban development, either through the sale of water entitlements by agricultural water districts to urban areas, or through the use of agricultural water to support new urbanization within a given agricultural area. The concern is that this takes needed water away from agricultural users, while also giving inappropriate encouragement to urbanization.

The County cannot, through its own regulations, limit the ability of independent water districts to sell water entitlements for non-agricultural uses. However, the County could require that any proposal for urbanization be supported by a non-agricultural water source. Under SB 610, project proponents already have to show that they have a water source to serve their developments. The County could augment SB 610 by requiring that development approvals be supported by a finding stating specifically that proposed water sources for urban uses must not take water away from agricultural users. This would be a very strong disincentive to urbanization, since there are very few non-agricultural water sources in the County.

5 CONSERVATION EASEMENTS AND MITIGATION PROGRAMS

Yolo County already has an extensive program of agricultural conservation easements that ensure that land will be held for agriculture in perpetuity. This chapter describes five programs already in place in the county, and suggests ways that these programs could be further enhanced.

A. Land Trusts

Private land trusts are often at the heart of any conservation easement program. They are non-profit or quasi-governmental organizations that accept gifts and donations of land in the interest of holding it for open space or agricultural use. Local land trusts typically consult with county and city governments at some point in the easement acquisition process to determine compatibility with local plans and policies.³⁷

Yolo County is the home of one of the pre-eminent agricultural land trusts in the State, the Yolo Land Trust, which is a private, non-profit organization, chartered under State law in 1988 to engage in conservation activities.³⁸ The Yolo Land Trust has preserved more than 3,500 acres of productive agricultural land in Yolo County through agricultural conservation easements.³⁹ In addition to the Yolo Land Trust, the Golden State Conservancy holds the easements for tribal agricultural land set aside for golf course mitigation. The County itself also holds certain easements, including one for Solano Concrete and one for the Esperanza Estates subdivision.

The County should continue to work with the Yolo Land Trust and other similar entities as entities that can hold agricultural easements. Given the

³⁷ Alvin D. Sokolow and Mica Bennett, *Conserving Agricultural Land Through Compensation*, December 2004, page 72.

³⁸ Ellen Rilla, "Landowners, while pleased with agricultural easements, suggest improvements," *California Agriculture*, January-February, 2002, Volume 56, Number 1, page 21.

³⁹ Yolo County Land Trust (Easements) website, <http://www.yolo-landtrust.org/easements.htm>, accessed on May 18, 2006.

existing strength of the Yolo Land Trust, there are no recommendations for enhancing the use of this tool through the General Plan.

B. Agricultural Conservation Easements

Agricultural conservation easements are development restrictions placed on a property in perpetuity. They are a compensatory and non-regulatory technique for preserving farmland through the acquisition of development rights from landowners. In selling or donating an easement on an agricultural parcel, landowners relinquish the rights to develop the property for future urban uses, while retaining ownership for all other purposes. In return, landowners receive cash or tax benefits, or both. Public agencies or conservation organizations such as a land trust acquire and hold the easements and manage them over time.⁴⁰

Agricultural conservation easements are generally legally recorded restrictions that are tied to the land rather than to the individual landowner.⁴¹ They generally last in perpetuity, although the Yolo Land Trust has also accepted easements that allow the land under easement to be developed if an equal amount of acreage is placed under easement as an offset. The certainty afforded by these easements is one of their primary advantages.⁴²

The California Farmland Conservancy Program (CFCP) provides funds for the purchase of agricultural conservation easements. Easements acquired under the provisions of the CFCP have unique property tax benefits. In addition to other potential tax advantages associated with the dedication of easements, an agricultural conservation easement created under the CFCP is val-

⁴⁰ Alvin D. Sokolow, "Agricultural easements limited geographically," *California Agriculture*, January-February, 2002, Volume 56, Number 1, page 15.

⁴¹ W. R. Gomes, "Agricultural easements: a farmland preservation tool," *California Agriculture*, January-February, 2002, Volume 56, Number 1, editorial.

⁴² Institute for Local Self Government, *Farmland Protection Action Guide: 24 Strategies for California*, 2002, page 37.

ued under the same tax provision that applies to land under Williamson Act contract.⁴³ The Farmland Protection Program, which is administered by the Natural Resources Conservation Service, also provides funds to help purchase development rights to keep farmland in agricultural uses. Working through existing programs, the USDA joins with State, tribal, or local governments to acquire conservation easements or other interests from landowners.⁴⁴

The Yolo Land Trust has an active easement program with an agricultural focus. There are also other easement holders in Yolo County. The Golden State Conservancy holds the easements for tribal agricultural land set aside for golf course mitigation. The County itself also holds certain easements, including one for Solano Concrete and one for the Esperanza Estates subdivision.

Yolo County's Agricultural Element provides for the County to use an Agricultural Conservation Easement program to protect and preserve agricultural lands, and encourages acquisition of agricultural conservation easements by State and federal agencies and private non-profit organizations.⁴⁵ A 2002 study found that Yolo County easement programs were viewed as successful by the participating parties.⁴⁶

The Great Valley Center has made grants to the Yolo Land Trust for certain strategic easements. Yolo County is one of three Partnership Communities on which the Great Valley Center focuses its resources. The Center also gave the County a grant for the "Gaining Ground" project, a cooperative effort to develop a common plan to protect agriculture, habitat, and open space in the

⁴³ California Farmland Conservancy Program, "Potential tax advantages of CFPCP easements," *CFPCP Focus on Farmland* (newsletter), January 2003, page 4.

⁴⁴ Farmland Protection Program website, <http://www.info.usda.gov/nrcs/fpcp/fpp.htm>, accessed on May 25, 2006.

⁴⁵ *Yolo County Agricultural Element*, November 2002, page 3-17.

⁴⁶ Ellen Rilla, "Landowners, while pleased with agricultural easements, suggest improvements," *California Agriculture*, January-February, 2002, Volume 56, Number 1, page 25.

County. Gaining Ground was a joint countywide land use committee that included the County, the four Cities and UC Davis. It initially looked at trying to find agreement on which parts of the county to preserve, with particular focus on establishing green buffers between the cities. It later evolved into the joint powers authority that oversees the Natural Communities Conservation Plan.

Agricultural conservation easements are regarded as one of the more effective farmland preservation tools and efforts to facilitate easements in Yolo County should continue. The County may want to strengthen their use by using the General Plan Update to identify strategic easement target areas to protect the best farmland or farmland most at risk of development. This could be done within the context of agricultural districts, which are described in Section 6.B, below, or it could be an outgrowth of a strategic plan for agriculture.⁴⁷ If such a targeted program is pursued, it should not focus only on designated Class I and II soils, but also on other high-value agricultural lands such as those that produce high-value crops and those near urbanized areas.

C. Joint Use with Other Conservation Easements

Working farmland often has value not only for agriculture but also as habitat for threatened or endangered species or as floodplain. Joint conservation opportunities therefore exist for land that is conserved for agricultural use but managed in a way that accommodates natural resource purposes.

Yolo County already supports the federal Safe Harbor program, through which farmers can enter into an agreement with the U.S. Fish and Wildlife Service to carry out and maintain specific habitat enhancements on portions of their property for a defined period of time. The County supports this program through policies in the Agricultural Element. Additional opportu-

⁴⁷ Mary Kimball, Director, Agricultural Futures Alliance, personal communication, September 21, 2006.

nities may exist through working landscape easements, floodplain management policies, and financial assistance programs described below.

“Working landscape easements” (WLE) are a tool that can be used to enable properties to meet both agricultural and environmental conservation goals. WLE’s are similar to agricultural conservation easements, but include additional conservation values, such as endangered species or wetlands. They are a hybrid between agricultural conservation easements and traditional habitat conservation easements.⁴⁸ A study by Duane et al.⁴⁹ for the Central Valley Farmland Trust concluded that Habitat Conservation Plans and Natural Communities Conservation Plans are a means of identifying opportunities for working landscape easements that can then tap into a wider range of funding for farmland conservation.

Managing development in floodplains presents another opportunity for city and county governments to preserve farmland and open space. Cities and counties have the ability to limit development in areas prone to flooding as a means of protecting human health and safety. Policies for floodplain management can be incorporated into elements of the General Plan and coordinated with policies in Agricultural Elements. For example, the Sacramento County Agricultural Element includes an objective to protect permanent crops and other agricultural investments from catastrophic flooding.⁵⁰

Financial assistance that focuses on environmental protection may be available to agricultural landowners. Such incentives have the dual outcome of helping farmers comply with environmental regulations or protect habitat on

⁴⁸ Tim Duane, Sasha Gennet, and Rachel Peterson, *Agricultural Conservation Easements in the Central Valley: Near-term Challenges and Opportunities*, prepared for the Central Valley Farmland Trust, January 2006, page 22.

⁴⁹ Tim Duane, Sasha Gennet, and Rachel Peterson, *Agricultural Conservation Easements in the Central Valley: Near-term Challenges and Opportunities*, prepared for the Central Valley Farmland Trust, January 2006, page 3.

⁵⁰ *County of Sacramento General Plan Agricultural Element*, revised 1997, page 5.

their land, while offering them some financial benefit. Landowners with wetlands on their properties who wish to continue farming may be eligible to participate in the California Waterfowl Preservation Program, Conservation Reserve Program, and/or Agricultural-Waterfowl Incentive Program.⁵¹ The U.S. Department of Agriculture provides matching grants to farmers in order to help them comply with environmental regulations.⁵²

Despite these advantages, there are also drawbacks to joint use of agricultural lands for natural resource conservation. In some cases, joint use is not possible due to conflicts between agricultural use and resource conservation goals. It can also be more expensive to manage farmland to meet joint goals than it is under standard agricultural use. Finally, it may not be viewed as appropriate public policy to give multiple financial incentives for both agricultural and natural resource conservation easements on the same acreage, which is referred to as “stacking.” For these reasons, Yolo County should not allow outright “stacking” of mitigation credits (in which each acres is counted towards both agricultural and habitat preservation). Instead, any property that goes into a conservation easement should have a specifically identified primary conservation purpose. In some cases, it may also be possible to meet other conservation goals on a single parcel besides those related to the primary purpose, by using methods and techniques often referred to as “sustainable” practices.

To accommodate achieving multiple goals from conservation land, Yolo County could clarify and increase the ways it allows for agricultural easements and resource conservation goals to co-exist. At a minimum, the County could take a role in disseminating information to farmers about existing resource conservation easement programs and available forms of financial assistance. The County could also develop ordinances and regulations that

⁵¹ Tim Duane, Sasha Gennet, and Rachel Peterson, *Agricultural Conservation Easements in the Central Valley: Near-term Challenges and Opportunities*, prepared for the Central Valley Farmland Trust, January 2006, page 27.

⁵² *CRCOG Beat Practices Manual*, Chapter 2 Fact Sheet, page 2.

create incentives to encourage productive agriculture uses on resource conservation lands.

D. Farmland Conversion Mitigation Programs

Farmland mitigation programs are a farmland protection technique somewhat similar in concept to wetlands mitigation.⁵³ They involve protecting farmland by providing for dedication and protection of equivalent farm acreage elsewhere when agricultural land is converted to urban uses.⁵⁴ Under these programs, developers of non-agricultural uses on agricultural land can purchase and donate agricultural land or place an agricultural conservation easement on farmland in another part of a jurisdiction, or they can pay a fee that is used to purchase such land or easements.⁵⁵

These types of programs can be effective tools to ensure the preservation of at least some farmland, since farmland is permanently preserved every time land is urbanized. These programs have a low cost for local government and encourage regional thinking. However, these programs only have any effect when some land is urbanized, so they are to some degree “stopgap” measures. Moreover, they can only offer large revenue streams to support farmland preservation when the amount of farmland being developed is also large.

Through its Agricultural Land Conversion Ordinance⁵⁶, Yolo County requires agricultural mitigation for land use and zone changes from an agricultural designation to a non-agricultural designation. The ordinance requires

⁵³ American Farmland Trust, *The Farmland Protection Toolbox Fact Sheet*, October 2002, page 6.

⁵⁴ Farmland Preservation Techniques and Sustainable Agriculture website, <http://www.mrsc.org/subjects/planning/farmland.aspx#mitigation>, accessed on May 22, 2006.

⁵⁵ American Farmland Trust, *The Farmland Protection Toolbox Fact Sheet*, October 2002, page 6.

⁵⁶ Zoning Ordinance Section 8-2.2416.

dedication of one acre of agricultural land for each acre of agricultural land changed to a non-agricultural classification. The ordinance outlines the soil, irrigation and other requirements of land that can qualify as agricultural mitigation. The Yolo County Agricultural Element (2002, page 3-19) outlines how agricultural mitigation can be satisfied and proposes that the County consider land value when establishing mitigation ratios.⁵⁷ Unlike the programs in some jurisdictions, Yolo County does not allow for payment of a fee in lieu of land and/or easement acquisition.

County staff presented proposed refinements to the County's agricultural mitigation program to the Board of Supervisors in October 2006. The proposed program includes several proposed changes. First, the County's current regulations only apply to developments that involve a re-designation from agriculture to non-agriculture categories. The proposed ordinance would apply whenever farmland is converted. Second, the proposed changes would allow for payment of an in-lieu fee for projects under 40 acres in size. Projects over 40 acres would still be required to obtain and donate easements. Third, the proposed ordinance would increase the mitigation ratio from 1 acre to 2 acres for each acre converted to urban uses. Fourth, the proposed refinements would increase the mitigation requirement for land more than 2 miles from the development site, with the mitigation required to be based on an equivalent basis of land value rather than acreage. Finally, the proposed changes would also bar "stacked mitigation", which allows credit for agricultural mitigation and habitat or other mitigation on the same property. This technique is described in Section 3.H, below.

The American Farmland Trust suggests that mitigation requirements and in-lieu fees can be improved if they are graduated on a sliding scale. In such a system, mitigation requirements or fees would be higher in cases in which lower density non-agricultural uses are proposed. This theoretically creates an impetus to use land more efficiently when it is urbanized. AFT also recommends that mitigation be graduated based on the quality of farmland de-

⁵⁷ *Yolo County Agricultural Element*, November 2002, pages 3-19 to 3-20.

veloped.⁵⁸ Yolo County could consider these approaches to maximize the effectiveness of its existing mitigation requirements.

Some stakeholders have also suggested that the County might allow Yolo farmland to be protected through conservation easements placed as mitigation for development projects occurring within other jurisdictions. There has been some concern that the county could lose a measure of control over land development and conservation within its jurisdiction and possibly forego some of its own economic development for that of its neighbors. However, this idea merits consideration as it could provide a new source of funding for the placement of conservation easements, not unlike an infusion of cash to purchase easements. Thus this approach appears to be worth exploring, provided that other jurisdictions would allow mitigation to occur outside of their boundaries. Out-of-county mitigation could be accepted subject to conditional use permit authorization so the County retained control over land use decisions, and directed to specific areas the County determined should be protected. The County could establish a mitigation bank to further direct out-of-county mitigation.

E. Transfer of Development Rights

Transfer of development rights (TDR) programs are voluntary, incentive-based, market-driven programs that allow landowners to transfer the right to develop one parcel of land to a different parcel of land. In the context of farmland preservation, TDR is used to shift development from agricultural areas to designated growth zones closer to municipal services or to allow for clustering of development in specific areas that are least appropriate for agriculture. Targeted preservation lands are established (through zoning overlays) as “sending areas” from which land owners sell the development rights of their property to private developers for use in designated “receiving areas”

⁵⁸ American Farmland Trust, *The Future is Now: Central Valley Farmland at the Tipping Point?*, April 2006 (available only online at <http://www.farmland.org/reports/futureisnow/ideasforchange.html>)

(infill areas designated for development or density increases). Buying the development rights generally allows the owner to build at a higher density than ordinarily permitted by the base zoning.⁵⁹

TDR programs are best suited to areas such as Yolo County where large blocks of land remain in farm use. They have been most effective at preserving farmland in areas where there has been a public entity actively purchasing rights or where TDR receiving areas have strong real estate pressures that create a natural market for development rights.⁶⁰ Ideally, a TDR program is designed so that purchasing the development credits is the most profitable way to develop property in the receiving zone.⁶¹

Most TDR transactions are between a private landowner and developer. However, local governments generally establish TDR programs by local zoning ordinances. Marin County, San Mateo County, San Luis Obispo County, the Tahoe Regional Planning Agency and the City of Livermore are among the jurisdictions that have enacted ordinances that allowed for TDR.⁶² The Santa Monica Mountain Conservancy has also facilitated more than 500 TDR transactions.⁶³

In 2004, as part of the General Plan Update effort, the Board of Supervisors and Planning Commission provided input and requested staff to consider a TDR program as a means to preserve open space and agricultural land.

⁵⁹ American Farmland Trust, *Transfer of Development Rights Fact Sheet*, January 2001, page 1.

⁶⁰ CRCOG *Best Practices Manual*, Chapter 2, page 3.

⁶¹ Institute for Local Self Government, *Farmland Protection Action Guide: 24 Strategies for California*, 2002, page 46.

⁶² American Farmland Trust, *Transfer of Development Rights Fact Sheet*, January 2001, page 3.

⁶³ Institute for Local Self Government, *Farmland Protection Action Guide: 24 Strategies for California*, 2002, page 47.

The Yolo Land Trust is preparing a proposed TDR ordinance for consideration by the County and cities. The impetus for the TDR program is partly tied to the City of Woodland's Spring Lake Specific Plan mitigation, which required Woodland and the County to work on a TDR ordinance within four years of the plan's approval. The Yolo Land Trust expects to have a draft proposed ordinance to review in the next few months.

The County may want to consider the TDR program being proposed by the Yolo Land Trust, or a similar program, as a means to direct growth and preservation in certain parts of the County. Under such a program, agricultural land owners in one part of the County could sell their development rights to developers in other parts of the County. Such a program could target as receiving sites the unincorporated towns or new development areas in the unincorporated county, or it could be used to encourage clustered development in agricultural districts. Such a program could also be created in conjunction with the cities, with development areas located inside of city limits.

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6 MARKETING AND ECONOMIC SUPPORT

Even if land is preserved for agricultural use, preservation alone will not ensure the economic viability of agricultural operations. This chapter considers four ways that Yolo County might provide economic support to agricultural operations. Many of the tools described in this chapter are already underway in the county and could be enhanced.

A. Agricultural Marketing and Agricultural Tourism

In order to preserve agricultural operations, many jurisdictions have found that it is not enough to protect farmland from development. Steps must also be taken to ensure the economic viability of agriculture, which can be particularly difficult where land values are comparatively high and crop prices are comparatively low.

To address this need, many communities have established agricultural marketing programs to support local agriculture. Such programs include product branding, promotion of local products, and marketing of agricultural products directly to consumers. These programs can rely on traditional forms of crop production. They can also rely on “agricultural tourism” or “entertainment agriculture,” which includes overnight farm stays, “working” vacations, u-pick gardens, wineries, hayrides, and petting zoos, and can be used as a tool to generate additional farm income, especially during down times in the annual farming cycle.⁶⁴

Several local examples of this type of effort already exist. One is “Capay Valley Grown,” formed in 2003 as a partnership among twenty-three farm and ranch partners that wanted to increase the marketability of their products. The group has a Capay Valley Grown label to distinguish products grown

⁶⁴ Peter Z. Acuff, *Novel Farmland Preservation Techniques* (Research Report), July 19, 2002 (<http://www.geocities.com/zebacuff/farmpres.html>, accessed May 23, 2006.)

and made in the region and a branding strategy to get the brand into the marketplace.⁶⁵

The Yolo Food and Agriculture Marketing Program is a three-year program out of the Agricultural Commissioner's Office of community leader outreach, promotion of Yolo food, and promotional events that will generally promote and develop a sense of place through food, incorporating wine, food, history, culture and the arts of Yolo County. The program was authorized by the Board of Supervisors in October 2006.

Another example that is noted in the Yolo County Agricultural Element is in Sonoma County, where food product businesses have begun to band together to "brand" their products with the slogan "Sonoma Select" as a means to identify a unified theme of high quality and broad product group identification.⁶⁶

Apple Hill in El Dorado County is another well-known and often-cited example of a successful agricultural marketing and tourism initiative. The Apple Hill area is a tourist destination, with more than 50 farms and ranches, including orchards, Christmas tree farms, vineyards, wineries, a microbrewery, inns and a spa. Many of the farms have bake shops, crafts and gift shops, cider mills, picnic areas, nature walks, bus parking and U-pick operations. Many serve lunch and some have restaurants. A growing number of vineyards have been established and wineries, tasting rooms, with winemaker dinners, promotional events and special events have become more commonplace. Apple Hill was the first agricultural marketing effort in Northern California, started by the Apple Hill Growers Association. The Apple Hill Growers Association conducts promotional and marketing activities integrated into agricultural tourism offerings. It uses maps, guides, shuttle ser-

⁶⁵ Capay Valley Grown website, http://www.capayvalleyvision.org/cvg_aboutus.html, accessed on May 23, 2006.

⁶⁶ *Yolo County Agricultural Element*, November 2002, page 3-13.

vices, and a calendar of events such as festivals, harvests, wine and ale releases, classes, performances, music festivals, and sales.⁶⁷

El Dorado County has a Ranch Marketing chapter in its zoning code that allows and guides the development of direct marketing and tourism facilities to encourage the economic development of agricultural tourism. The County has also prepared and is considering adoption of a wineries ordinance.

Yolo County's Agricultural Element calls for the establishment of several specialty farming/technology districts, with restrictions on use of land to avoid ranchettes.⁶⁸ Specifically, Implementation Action AI-17 states that the County will "promote formation of a private entity to pursue the 'Yolo County branding' of agricultural products produced in Yolo County. Work with the private entity to promote their sale in a variety of markets, including farmer's markets throughout the northern California region, and through traditional distribution channels."

Yolo County has also already studied ways to promote and activate its agricultural tourism industry in a 1996 County report entitled *County of Yolo Agricultural and Tourism Targeted Industry Analysis*. The purpose of the report was to devise an agribusiness attraction strategy for the county that generates jobs for a targeted low income group. In addition to identifying targeted industries and business attraction strategies for those industries, the report also looks at agricultural tourism. It identifies involving organic farmers and involving UC Davis as keys to developing agricultural tourism in Yolo County. It also notes the importance of eco-tourism and recreational tourism. The report notes tourism promotion has not generally been successful when done on an exclusively volunteer basis and that effective tourism promotional efforts depend upon assigning specific responsibilities and authority to an individual whose livelihood depends upon meeting specific objectives

⁶⁷ Apple Hill Growers Association website, <http://www.applehill.com/>, accessed on August 22, 2006.

⁶⁸ *Yolo County Agricultural Element*, November 2002, page 3-14.

and is given sufficient resources to meet them. It recommends that the County consider the creation of a central tourism authority.

As part of the General Plan Update, the County may want to consider a central agricultural marketing program, perhaps within the County's Economic Development Department, to coordinate private and public agricultural marketing initiatives and to integrate them with County business attraction and agricultural tourism efforts. The County could combine resource conservation, agricultural preservation and economic development objectives in this program.

B. Agricultural Districts

Some jurisdictions have promoted "agricultural districts" that serve as both the basis of marketing programs (as described in Section 6.A, above), and also as the basis for zoning and other regulation. Several stakeholders in Yolo County have suggested that such districts might be a good idea in Yolo County.

In Monterey County, concurrent with its General Plan update, the County has prepared an Agricultural Winery Corridor Plan to increase wine processing capacity and enhance marketing of the Monterey County appellation and wine-related agricultural tourism. The Plan applies to a specific wine-growing region of the county. The Plan includes:

- ◆ Allowed uses and the number of facilities of each type of use allowed within the 20-year horizon of the Plan.
- ◆ A limited number of artisan wineries, full-scale wineries, on-site and stand-alone tasting rooms, restaurants, delicatessens, guest houses, bed and breakfasts, and visitor centers.
- ◆ A business cluster overlay designation where a cluster of wine-related service commercial support businesses may develop.

- ◆ Development standards (lot size, site coverage, height, parking). Minimum lot size of five acres may be created for wineries and related uses provided the remaining parcel still conforms to the minimum lot size of the underlying zoning district.
- ◆ Design criteria for signs, architecture, access, parking and lighting.

El Dorado County uses a similar yet different approach. El Dorado County has identified several distinct agricultural districts that serve as the basis for marketing and economic development. However, the County does not have separate land use regulations that apply in each of these areas. Instead, their Ranch Marketing and Wineries Ordinances is applicable countywide.

If similar districts were established in Yolo County, they could similarly serve for both agricultural marketing and tourism, and regulation. Separate districts might be established in areas such as Clarksburg and Capay Valley, and the County could then help to organize or strengthen marketing opportunities in these areas. Separate area plans could be prepared for each of these areas, and zoning and other regulations could be tailored per the area plans. Areas could also be targeted for wineries. Finally, the identified districts could serve as the basis for a strategic plan to identify areas to be preserved through conservation easements and similar tools.

C. Zoning for Agricultural Development

Chapter 4 of this report gives suggestions to minimize conversion of farmland to non-agricultural uses within agricultural areas, and it includes a discussion of more restrictive use limitations. However, there may be some areas where more restrictive zoning would be counterproductive. In such areas, it may be that zoning should actually be made less restrictive in order to improve agricultural viability.

In parts of the county where the County wants to accommodate smaller farms and agricultural industrial and marketing facilities, encourage agricul-

tural tourism, and allow for needed farm worker housing, the County may want to consider more permissive use regulations, such as specifying a broader mix of uses, or allowing more uses by right or by administrative approval. Such uses could be encouraged in the context of conservation easements, agricultural production and stewardship plans, performance standards, clustering incentives, Williamson Act contracts and buffers.

Areas around cities and unincorporated communities may be an appropriate location for smaller farms and a broader mix of supportive agricultural industrial, marketing and tourism uses. Urban populations provide a ready market for farmers, and opportunities for more profitable direct marketing and agricultural tourism. These agricultural activities also enhance quality of life for urban dwellers with ready access to agricultural open space, fresh food, a farm landscape and character, and food security. The smaller farms and supportive uses can also function as buffers and transitions between urban areas and the larger commodity farms that generally have greater “nuisance” impacts.

D. Enterprise Zones

The State and federal enterprise zone programs might help the County sustain agricultural viability and protect its agricultural resources. California’s Enterprise Zone program targets economically distressed areas throughout the state. State and local incentives encourage business investment and promote the creation of new jobs. Businesses receive tax incentives if they locate within the boundaries of an Enterprise Zone and employ targeted workers. These incentives include carry-forward of net operating losses, state tax credits for qualified employees, tax credits for purchases of machinery, and net interest deductions for those who lend to businesses in Enterprise Zones.⁶⁹

⁶⁹ California Department of Housing and Community Development Division of Financial Assistance Enterprise Zones website, <http://www.hcd.ca.gov/plainHTML.cgi>, accessed on October 5, 2006.

There are 42 enterprise zones throughout California, most in urban areas, such as West Sacramento in Yolo County. Yet there are a few enterprise zones in more rural agricultural areas, including those in Kings County, Stanislaus County, Delano, Shafter, Calexico and Watsonville. Twenty-three of the current forty-two State Enterprise Zones are reaching the end of their designation period in 2006 and at the beginning of 2007, and the State is seeking eligible communities to fill those slots.⁷⁰

In addition to the California Enterprise Zone program, the federal Empowerment Zones and Enterprise Communities program encourages comprehensive planning and investment in the neediest urban and rural areas. Many rural agricultural communities throughout the country have benefited from this federal program, including, in California, the Westside Tule Rural Enterprise Community in Fresno and Tulare Counties and the City of Watsonville in the agricultural Pajaro Valley. The Westside Tule Rural Enterprise Community is a largely agricultural community with high concentrations of migrant and farm labor. The Enterprise Zone benefits have helped in business development, job creation, infrastructure improvements and health care for farm labor, including new business and entrepreneurial development in the new Industrial Park at Tule River.⁷¹ The Watsonville Enterprise Zone has resulted in the development of a small business incubator and a Commercial Water Conservation Revolving Loan program to reduce the amount of water demand, groundwater pumping and wastewater flows to the City's wastewater treatment facility.⁷²

The County could explore use of the State or federal enterprise zone programs in certain areas of the county to aid in attracting and expanding tar-

⁷⁰ California Department of Housing and Community Development Division of Financial Assistance Enterprise Zones website, <http://www.hcd.ca.gov/plainHTML.cgi>, accessed on October 5, 2006.

⁷¹ Federal Empowerment Zones and Enterprise Communities website, <http://www.ezec.gov/ezec/ca/westsidetule.html>, accessed on October 5, 2006.

⁷² Federal Empowerment Zones and Enterprise Communities website, <http://www.ezec.gov/ezec/ca/watson.html>, accessed on October 5, 2006.

geted agribusiness industry clusters (wine grapes and wineries, agricultural biotech, seed crops, processing tomatoes, organic crops, food companies and alfalfa hay/rice straw) and creating jobs for targeted income groups. By developing the value-added and support industries and the infrastructure critical to agriculture in the long run, enterprise zones can help the County sustain agricultural viability and protect its agricultural resources.

7 FARMER SUPPORT

Many farmers, including those from families who have farmed for many generations, find it difficult today to maintain their agricultural operations. Economic consolidation, import and export of agricultural commodities, changes in crop values and financing issues have combined to challenge the abilities of farmers to remain on their land.

To address these issues, this chapter considers five tools that the County might use to support the operations of individual farmers. While one of these tools (Education and Technical Assistance) is already in use in Yolo County, the County government has no direct role in it, and the other four tools have not been tried in Yolo County.

A. Increased Residential Densities

Farmers in some areas of Yolo County have reported that they are unable to maintain their agricultural uses because high land values, low farming revenues, tax laws and financing exigencies force them into development. These farmers have suggested that increases in residential densities in some areas might help them to realize profits from sales of limited amounts of agricultural land, thereby allowing agriculture in other areas to continue.

There may be a limited role for greater residential densities in some agricultural areas, possibly within certain targeted locations and within a context of protective conservation easements, agricultural production and stewardship plans, Williamson Act contracts and clustering. This could allow farmers to live on their land and allow long-time farm families to build houses on their properties for family members. It may also allow for financing, without collateralizing the whole farm. Having people on the land can also result in better stewardship and innovation, transitions to new generations of farmers, and can build a constituency for farmland preservation.

B. Regulatory Relief and Streamlining

Several stakeholders have suggested that the County could make its policies regarding agriculture more streamlined and consistent, and other counties are trying to do this as well. For example, Marin County has designated agricultural liaisons among its planning, building and health department staff to facilitate information and processing of approvals.

As an action under the General Plan Update, Yolo County may want to review health, zoning and building permit regulations for possible regulatory relief and streamlining opportunities for agriculture and related industrial, marketing and tourism activities, and for farm worker housing. The County may also want to identify agriculture liaisons or ombudsmen among department staff for permit streamlining, issue resolution, education and advocacy.

C. Education and Technical Assistance

Both local government and independent organizations can offer public outreach and education to inform land owners about conservation and preservation opportunities and to inform rural residents of the benefits and liabilities associated with living in agricultural areas. Accurate and understandable financial advice can assist landowners in making potentially difficult decisions about preserving farmland in perpetuity. Typical educational programs provide information on the benefits of conservation easements to land owners and the public, availability of various State and federal grant programs, and financial incentives. While educational efforts in and of themselves do not protect farmland, they are useful in maintaining the viability of agriculture and are an important complementary tool to other preservation techniques.

Various organizations in Yolo County provide education to farmers and county residents. For example, the Yolo County Resource Conservation District is an information source for stewardship practices that integrate resource management and achieve multiple objectives. The Capay Valley Vi-

sion Agriculture and Environment Task Force has conducted workshops on improving farm revenues, conservation easements and direct marketing. The UC Davis Agricultural Issues Center and College of Agricultural and Environmental Sciences are resources that may be tapped for more local assistance.

Although there are numerous other examples, the County is not directly involved in such efforts. The County may want to assume a role in education and technical assistance to build on and coordinate existing efforts and support farmland preservation in the county. A model program might be that found in Marin County, which funds a UC Extension “sustainable agriculture coordinator” who helps farmers to diversify and enter into dry farming, organics and “clean agriculture.”

D. Water Supply Incentives

A new concept emerging in California involves compensating agricultural landowners for the long-term avoidance of urban development through specific regulatory benefits. A specific version of this tool involves providing a reliable and/or less costly supply of irrigation water to agricultural landowners who agree to forgo development options for 25 or more years.⁷³ The implication is that without a reliable, affordable water supply, more farmers will open their land to urban development. In the context of water, a 1997 report by Marc Reisner⁷⁴ refers to specific resource incentives he calls “water cost and delivery incentives.”

There is no indication that this specific tool has been implemented anywhere in California. However, the County could work with local agricultural water purveyors to adjust their rate structures to provide incentives to forego devel-

⁷³ Alvin D. Sokolow, *Protecting Farmland in the United States: An Outline of Optional Policy Strategies and Techniques*, January 2002, page 6.

⁷⁴ M. Reisner, *Water Policy and Farmland Protection: A New Approach to Saving California's Best Agricultural Lands*, American Farmland Trust, 1997 (cited on <http://www.geocities.com/zebacuff/farmpres.html>).

opment. This tool may be of limited utility in Yolo County due to the county's generally lower agricultural water prices. The Yolo County Flood Control and Water Conservation District's current price, for example, is \$14 per acre foot versus \$40 to \$250 in other parts of the State. Nonetheless, the County could consider this technique as part of the General Plan Update.

The County is involved in the development of an Integrated Regional Water Management Plan (IRWMP), which includes model water policies for consideration during the General Plan Update process. The model policies of the IRWMP will be integrated into the upcoming General Plan policy revisions.

E. Agricultural Stewardship Payments

According to the California Policy Reform Network website, the Agricultural Stewardship Roundtable, which is spearheaded by Valley Vision (a Sacramento region nonprofit), has been looking into less traditional farmland preservation tools, including "stewardship payments." Valley Vision envisions stewardship payments as arrangements under which farmers and ranchers would be contractually obligated to remain in the business for 20 to 30 years, in return for annual compensation.⁷⁵

There is no indication that this tool has been used elsewhere in the State, and it is not clear how it could be implemented in Yolo County, particularly in so far as no income stream is currently available to fund it. Thus this tool is not recommended for inclusion in the General Plan. Nevertheless, it is mentioned here as a potential tool that could be explored in more depth if the County so chooses, particularly as an incentive for sustainable practices which can accomplish other stewardship goals.

⁷⁵ California Policy Reform Network website, <http://www.calpolicyreform.net/esummaries/valleyvision/index.htm>, accessed on May 17, 2005.

8 RURAL CULTURE

Life in a rural area is different from life in a city or suburb. Agricultural operations can create noise, dust and odors. Some crops require spraying. Agricultural equipment can impact traffic on roads. Waiting times for police, fire and emergency medical services can be long, and other services are often far away.

All of these differences between rural and urban life sometimes create tensions when new residents move into a rural area, particularly if they did not know to expect these differences. They can lead to calls for limitations on agricultural uses and for increased services that can only be provided through higher levels of funding and/or increased urbanization.

To address these issues, this chapter considers four tools that the County might use to ensure that rural residents understand what to expect in a rural lifestyle, thereby limiting the potential for future restrictions on agriculture or pressures for urbanization.

A. Right-to-Farm Ordinance and Agricultural Use Notice

Right-to-Farm (RTF) ordinances are adopted at the city or county level to establish agriculture as a local priority and to protect farmers from nuisance lawsuits, which could cripple or shut down farms. Most RTF ordinances require that homebuyers who move to parcels adjacent to or near working farms and ranches be notified about the possible negative effects of agricultural activities.⁷⁶ RTF ordinances can specify agriculture buffer requirements and best-management techniques for land owners. They can also be used to reduce conflicts between agriculture and urbanized areas and minimize takings claims. RTF ordinances are generally viewed more as an effective informational and disclosure tool rather than as a technique that can independently and successfully preserve farmland. However, they can assist in preserv-

⁷⁶ Matthew Wacker, Alvin D. Sokolow and Rachel Elkins, "County right-to-farm ordinances in California: An assessment of impact and effectiveness," *Agricultural Issues Center Issues Brief*, UC Davis, Number 15, May 2001, page 1.

ing farmland by helping to minimize complaints from farms' neighbors regarding agricultural operations.

Yolo County is one of about 40 California counties that have a RTF ordinance.⁷⁷ Yolo County's RTF ordinance contains formal mediation procedures for handling complaints against farm practices.⁷⁸

Yolo County's right-to-farm ordinance does not contain noticing requirements, which are instead imposed as a condition of discretionary approvals. An agricultural use notice is a disclosure instrument that is intended to protect existing, active farming operations from nuisance complaints by neighbors who subsequently locate next to an active farm. It is commonly part of a local right-to-farm ordinance. Such ordinances can require that a warning of potential nuisances from agriculture, such as odors, dust, and chemicals, be placed in deeds of lands lying adjacent to active farmlands. This action forewarns prospective land purchasers of the impacts of active farming operations. An agricultural use notice also typically contains an expression of local policy in favor of retaining existing, active farm operations.⁷⁹ It can also require that occupants or developers of adjacent lands waive their rights to bring a nuisance claim against a pre-existing active farm operation.⁸⁰

A stand-alone example of this tool (excluding the waiver) is found in Butte County, which requires that deeds or contracts of sale conveying property adjacent to or included in an agricultural zone must contain a provision that

⁷⁷ Matthew Wacker, Alvin D. Sokolow and Rachel Elkins, "County right-to-farm ordinances in California: An assessment of impact and effectiveness," *Agricultural Issues Center Issues Brief*, UC Davis, Number 15, May 2001, page 1.

⁷⁸ Matthew Wacker, Alvin D. Sokolow and Rachel Elkins, "County right-to-farm ordinances in California: An assessment of impact and effectiveness," *Agricultural Issues Center Issues Brief*, UC Davis, Number 15, May 2001, page 4.

⁷⁹ Georgia Department of Community Affairs, *Task 2 Report: Alternative Land Use Management Techniques*, June 25, 2001, page 4.

⁸⁰ Georgia Department of Community Affairs, *Task 2 Report: Alternative Land Use Management Techniques*, June 25, 2001, page 5.

residents of such property adjacent to an active farming operation “should be prepared to accept such inconvenience or discomfort from normal, necessary farm operations.” The Butte County ordinance also requires, as a condition of issuing any building permit, that the owner of land adjoining agricultural property record a statement acknowledging the possible effects of locating adjacent to an active farm operation. When recorded in deeds, the agricultural use notice is also required to appear in the title insurance report as an exception against the land, and real estate agents are required to disclose this information to prospective purchasers. Butte County’s Agricultural Element also includes a program to “require sellers or any fiduciary agents to provide a County prepared written explanation of the County’s Right-to-Farm Ordinance as part of the notice package to prospective buyers in areas adjacent to and within Orchard and Field Crops and/or Grazing and Open Lands areas.”

Imposition of noticing requirements as a part of any land transaction involving agricultural land or potentially affected by agricultural operations could improve upon the existing County ordinance and increase the number of properties covered by noticing.

B. Lower Service Standards in Rural Areas

Public service standards are often lower in rural areas and small towns than in larger cities and towns. For example, there may be no municipal garbage pick-up service, response times in rural areas for police or sheriffs deputies, fire trucks and emergency medical personnel may be longer, and schools and stores may be located far from homes. As new residents move into rural areas, these differences may not be clear to them, and they will sometimes demand that government agencies improve services to try to match more urban standards. This, in turn, can raise operating costs and ultimately promote urbanization.

Given this situation, some stakeholders have suggested that Yolo County could set particular service standards for rural areas and small towns, so as to

make clear that the County will not attempt to meet urban service standards in rural areas. This would be intended to protect the nature of rural areas and guard against pressures to urbanize.

C. Rural Oath

Some rural communities have instituted a “rural oath” for their residents. This voluntary pledge is made by residents in a rural area to acknowledge that they understand that they are living in a rural area, and that they accept both the potential nuisances of nearby agricultural uses and the lower levels of service that are often associated with rural life. In this way, a rural oath can serve as both a reminder and to institutionalize the agricultural use notice and the lower service standards that are described in Sections 8.A and 8.B, above.

Yolo County may want to consider the creation of a similar rural oath, which could then be instituted through an educational program, below, or in conjunction with agricultural use notices, described in 8.A, above.