

SAN LUIS OBISPO LOCAL AGENCY FORMATION COMMISSION

Agriculture Goals-Policies-Guidelines

Approved: August 16, 2007

INTRODUCTION

The Cortese-Knox-Hertzberg Act strongly encourages the preservation of prime agriculture land. LAFCO's mission is to discourage urban sprawl, preserve open space and prime agricultural lands, promote the efficient provision of government services and encourage the orderly formation of local agencies. In general terms, San Luis Obispo LAFCO's current policy base discourages premature conversion of agricultural lands, guides development away from existing agricultural lands and encourages the development of existing vacant lands within city boundaries prior to conversion of additional agricultural lands. The CKH Act clarified the many factors that LAFCOs must consider and balance in making decisions:

"The Legislature recognizes that the logical formation and determination of local agency boundaries is an important factor in promoting orderly development and in balancing that development with the sometimes competing state interests of discouraging urban sprawl, preserving open-space and prime agriculture lands, and efficiently extending government services."

The written goals, policies, and guidelines in this document express LAFCO's intent to more specifically address the preservation of agricultural land, consistent with current policies and LAFCO's mandate. LAFCO must consider the effect that any proposal may produce on existing agricultural lands. This is balanced with the need to ensure orderly development and the efficient provision of services to certain areas. By guiding development toward urban areas and away from agricultural land, LAFCO helps to preserve important and valuable agricultural resources.

Definitions. Several terms are important in understanding agricultural resources. These terms and definitions are found below and are applicable throughout these policies. The Cortese-Knox-Hertzberg Act has a definition for agricultural land and prime agricultural lands that may include lands other than class one or two soil classification.

56016. "Agricultural lands" means land currently used for the purpose of producing an agricultural commodity for commercial purposes, land left fallow under a crop rotational program, or land enrolled in an agricultural subsidy or set-aside program.

56064. "Prime agricultural land" means an area of land, whether a single parcel or contiguous parcels, that has not been developed for a use other than an agricultural use and that meets any of the following qualifications:

(a) Land that qualifies, if irrigated, for rating as class I or class II in the USDA Natural Resources Conservation Service land use capability classification, whether or not land is actually irrigated, provided that irrigation is feasible.

(b) Land that qualifies for rating 80 through 100 Storie Index Rating.

(c) Land that supports livestock used for the production of food and fiber and that has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture in the National Handbook on Range and Related Grazing Lands, July, 1967, developed pursuant to Public Law 46, December 1935.

(d) Land planted with fruit or nut-bearing trees, vines, bushes, or crops that have a nonbearing period of less than five years and that will return during the commercial bearing period on an annual basis from the production of unprocessed agricultural plant production not less than four hundred dollars (\$400) per acre.

(e) Land that has returned from the production of unprocessed agricultural plant products an annual gross value of not less than four hundred dollars (\$400) per acre for three of the previous five calendar years.

The Cortese-Knox-Hertzberg Act further describes the intent of the legislation with regard to agricultural resources in Government Code section 56377, which states:

56377. *In reviewing and approving or disapproving proposals which could reasonably be expected to induce, facilitate, or lead to the conversion of existing open-space lands to uses other than open-space uses, the commission shall consider all of the following policies and priorities:*

(a) Development or use of land for other than open-space uses shall be guided away from existing prime agricultural lands in open-space use toward areas containing nonprime agricultural lands, unless that action would not promote the planned, orderly, efficient development of an area.

(b) Development of existing vacant or nonprime agricultural lands for urban uses within the existing jurisdiction of a local agency or within the Sphere of Influence of a local agency should be encouraged before any proposal is approved which would allow for or lead to the development of existing open-space lands for non-open-space uses which are outside of the existing jurisdiction of the local agency or outside of the existing Sphere of Influence of the local agency.

Government Code Section 56377 has been used by LAFCOs as the basis for developing more specific policies that address local circumstances and conditions.

GOALS, POLICIES, AND GUIDELINES

The following Goals, Policies, and Guidelines are built upon the legislative direction provided in the Cortese-Knox-Hertzberg Act. Please note that Goals are intended to be the outcome LAFCO is trying to achieve. The Policies provide direction with regard to how those Goals should be achieved by providing specific guidance for decision makers and proponents. Guidelines give stakeholders procedures and practical tips regarding what information LAFCO decision makers need to evaluate a proposal that effects agricultural resources.

GOALS

Agriculture is a vital and essential part of the San Luis Obispo County economy and environment. Accordingly, boundary changes for urban development should 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. Goals are intended to set the direction for the development of more specific policies. The following goals are proposed by LAFCO to help guide decisions in regard to agricultural resources and agriculturally productive land:

- Goal 1.** Minimize the conversion of prime agricultural land to other land uses.
- Goal 2.** Encourage Cities, the County, Special Districts, property owners and other stakeholders to work together to preserve agricultural lands.
- Goal 3.** Promote agricultural land preservation into long range planning consistent with principles of smart growth at the state, county, and municipal levels.
- Goal 4.** Preserve agricultural lands for continued agriculture uses while balancing the need to ensure orderly development and the efficient provision of services.
- Goal 5.** Strengthen and support the agricultural sector of the economy.
- Goal 6.** Fully consider the impacts a proposal will have on existing agricultural lands.
- Goal 7.** Protect the natural resources and surrounding areas that sustain agriculture in San Luis Obispo County.

POLICIES

The policies in this section are designed to assist LAFCO in making decisions that achieve the Goals stated in the previous section. A policy is a statement that guides decision making by indicating a clear direction on the part of LAFCO. The following policies support the goals stated above and shall be used by San Luis Obispo LAFCO when considering a proposal that would involve agricultural resources:

- Policy 1.** Vacant land within urban areas should be developed before agricultural land is annexed for non-agricultural purposes.
 - Policy 2.** Land substantially surrounded by existing jurisdictional boundaries should be annexed before other lands.
 - Policy 3.** In general, urban development should be discouraged in agricultural areas. For example, agricultural land should not be annexed for nonagricultural purposes when feasible alternatives exist. Large lot rural development that places pressure on a jurisdiction to provide services and causes agricultural areas to be infeasible for farming should be discouraged.
 - Policy 4.** The Memorandum of Agreement between the City and County should be used and amended as needed to address the impacts on and conversion of Agricultural Lands on the fringe of a City.
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- Policy 5.** The continued productivity and sustainability of agricultural land surrounding existing communities should be promoted by preventing the premature conversion of agricultural land to other uses and, to the extent feasible, minimizing conflicts between agricultural and other land uses. Buffers should be established to promote this policy.
- Policy 6.** Development near agricultural land should not adversely affect the sustainability or constrain the lawful, responsible practices of the agricultural operations.
- Policy 7.** In considering the completeness and appropriateness of any proposal, the Executive Officer and this Commission may require proponents and other interested parties to provide such information and analysis as, in their judgment, will assist in an informed and reasoned evaluation of the proposal in accordance with these policies.
- Policy 8.** No change of organization, as defined by Government Code 56021, shall be approved unless it is consistent with the Spheres of Influence of all affected agencies.
- Policy 9.** Where feasible, and consistent with LAFCO policies, non-prime land should be annexed before prime land.
- Policy 10.** The Commission will consider feasible mitigation (found in the following guidelines) if a proposal would result in the loss of agricultural land.
- Policy 11.** The Commission encourages local agencies to adopt policies that result in efficient, coterminous and logical growth patterns within their General Plan and Sphere of Influence areas and that encourage protection of prime agricultural land in a manner that is consistent with this Policy.
- Policy 12.** The Commission shall approve annexations of prime agricultural land only if mitigation that equates to a substitution ratio of at least 1:1 for the prime land annexed is agreed to by the applicant (proponent), the jurisdiction with land use authority. The 1:1 substitution ratio may be met by implementing various measures:
- a. Acquisition and dedication of farmland, development rights, and/or agricultural conservation easements to permanently protect farmlands with similar characteristics within the County Planning Area.
 - b. Payment of in-lieu fees to an established, qualified, mitigation/conservation program or organization sufficient to fully fund the acquisition and dedication activities stated above in 12a.
 - c. Other measures agreed to by the applicant and the land use jurisdiction that meet the intent of replacing prime agricultural land at a 1:1 ratio.
- Policy 13.** Property owners of agricultural lands adjacent to a LAFCO proposal shall be notified when an application is submitted to LAFCO.
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GUIDELINES

Guidelines provide further direction regarding the application of the goals and policies, but are more flexible giving LAFCO more discretion in application. These guidelines are used to advise and assist the public, agencies, property owners, farmers and other stakeholders with regard to LAFCO's expectations in reviewing a proposal that involves agricultural resources.

Guideline 1. Applications submitted to LAFCO involving agricultural resources shall include analysis that evaluates the potential impacts (direct and indirect) of the proposal on agricultural resources. The California Environmental Quality Act (CEQA) analysis for a proposal shall evaluate the impacts affecting agricultural resources. At a minimum the following topics should be addressed:

- a. Detailed analysis of direct and indirect impacts on agricultural resources of the site and surrounding area.
- b. Potential diversion, availability and use of water that could impact agricultural lands or operations.
- c. A detailed description of the agricultural resource that is affected, including but not limited to soil types, existing and potential productivity, and surrounding land uses
- d. Use of transfer of development credits programs and purchase of development credits for the preservation of agricultural land and other approved programs.
- e. Analysis of mitigation measures that could offset impacts.
- f. Consultation with the County Agricultural Commissioners office.
- g. Williamson Act, Agricultural Easements, and other preservation programs.
- h. Urban Reserve Lines, Urban Limit Boundaries and Spheres of Influence.
- i. County and City General Plan Policies.

Guideline 2. Consider including agricultural land as defined in the Cortese-Knox-Hertzberg Act into a Sphere of Influence if the following factors are addressed:

- a. Potential Impacts of the conversion of the prime agricultural land
 - b. Future capability of farming activities for the site and surrounding area
 - c. Existing and potential productivity of the prime agricultural land
 - d. Land Preservation status: Williamson Act, easements, etc.
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- e. Growth patterns in the surrounding area
- f. General Plan Policies and Standards
- g. Other relevant issues, such as potential impacts on agricultural tourism

Guideline 3. Consider approval of proposals that convert agricultural land when the Commission finds that the proposal will lead to planned, orderly, and efficient development. A proposal leads to the planned, orderly, and efficient development if all of the following criteria are met:

- a. The land subject to the change of organization or reorganization is contiguous either to lands developed with an urban use or to lands which have received all discretionary approvals for urban development.
- b. The proposed development of the subject lands is consistent with the Sphere of Influence of the affected agency or agencies.
- c. The land subject to the change of organization is likely to be developed within five years.

Guideline 4. If a LAFCO proposal involves a loss of prime agricultural lands, property owners, Cities, the County, Special Districts, Community Advisory Councils, Resource Conservation Districts, and agricultural conservation agencies should work together as early in the process as possible to adequately mitigate the impacts.

Guideline 5. Detachment of prime agricultural lands and other open space lands should be encouraged if consistent with the Sphere of Influence for that agency.

Guideline 6. The following factors should be considered for an annexation of prime agricultural and open space lands:

- a. The proponent of the annexation should provide a land use inventory of the jurisdiction that indicates the amount of available land within the subject jurisdiction for the proposed land use.
- b. Evaluation of effective measures to mitigate the loss of agricultural lands, and to preserve adjoining lands for agricultural use to prevent their premature conversion to other uses. Such measures may include, but need not be limited to:
 - 1. acquisition and dedication of farmland, development rights, open space and agricultural conservation easements to permanently protect adjacent and other agricultural lands within the county
 - 2. participation in other development programs that direct development towards urban areas (such as transfer or purchase of development credits)

3. payments to responsible, recognized government and non-profit organizations for the purpose of preserving agricultural lands;
4. establishment of buffers to protect adjacent agricultural operations from the effects of development

Guideline 7. Annexation for land uses in conflict with an existing agricultural preserve contract shall be prohibited, unless the Commission finds that it meets all the following criteria:

- a. The area is within the annexing agency's Sphere of Influence.
 - b. The Commission makes findings required by Government Code Section 56856.5.
 - c. The parcel is included in an approved city specific plan.
 - d. The soil is not categorized as prime.
 - e. Mitigation for the loss of agricultural land has been secured in the form of agricultural easements to the satisfaction of the annexing agency and the County.
 - f. There is a pending, or approved, cancelization for the property that has been reviewed by the local jurisdictions and the Department of Conservation.
 - g. The Williamson Act contract on the property has been non-renewed and final approval of the non-renewal has been granted.
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