

MONTEREY COUNTY

HOUSING AND COMMUNITY DEVELOPMENT

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MEMORANDUM

Scheduled
Date: May 23, 2022

To: Agricultural Advisory Committee (AAC)

From: Melanie Beretti, Principal Planner

Subject: **Agricultural Conservation Mitigation Program** - Program to mitigate for the loss of agricultural lands due to development, including implementation of General Plan Agricultural Element Policy AG-1.12 (Mitigation) to establish a program to mitigate for projects involving a change in land use designation resulting in the loss of Important Farmland.

cc: Monterey County Farm Bureau
Grower Shippers Association
Monterey County Ag Land Trust
United Farmworkers Union

ACTION:

Provide initial feedback to staff on the development of agricultural conservation mitigation program policies.

SUMMARY:

Monterey County Policy Background

The County of Monterey (County) elected to include an Agriculture Element as part of the 2010 General Plan because agriculture is the largest industry in the County, contributing significantly to the County's economy. The General Plan's intention is to preserve, protect, and enhance farmland in order to maintain the productivity and viability of the County's agricultural industry. Loss of farmland to development is irreparable and can have cumulatively negative impacts on the region's economy. Population growth in Monterey County is predicted to continue and Monterey County has a severe shortage of housing, especially affordable housing units. While additional housing and commercial developments will be required to support the increased population, there is time to facilitate both growth and the continued success of the agricultural industry, which will likely continue to provide income for a significant part of the County's population.

The General Plan Agricultural Element Goal AG-1 is to Promote the long-term protection, conservation, and enhancement of productive and potentially productive agricultural lands. Agricultural Element Policy AG-1.12 specifically requires that the County prepare, adopt, and implement a policy that requires that projects involving a change of land use designation

resulting in the loss of Important Farmland¹ to mitigate the loss of acreage. AG-1.12 will be implemented as part of an Agricultural Conservation Mitigation Program (Program) being developed by the County. AG-1.12 further states:

“For such land to be annexed to incorporated areas, the County shall work in consultation with the cities to mitigate the loss of Important Farmland resulting from annexation. The program may include ratios, payment of fees, or some other mechanisms. Mitigation mechanisms established through this program shall be based upon a graduated value of the Important Farmland, with mitigation for loss of prime land having the highest agricultural value. The County shall support private, non-profit land trusts and conservation organizations to promote the policies of this General Plan, facilitate the implementation of the program, and to receive, by voluntary donation or purchase, development rights on any lands to be preserved as part of this program’s implementation strategy.”

California Environmental Quality Act (CEQA)

California law requires mitigation for development impacts to farmland. The loss of agricultural land due to agricultural land conversion is often found to be a significant impact that must be mitigated pursuant to the California Environmental Quality Act (CEQA). While the staff acknowledges that it may not be possible to fully mitigate for the loss of agricultural land without bringing non-farmed land into production, and that complete mitigation is unlikely to be feasible due to a lack of available land, setting in place partial mitigation measures as part of the Program would ensure that the agricultural industry can persist well into the future.

Mitigation Thresholds & Exemptions

Central to developing an Agricultural Conservation Mitigation Program will be establishment of thresholds that trigger mitigation. Under CEQA, lead agencies are encouraged to utilize the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation (DOC). Key issues of concern are conversion from agriculture to non-agricultural uses, conflicts with existing agricultural zoning or Williamson Act contracts, and changes to the environment that, due to location or nature, could result in the conversion of farmland (e.g., zoning). The County does not have established thresholds for when mitigation would be required, instead relying on a case-by-case basis to negotiate mitigation requirements. Alternatively, the policies must also identify what use or activities may be exempt from mitigation. Pursuant to Policy AG-1.12, for example, acreage within a project or annexation to be inclusionary housing is not subject to mitigation.

Staff is seeking input from the AAC to determine when mitigation is required or what the thresholds are to determine if and the type of required mitigation.

Mitigation Methods

Monterey County has historically (since the adoption of the 1982 General Plan) required one or more of the following mitigation options when allowing conversion of agricultural lands to other land use designations:

- Purchase of a conservation easement - To mitigate the loss of agricultural lands, a party may purchase the development rights (or otherwise restrict development) associated with a similar parcel of strategically located agricultural land in order

¹ Important Farmland as mapped by the California Department of Conservation Farmland Mapping and Monitoring Program. Important Farmland categories include: Prime Farmland; Farmland of Statewide Importance; Unique Farmland; Farmland of Local Importance; and Grazing Land.

that it is permanently preserved and set aside for farming. While the purchase of the conservation easement would be required for the developer, it is voluntary for the seller.

- Payment of in-lieu fees into an exclusive farmland preservation and mitigation fund or conservation organization - Another method of mitigating for development of agricultural land is the payment of fees into a fund or mitigation bank specifically reserved exclusively for later purchase of a conservation easement or fee title of agricultural land that is then transferred to a conservation entity. These funds can be managed by the County or by a conservation entity.

Other potential mitigation methods that may be considered to further reduce the impact of the loss of agricultural land may include: 1) Development dependent mitigation based on development density; 2) Mitigating condemnation of easement land; 3) Discouraging County-sponsorship of conversion of agricultural lands; 4) Mitigating loss of agricultural land to public works projects; 5) Conservation of soil at development sites; or 6) Alternative or applicant-designed mitigation.

Staff is seeking input from the AAC to inform what mitigation methods are preferred and under what circumstances or conditions.

Mitigation Ratios & Equivalence

An important factor in determining the success of a mitigation program is the degree to which the loss of Important Farmland is mitigated as determined with a mitigation ratio. Policy AG-1.12 specifically calls for mitigation mechanisms established through this Program shall be based upon a *graduated value of the Important Farmland*, with mitigation for loss of prime land having the highest agricultural value. There are two general types of agricultural land use conversions that occur within the County specifically mentioned in Ag-1.12: 1) Development of parcels of land within the County; and 2) Annexation of farmland by cities. Decision makers will have to determine whether to mitigate for the loss of agricultural land at the same rate for each type of conversion, or whether to have different requirements for private parties and cities.

Some California counties and cities require that the loss of agricultural land is mitigated at a 1:1 ratio, meaning that one acre of land is permanently protected for every acre developed. Other municipalities, such as the City of Davis, require higher mitigation ratios (2:1). Monterey County is one of the nation's top producing agricultural counties with some of the highest levels of productivity largely due to the natural features of the area, making the average relative agricultural productivity higher than the Statewide average. Some of the most productive farmland is also the scarcest in the Salinas Valley, begging the question of what the appropriate mitigation ratio may be for the gradient of Monterey County's Important Farmlands.

It is generally thought that the land identified to mitigate for the lost agricultural land should be of a similar quality in terms of soil, productivity, scarcity, and other characteristics. Ideally, the property would also be in the vicinity of the parcel to be developed and promote the definition and creation of a permanent agricultural-urban edge. Determining the relative "equivalency" of a proposed mitigation parcel compared to the farmland being lost must be tailored to the unique characters Monterey County agricultural lands.

Staff is seeking AAC input for determining mitigation ratios along the gradient of Important Farmland. Staff is also seeking input to guide policies for determining the

appropriateness of a proposed site to mitigate for the farmland to be developed.

AAC INPUT AND/OR COMMENTS:

Staff would like to obtain your comments and input on the proposed Program. We are particularly interested in comments or ideas pertaining to: 1) Mitigation thresholds and exemptions; 2) Mitigation methods; and 3) Mitigation ratios and equivalence.

CONTACT INFORMATION:

If you have any questions prior to the meeting, please contact the project planner, Melanie Beretti at (831) 755-5285 or at berettim@co.monterey.ca.us

NEXT STEPS:

Based on preliminary feedback from the AAC and community and stakeholder outreach, staff will prepare a draft ordinance for consideration by the Planning Commission at a public workshop (anticipated for July 2022).

ATTACHMENTS:

None