

January 2018 County of Santa Clara Santa Clara Valley Open Space Authority

FINAL DRAFT: JANUARY 03, 2018



It is our pleasure to present to you the Santa Clara Valley Agricultural Plan.

The Santa Clara Valley Agricultural Plan represents our commitment to recognize and support our working agricultural lands, one of Santa Clara County's most valuable resources.

Although our agricultural working lands have often been overlooked within the shadow of Silicon Valley, the Santa Clara Valley Agricultural Plan acknowledges the vital importance of the Santa Clara Valley agriculture to the region -not only as a critical food source, but also as key to the long-term sustainability and health of our County, food security, greenhouse gas reductions, climate resilience, and various ecosystem co-benefits.

The Santa Clara Valley Agricultural Plan reflects a two-year effort between the County of Santa Clara, the Santa Clara Valley Open Space Authority, and multiple partner agencies and individuals; it assembles some of the most innovative policy and economic development tools to provide a comprehensive framework that ensures the support and growth of our regional agricultural economy.

We invite you to join us in this effort. Together we can develop a vibrant and strong regional agricultural economy in Santa Clara County.

President David Cortese Supervisorial District 3,

Santa Clara County Board of Supervisors

Supervisor Mike Wasserman

Supervisorial District 1,

Santa Clara County Board of Supervisors

Mike Flaugher

Chair of the Board,

Santa Clara Valley Open Space Authority

Alex Kennett

Vice-Chair of the Board,

Santa Clara Valley Open Space Authority



# Santa Clara Clara Valley Agricultural Plan:

INVESTING IN OUR WORKING LANDS FOR REGIONAL RESILIENCE

Final Draft - January 03, 2018

A regional effort led by the County of Santa Clara and the Santa Clara Valley Open Space Authority







## **COUNTY OF SANTA CLARA**

KIRK GIRARD

Planning Director

**CHARU AHLUWALIA** 

Associate Planner

**ROB EASTWOOD** 

Planning Manager

STEVE BORGSTROM

GIS Analyst

**MANIRA SANDHIR** 

Principal Planner

**JOE DEVINEY** 

Agricultural Commissioner

## SANTA CLARA VALLEY OPEN SPACE AUTHORITY (OSA)

**ANDREA MACKENZIE** 

General Manager

**MATT FREEMAN** 

Assistant General Manager

**JAKE SMITH** 

Conservation GIS Coordinator

SUSTAINABLE AGRICULTURE

## **CONSULTANTS**

**AMIE MACPHEE** 

**JOSEPH MCINTYRE** 

AG INNOVATIONS

**MATT KOWTA** 

Managing Principal

**CULTIVATE** 

Founder

President

**CANDICE MILLER** 

**CULTIVATE** 

Lead Graphic Designer

**SHELLEY SMITH** 

AG INNOVATIONS

Project Associate

**ENVIRONMENTAL CONSULTING** 

FOR AGRICULTURE

GHG Analyst

**ROB KING** 

President

AG INNOVATIONS

SIBELLA KRAUS

EDUCATION (SAGE)

Project Associate

**MICHAEL MEEHAN** 

**STEVE SHAFFER** 

ACRE POLICY

Founder, State and Regional Policy Director

**MARIANNA LEUSCHEL** 

L STUDIO

Communications Strategist

BAE URBAN ECONOMICS INC

**APARNA GAZULA** 

UNIVERSITY OF CALIFORNIA COOPERATIVE EXTENSION -

COUNTY OF SANTA CLARA

Small Farm Advisor

## technical panels

## FARMING AND FOOD SECTOR

### **APARNA GAZULA**

UC Cooperative Extension Small Farm Advisor

### **GREG LEONARD**

Santa Clara County Food Systems Alliance

### **JULIE HUTCHESON**

Santa Clara County Food Systems Alliance

## **SHEILA BARRY**

UC Cooperative Extension–Livestock and Natural Resources Advisor

## **BILL CHIALA**

Ag Specialist

## **JANET BURBACK**

Owner-Tilton Ranch; President, Santa Clara County Farm Bureau

## **PETE AIELLO**

Usegi Farms Owner/President

## **ERIN GILL**

Grass Farm Business Owner, President Santa Clara County Farm Bureau

## **JOHN TELFER (MORGAN HILL)**

Realtor, South County farmland

### SAM AND NICK THORP

Spade and Plow Farm Owners

## **MUNICIPAL**

## **ANTHONY EULO**

Program Administrator, City of Morgan Hill

## **JOHN BATY**

Principal Planner, City of Morgan Hill

## **SAMANTHA GREENE**

Assistant Water Resources Specialist, Santa Clara Valley Water District

## **BRIAN MENDENHALL**

Project Manager, Water Resources Planning and Policy Unit, Santa Clara Valley Water District

## **KRISTI ABRAMS**

Community Development Director, City of Gilroy

## **STEVE RYMER**

City Manager, Morgan Hill

## **JARED HART**

Supervising Planner, Long Range Planning, City of San Jose

## **REBECCA TOLENTINO**

Interim Planning Manager, City of Gilroy

## advisors

## AGRICULTURAL EASEMENT IMPLEMENTATION

## **CHRIS KELLY**

CA Director, The Conservation Fund

## **NANCY SCHAEFER**

Bay Area Program Director, California Rangeland Trust

## **KATHRYN LYDDAN**

Assistant Director for the Department of Conservation's Division of Land Resource Protection

## **DARLA GUENZLER**

Executive Director, Wildlife Heritage Foundation

## TOM SCHARFFENBERGER

Private Agricultural Conservation Easement Consultant

## **JEFF STUMP**

MALT Conservation Director

## **CRAIGE EDGERTON**

Former Executive Director, Land Trust of Santa Clara Valley

## FARMING ECONOMICS AND VITALITY

## **DAVE RUNSTEN**

Policy Director, Community Alliance with Family Farmers (CAFF)

## JIM LEAP

Farmer / Innovator (Santa Cruz County)

## **JUSTIN FIELDS**

President, Santa Clara Cattlemen's Association

## **KEVIN O'DAY**

Rancher, Former Santa Clara County Agricultural Commissioner

## **ED THOMPSON**

Retired California Director, American Farmland Trust

## **REGGIE KNOX**

Executive Director, FarmLink

## **STEPHEN HOHENRIEDER**

Private equity investor - integrated food systems and agricultural enterprises

## **DUNCAN MACEWAN**

Principal Economist, ERA Economics

## **SERENA UNGER**

Policy Associate, American Farmland Trust

## MIKA MAEKAWA

Central Coast Regional Program Coordinator, FarmLink

## **STEPHANIE MORENO**

Executive Director, Guadalupe Coyote Resource Conservation District

## LAND USE PLANNING AND POLICY

## **BILL KEENE**

General Manager, Sonoma County Agricultural Preservation and Open Space District

## **DAVID SHABAZIAN**

Rural-Urban Connections Strategy Manager, Sacramento Council of Governments

## **JEANNE MERRILL**

Policy Director, CA Climate and Agriculture Network

## **BRIAN SCHMIDT**

Program Manager, Greenbelt Alliance

## **DON WEDEN**

Former Santa Clara County Planning Principal Planner

### **NEELIMA PALACHERLA**

Executive Officer, Santa Clara County LAFCO

## **DAVID MORRISON**

Planning Director, Napa County

## **ELI ZIGAS**

Food and Agriculture Policy Director, SPUR

## **PETE PARKINSON**

Former Planning Director, Sonoma County

Thank you to all who provided valuable input and advice to help form the Valley Agricultural Plan.

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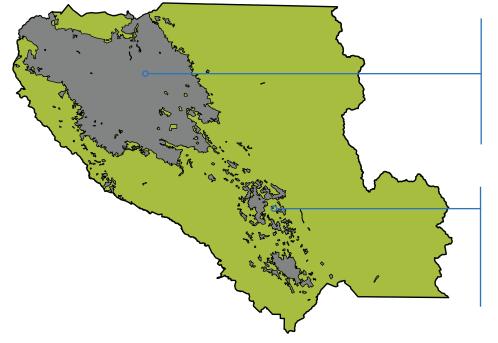


## 1.1 INTRODUCTION

California is rapidly losing one of the Golden State's most valuable assets – its farmland.

No place is this truer than in Santa Clara Valley. Not long ago, Santa Clara Valley was known as the "The Valley of Heart's Delight". The Valley was among the most productive farming areas in the country, renowned for endless rows of blossoming fruit and nut orchards, along with a fruit packing and canning industry that was the largest in the world. As Silicon Valley to the north grew with development of office parks and housing to support rapid growth of high tech industries, productive farmland and its agricultural infrastructure has been disappearing. In the past 30 years alone, Santa Clara County has lost 21,171 acres of its farmland and rangeland to development, and an additional 28,391 acres of farmland and rangeland in the County are at risk of conversion going forward not only diminishing our local food source, but also resulting in a loss of the iconic rural character of Santa Clara Valley and resulting in losses of important jobs and farms central to our Agricultural Economy.<sup>1</sup>

IN THE PAST **SANTA CLARA COUNTY HAS LOST OF ITS FARM &** RANGELAND<sup>2</sup>



## SILICON VALLEY

Every day, companies and universities in Silicon Valley prepare thousands of meals for their employees and students, creating an ever growing demand for local foods.

## SANTA CLARA VALLEY

A variety of foods are produced on farms and ranches in the Santa Clara Valley today. A primary goal of this Valley Ag Plan is to link the supply and demand side of our local food system.

## THE TALE OF SILICON AND SANTA CLARA VALLEYS

To the north, Silicon Valley is predominantly urban and globally renowned for its tech industry. To the south, Santa Clara Valley is primarily rural and driven by an agricultural economy. Together these two Valleys define the County of Santa Clara. Historically and today, they are linked in a symbiotic relationship, fostering a resilient and prosperous future for the region. Recognizing the co-dependence of these two Valleys and an imminent threat to one of them, now is the time to create a coordinated approach to preserve Santa Clara County's remaining working lands.

## - THE MISSION OF THE -

## SANTA CLARA VALLEY AGRICULTURAL PLAN: INVESTING IN OUR WORKING LANDS FOR REGIONAL RESILIENCE

is to shift the planning paradigm and create a comprehensive regional framework in order to preserve the remaining working lands and support a vibrant agricultural economy while mitigating climate change.

## **COMBATING CLIMATE CHANGE BY** PRESERVING OUR WORKING LANDS

This Santa Clara Valley Agricultural Plan (Valley Agricultural Plan) is a regional effort led by the County of Santa Clara and the Santa Clara Valley Open Space Authority (OSA) to conserve the Santa Clara Valley's farmland and ranchland as a innovative climate change mitigation and economic development strategy. Funded in part by cap and trade revenues through the state's Sustainable Agricultural Lands

## Conservation Program (SALCP),

this Valley Agricultural Plan will help avoid future greenhouse gas emissions by reducing conversion of working lands and focusing development in existing urban areas. By linking State and regional efforts with those of the County, cities, special districts and the agricultural community, this Valley Agricultural Plan helps to reach California's climate goals while providing for a more sustainable agricultural future for the County.





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- ACRE OF -DEVELOPMENT3



## THINK ABOUT IT

## Where would we be without working lands?

Farmland and rangeland are the underlying fabric of Santa Clara Valley's rural landscape. These "working lands" cover 447,821 acres, or about 54% percent of Santa Clara County.4

Working lands are also the backbone of our rural economy. The agriculture sector in Santa Clara Valley supports 8,100 jobs in the County and contributes over \$830 million dollars annually to the region's economy.5

Working lands also provide a variety of environmental benefits or "ecosystem services." This includes lessening the effects of climate change. Woodlands, grasslands, healthy soils, and cover crops capture carbon and efficiently protect water resources, and provide other natural functions which are critical in helping build resilience to a changing climate. Santa Clara Valley falls within the area of the Santa Clara Valley Habitat Conservation Plan, which seeks to protect 18 special status wildlife and plant species.<sup>6</sup> Protecting these lands, and supporting the people that work the land, builds on our agricultural heritage and enhances the quality of life for us all.





## 1.2 A VISION FOR A SHARED FUTURE - AN AGRICULTURE PLAN TO GROW A VIBRANT REGIONAL ECONOMY

With the continued threat of farmland loss through incremental conversion to urban development and non-agricultural uses, fundamental changes to our planning policies along with new investments are needed to protect our rural communities, open spaces and working lands to honor the value these resources provide the County's economy, quality of life, and future.

## THE SANTA CLARA VALLEY AGRICULTURAL PLAN ENVISIONS

a resilient, equitable, thriving agricultural economy that is unique to Santa Clara Valley; one that builds on its heritage, strengths, and proximity to neighboring Silicon Valley while encouraging innovation and supporting the State's climate change goals.



## 1.3 FOUNDATIONAL GOALS - RETHINKING OUR AGRICULTURAL ECONOMY

This Valley Agricultural Plan is being developed at a pivotal time in the County's history. In addition to State-level leadership on climate change, there is a robust network of partners emerging across the County and region in business, government and community sectors who are re-envisioning outdated patterns of growth, and are committed to protecting working lands and catalyzing the agricultural economy. Designed to be implemented by 2030 to align with the **State's SB 32 Climate Goals**, this Valley Agricultural Plan seeks to implement the following three **key goals**:

01

## KEEP OUR WORKING LANDS AT WORK

Make farm and ranch viability a priority in land use policies, preservation and economic development strategies, incentive-based stewardship approaches and climate action planning. Recognize the importance of thriving working lands to a resilient future for the region.

02

## HONOR THE IMPORTANCE OF AGRICULTURE TO SANTA CLARA VALLEY

Working lands and a vibrant regional food economy provide an important sense of place and abundant environmental co-benefits. Agriculture has defined Santa Clara Valley and grown its prosperity for over a century. Developing a regional awareness campaign will grow understanding and promote the value of farms and ranches, emphasizing the need to support and diversify the local agricultural economy.

03

## CRAFT A UNIFIED REGIONAL LAND USE POLICY FRAMEWORK FOR THE FUTURE

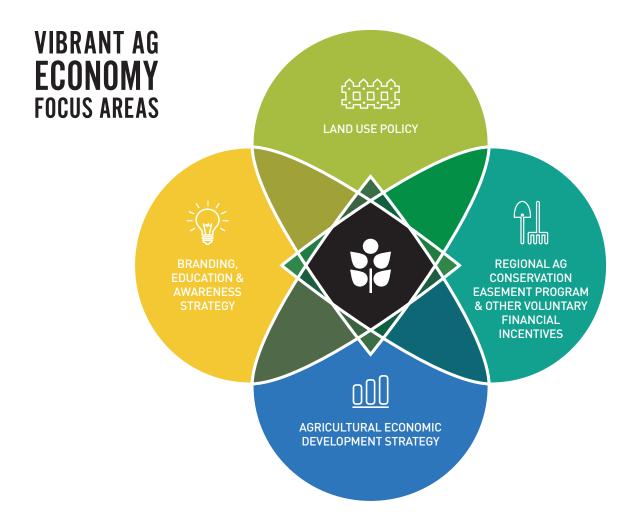
Bring together the agricultural sector and local and regional government agencies to grow the economic, environmental and cultural values of the County's working lands. Creating a resilient agricultural economy will help the region mitigate and adapt to climate change, ensure food security while promoting sustainable growth of local communities.

## 1.4 THE VALLEY AGRICULTURAL PLAN FRAMEWORK – GETTING TO 2030: AN INTEGRATED VISION OF SANTA CLARA VALLEY'S AG ECONOMY

This Valley Agricultural Plan looks at the County's agricultural sector from an integrated systems perspective. The Plan identifies "Santa Clara Valley Agricultural Resource Area" or "ARA", as the farmland and ranchland base where efforts are to be focused.

This Valley Agricultural Plan is organized around four key Focus Areas. Each of the Focus Areas is interrelated and critical to building a robust agricultural economy in Santa Clara County:

- 1. Land Use Policy
- 2. Regional Agricultural Conservation Easement Program and other Voluntary Financial Incentives
- 3. Agricultural Economic Development Strategy
- 4. Branding, Education and Awareness Strategy



By integrating these **four interrelated Focus Areas** into one effort, this Valley Agriculture Plan will create a multi-pronged effort to grow and expand a vibrant regional agricultural economy that provides greater resiliency for Santa Clara County. *(see Vibrant Agricultural Economy Focus Areas Diagram)*.

## **INTEGRATED FOCUS AREAS:**

## ▼ FOCUS AREA: LAND USE POLICY

## PREVENTING THE CONVERSION OF WORKING LANDS:

In this Focus Area we propose specific land use tools to address and counter the on-going conversion of agricultural land to development. This work builds off the County's existing land use policies to protect economic, environmental and cultural assets associated with farming and ranching. This policy structure focuses on an *Agricultural Resource Area* (*ARA*) where innovative tools and strategies could prove most effective in stemming farmland conversion.

## FOCUS AREA: REGIONAL AGRICULTURAL CONSERVATION EASEMENT PROGRAM AND OTHER VOLUNTARY FINANCIAL INCENTIVES

## PROVIDING FINANCIAL SUPPORT FOR RESILIENT AGRICULTURAL PRACTICES, ECOSYSTEM SERVICES AND RURAL COMMUNITY INVESTMENT:

Voluntary financial incentives are important tools that address the economic challenges associated with farming while implementing State policies and reinforcing local land use policies for the protection of farmland and rangeland. This Focus Area proposes creating a **Regional Agricultural Conservation Easement Program** to permanently protect agricultural lands through voluntary conservation easements with willing sellers. It also proposes expanding other voluntary tax incentive programs such as the **Super Williamson Act** (i.e. Farm Security Zones) to encourage landowners to keep their land in agriculture land use in exchange for a reduction in property tax. Additionally, many **grants and payment for ecosystem service incentive programs** are available to landowners to promote sustainable agricultural practices to increase climate stability and other environmental co-benefits. This Valley Agricultural Plan includes recommendations to more effectively deliver these programs to ag producers.

## ◆ FOCUS AREA: DEVELOP AN AGRICULTURAL ECONOMIC DEVELOPMENT STRATEGY

## MAKING THE CASE FOR INVESTMENT IN SANTA CLARA COUNTY'S AGRICULTURAL ECONOMY:

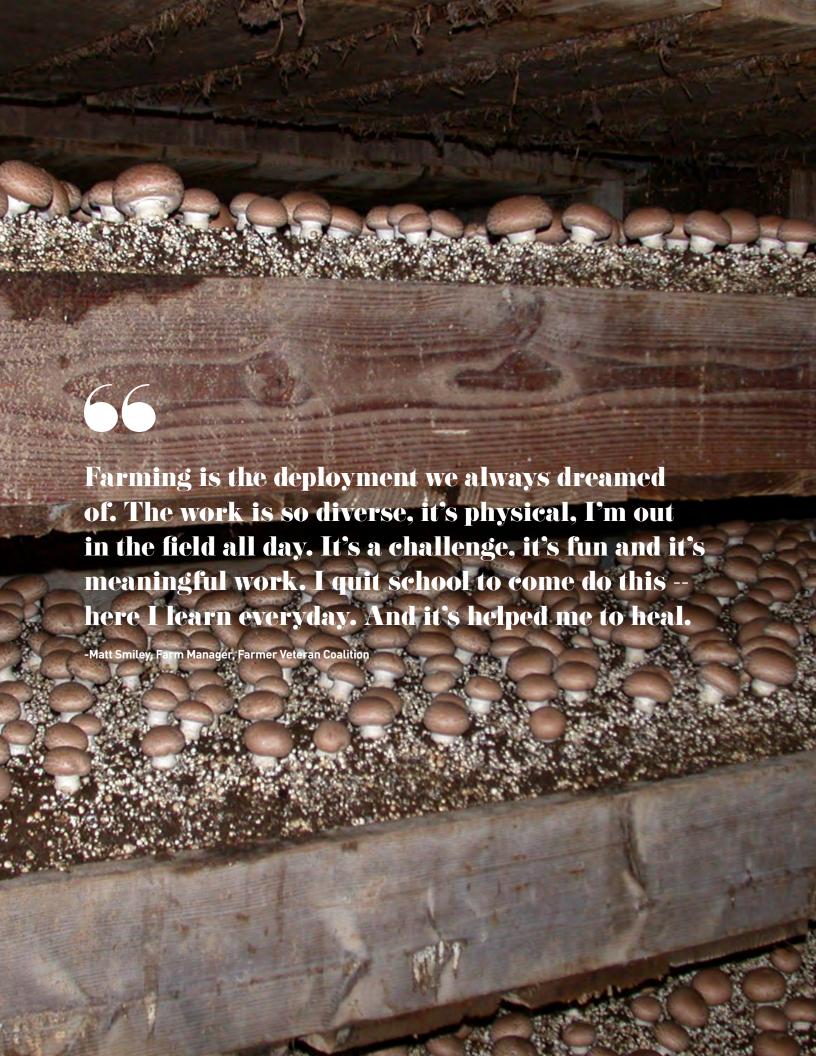
Santa Clara County's beautiful agricultural landscapes also contribute to the County's and region's economy by attracting employers, workers and visitors alike. But it is clear that land protection and easement acquisition alone are inadequate to protect these landscapes and grow a vibrant regional ag economy. This Focus Area sets out specific economic strategies and actions to support the agricultural sector, such as the creation of an agricultural incubator program and farmbudsman position, with the goal of increasing agri-tourism, food security and building a healthy local food system.

## FOCUS AREA: SANTA CLARA VALLEY BRANDING, EDUCATION & AWARENESS STRATEGY

## COMMUNICATING THE VALUE OF WORKING LANDSCAPES IN SANTA CLARA VALLEY AND THEIR CONNECTION TO ECOLOGICAL AND ECONOMIC RESILIENCE:

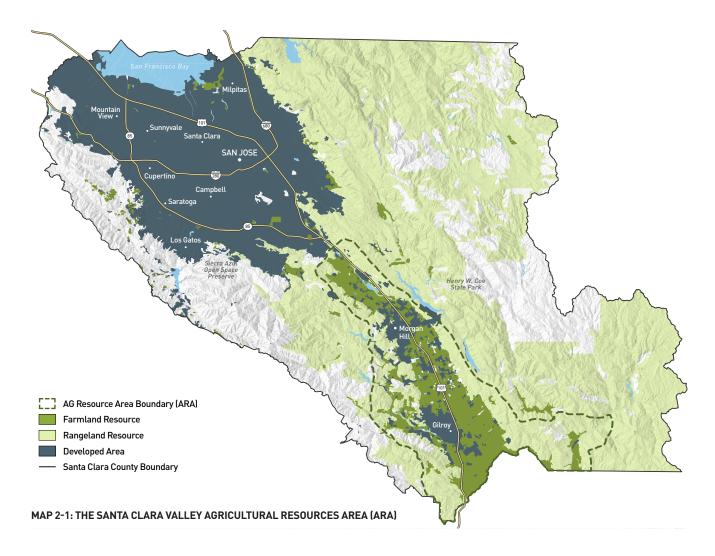
Demand for local food is growing nine percent a year nationwide<sup>7</sup>, with the San Francisco Bay area as a leader in this shift toward farm—to-fork consumption. This Focus Area lays out specific steps **to build awareness about the region's agriculture and its contribution to a growing local food system** through a branding, awareness and education campaign and to enhance the rural-urban connections between the County's two Valleys.

The **four Focus Areas**, **include objectives**, **strategies and actions** that aim to advance and track progress towards implementing this Valley Agricultural Plan.





While many policies and programs have been adopted by government, non-profit organizations and the private sector in the County that focus on climate change or agricultural land protection, there has been no effort to pro-actively link agricultural preservation to avoid greenhouse gas emissions and climate adaptation planning into a singular "action plan." This Valley Agricultural Plan demonstrates the critical link between maintaining working agricultural lands and achieving California's greenhouse gas reduction goals to provide regional resilience for future climate adaptation. In doing so, it provides a stronger foundation to protect, strengthen, and grow the local agricultural economy.



## 2.1 REGIONAL AND LOCAL CONTEXT OF THE AGRICULTURAL RESOURCE AREA (ARA)

## **REGIONAL CONTEXT**

Santa Clara County is the Bay Area's most populous county, with 15 cities and nearly two million people. The present urban and rural landscape of Santa Clara County is diverse; a complex social and economic setting that overlays a rich historic, multi-cultural and natural environment.

Beyond its cities that constitute the urban typology of the County, the agricultural areas of Santa Clara Valley have retained much of its rural character. Silicon Valley in the north part of the County is predominantly urban and known worldwide for its high-tech industry, while the rural Santa Clara Valley areas outside of the cities to the south are primarily characterized by the agricultural economy.

By 2040, the County's population is expected to increase by nearly 700,000, a 36% increase<sup>8</sup>. While much of this growth will be directed into existing urban areas, there is on-going development pressure on lands within the adjacent rural areas of Santa Clara Valley. Already the County and the Bay Area region as a whole are facing an affordable housing crisis due to growth of jobs and a shortage of affordable housing stock.

## Sub-Areas within the ARA

The Santa Clara Valley ARA is comprised of distinct sub-areas each with unique characteristics. These are identified as the following:

## 1. COYOTE VALLEY

Large lots in middle Coyote Valley; closer to local markets; major crops include hay, asian vegetables, mushrooms, walnuts; challenges - interface with commuter traffic and future city annexation.

### 2. LIVE OAK

Vineyards, cherry orchards and other stone fruits. Surrounded on three sides by Morgan Hill with smaller parcels mostly under 10 acres; rural-urban interface; higher land values.

## 3. SAN MARTIN / TENNANT

Mix of crops on smaller parcels, mostly under 10 acres; rural urban interface; higher land values; Vegetable Processing Plant.

### 4. BUENA VISTA

Larger farming parcels between San Martin & Gilroy; row crops; farmers market, niche farming.

## 5. LEAVESLEY

Large lots mostly over 20 and 40 acres, lower property values, less land speculation and urban interface, good infrastructure / distribution for vegetables – warehousing, storage, processing plants.

## 6. WATSONVILLE ROAD WINE REGION

Santa Clara Valley American Viticultural Area; existing wine trails.

### 7. PACHECO PASS

Farming lands around Highway 152, farm stands.

## 8. RANGELANDS

Grazing lands in the foothills of the Diablo Range and Santa Cruz mountains.

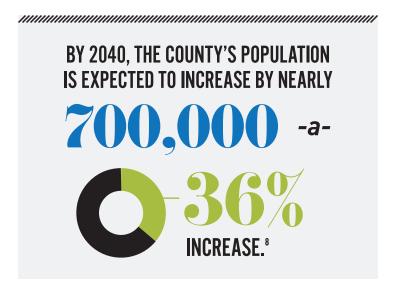
This creates intensive pressure to develop rural agricultural lands to accommodate the region's housing and urban growth needs, as these lands are often far less expensive and easier to develop than redevelopment of urban areas. Santa Clara County's agricultural lands are considered extremely vulnerable to development over the next 30 years, with over 14,145 aces deemed at risk 9

## **GEOGRAPHIC CONTEXT**

The Santa Clara Valley Agricultural Resource Area (ARA) extends from the southern urban edge of San Jose to the southern Santa Clara County boundary and extends from the valley up the first ridgelines in the Diablo Range and Santa Cruz mountains surrounding the Santa Clara Valley. The ARA encompasses 44,462 acres of prime or important farmland soils and 54,894 acres of grazing lands.

The ARA is comprised of distinct sub-areas each with unique characteristics. These are identified as: Coyote Valley, Live Oak, San Martin / Tennant, Buena Vista, Leavesley, Watsonville Road Wine Region, Pacheco Pass and Rangelands (refer to sidebar).

Of this, 4,413 acres of the **ARA's** farmland resources and 1,814 acres of rangeland resources lie within the Urban Service Areas of San Jose, Morgan Hill, and Gilroy. These areas within City Urban Service Areas are not within the County's land use authority and are outside of the County land use policies that are considered by this Valley Agricultural Plan.



## 2.2 EXISTING AGRICULTURAL LAND PRESERVATION POLICIES

Existing land use patterns within Santa Clara Valley have been shaped over decades by a variety of interrelated public land use policies, private landowner actions, and economic forces. The preservation of agricultural land and the maintenance of a strong agricultural industry have been fundamental goals of the County of Santa Clara General Plan since the 1970s. The County's General Plan is based on growth management principles that focus urban development into compact cities and protect open space and agricultural lands in the rural areas. This section briefly summarizes the existing policy framework as a basis for additional agricultural land preservation policies, programs and policy updates as part of *Focus Area: Land Use Policy*.

## THE COUNTY OF SANTA CLARA – EXISTING POLICY FRAMEWORK

For lands outside city Urban Service Areas, the County maintains and enforces land use policies that preserve and protect open space and agricultural resources by limiting urban sprawl and maintaining stable rural land use policies. The County has four primary rural land use designations – Exclusive Agriculture, Agricultural Ranchlands, Hillsides, and Rural Residential. The County maintains General Plan designations and zoning for Valley agricultural land that limits the type of land uses allowed in agricultural lands and precludes subdivision into lots smaller than 20 or 40 acres.

The County administers the **Williamson Act Program** (*California Land Conservation Act of 1965*) which protects agricultural land by providing tax incentives to property owners who agree to keep their land in commercial agricultural production for a 10-year period. As of October 2017, there are 945 parcels under a Williamson Act Contract in the County, encompassing approximately 134,371 acres. <sup>10</sup> As a part of the program, the County actively monitors the parcels under contract to verify commercial agricultural production; any development or change in use requires a compatible use determination to minimize its impacts on agricultural lands.

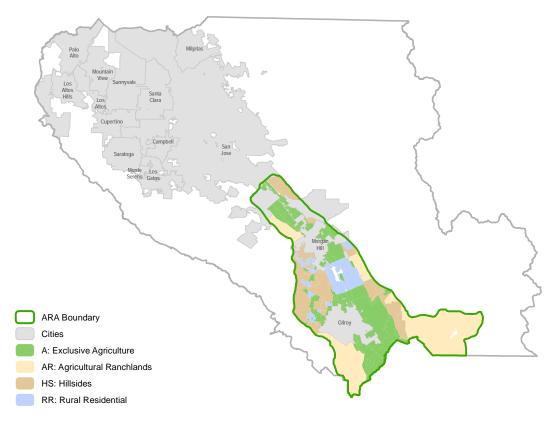
## OTHER AGENCIES – EXISTING POLICY FRAMEWORK

The Santa Clara County Local Agency Formation **Commission** (LAFCO) approval is required for any expansion of Urban Service Areas and its policies recommend a 1:1 mitigation for conversion of agricultural lands. LAFCO policies discourage Urban Service Area expansions into agricultural land, unless effective measures have been accomplished for protecting the agricultural status of the land. The cities of Gilroy and Morgan Hill also have agricultural protection policies intended to preserve agricultural land and maintain a viable agricultural industry. The Morgan Hill Agricultural Lands Preservation Program promotes continued and viable agricultural activities in and around Morgan Hill through a set of land use policies and implementation activities, including the acquisition of agricultural conservation easements.

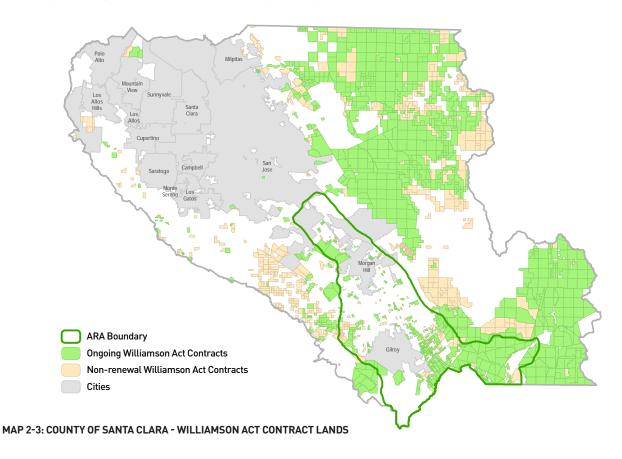
San Jose's Envision 2040 General Plan also focuses on directing growth inward through infill and urban villages, while preserving a greenline, an urban growth boundary created to protect its open space and agricultural resources.<sup>11</sup>

Relevant portions of the County's General Plan policies, that address the preservation of agricultural land in the Santa Clara Valley, can be found in Appendix A.

Despite these efforts to protect agricultural resources, agricultural land continues to be converted to development within the Santa Clara Valley. The existing regional policy framework and agency actions need to be strengthened and coordinated to reverse this loss and to focus conservation efforts and agricultural investment.



MAP 2-2: COUNTY OF SANTA CLARA - RURAL ZONING DESIGNATIONS



## 2.3 OTHER EFFORTS IN THE BAY AREA

Other significant efforts to protect farmland and open space have been undertaken. The Santa Clara Valley Habitat Plan is a 50-year regional plan to protect endangered species and natural resources while allowing for future development in Santa Clara County. *The Santa Clara Valley Greenprint*, a project of the Santa Clara Valley Open Space Authority (OSA) is a science-based, detailed roadmap for conservation efforts, identifies strategies for protection of water, wildlife, working lands, and outdoor recreation spaces that help shape the health and well-being of Santa Clara Valley residents.

On a much smaller scale, *San Jose Food Works*, (SAGE, 2017), provides an economic assessment of San Jose's food supply chain and makes recommendations for making the City's food and agriculture sector a driver in realizing the City's goals for economic development, place-making, innovation, public health and sustainability. In addition, *Locally Nourished–How a Stronger Regional Food System Improves the Bay Area* published by SPUR in 2013, provides goals and recommendations to strengthen the regional food system.

Other Bay Area counties that have significant agricultural economic activity have been engaged in related efforts to identify tools and strategies for assessing, preserving and enhancing their agricultural resources.

Several counties, including Sonoma, Yolo, San Mateo and San Francisco have developed assessments, feasibility studies and action plans covering agriculture and food sectors, or a subset such as distribution and processing. Most of these have been produced as collaborations between agencies and advocacy groups. One example is the San Francisco *Foodshed Assessment* report, which compared the amount and types of food consumed in San Francisco with the amount and types of food produced on agricultural lands within 100 miles of the Golden Gate Bridge.

At the regional level, the *Bay Area Food Economy White Paper* assesses the economic contributions of food and agriculture sectors to the region, as well as the challenges and opportunities faced by these sectors. (Data from the white paper on the Santa Clara County ag and food economy is described in Section 3.1.1.) It also outlines goals, strategies and actions that need to be undertaken by agencies, businesses and community-based organizations, in order to enhance and protect the agriculture and food industry cluster as a pillar of regional resilience.

One of the most prominent regional efforts is *Plan Bay Area*, a state-mandated plan, developed by ABAG that aims to integrate sustainable strategies to reduce transportation-related pollution and external greenhouse gas emission within the nine-counties of the Bay Area. In turn, *Plan Bay Area* has developed and is refining designations and incentives for Planned Conservation Areas (PCAs), Planned Development Areas (PDAs) and Planned Production Areas (PPAs), with production in this instance primarily referring to manufacturing of a range of goods including food. Other related regional planning efforts also under the auspices of ABAG are the above-mentioned CEDS, work on regional resiliency and disaster preparedness and on regional goods movement. The Regional Transportation Plan is a related major planning and budgeting effort work undertaken every five years by ABAG's sister agency, the Metropolitan Transportation Commission (MTC).

## 2.4 VALLEY AGRICULTURAL PLAN DEVELOPMENT PROCESS

## METHODOLOGY USED TO DEVELOP THE VALLEY AGRICULTURAL PLAN

Development of this Valley Agricultural Plan involved mapping of agricultural resources, examining the implications of existing County and City land use policies and agricultural protection policies, evaluating best practices and successful models of agricultural preservation and seeking advice from experts around the State, and engaging local stakeholders. The methodology used to develop this Plan is described below:

## MAPPING OF AGRICULTURAL RESOURCES AND CONVERSION THREATS IN SANTA CLARA VALLEY

Central to the development of this Valley Agricultural Plan was a comprehensive detailed mapping of existing agricultural resources and characteristics in Santa Clara Valley. This was carried out using Geographic Information System (GIS) tools such as ArcMap and other geospatial processing software.

## Mapping products were developed keeping five research questions in focus:

- What have been the root causes of conversion and underutilization of agricultural resources in the Santa Clara Valley?
- Where are the remaining agricultural resources and how are those resources being used?
- Are there areas that are relatively more viable for long-term agricultural uses than others?
- What areas are at higher risk of conversion to non-agricultural uses?
- How would conversion of these agricultural resources increase the County's GHG emissions?

The team expanded mapping of agricultural resources beyond California Department of Conservation's Important Farmland Maps to identify remaining farmland resources as including all currently undeveloped land previously identified as either "Important Farmland" or as having prime farmland soil characteristics according to soils surveys conducted by the US Department of Agriculture.

## Highly viable farmland resources were defined as:

- Tracts of undeveloped prime or important farmland soils that were greater than 40 acres in size
- Adjacent to an operation that has been active in the last four years
- Overlay a groundwater basin

These criteria were designed to be simple and to generally align with criteria that were shared between the **California Department of Conservation's Land Evaluation and Site Assessment** (LESA) model, and Natural Resource Conservation Service's Agricultural Conservation Easement Program Criteria.

## Agricultural land conversion threat factors under the Department of Conservation's SALC Program Criteria

RISK OF CONVERSION TO URBAN OR ADDITIONAL RESIDENTIAL DEVELOPMENT WAS CALCULATED FOR THE FOLLOWING AREAS IN THE SANTA CLARA VALLEY:

- Ag land within a city's municipal service boundary or, within city's urban growth boundary;
- Ag lands within unincorporated county that could support additional residential units based on the County's existing zoning.

## THINK ABOUT IT

## Commonalities of successful agricultural preservation and economic development programs

## COMPREHENSIVE AGRICULTURE ECONOMIC DEVELOPMENT PLAN

Every successful program has an economic development strategy at its foundation to make the case for investment in the food system.

### **BALANCING AGRICULTURE & DEVELOPMENT**

Need for a bold land use policy structure that uses a blend of incentives, policies, and land use tools to be a "market maker" for agriculture so that the overall goal is to have a vibrant agricultural economy.

## A COMMITMENT TO AG'S ECONOMIC & HISTORICAL IMPORTANCE

Successful programs emphasize the importance of their agricultural heritage both economically and culturally.

## RECOGNIZING, ASSESSING & CAPITALIZING ON LOCAL MARKET OPPORTUNITY

Successful programs recognize and assess their market opportunity, and potential strategies to maximize agricultural production.

## ENHANCING & PRESERVING THE RURAL NEIGHBORHOOD CHARACTER OF ESTABLISHED COMMUNITIES

Rural communities that develop around a vibrant and committed agriculture preservation and economic plan are important to the overall local economic cluster and long term neighborhood sustainability.

## STRATEGIC TRANSPORTATION & INFRASTRUCTURE INVESTMENTS

Studies highlight the importance of analyzing transportation and infrastructure networks to assist in catalyzing the agricultural economy.

## **EDUCATION, AWARENESS & TRAINING PROGRAMS**

All programs include a multi-faceted education and awareness campaign aka "branding" effort.

## **LOCAL PREFERENCE**

Case studies emphasize that promoting and procuring foods and products from the local economy to strengthen the local economy, improve health and connect residents to the farming community.

### **COOPERATIVE PLANNING AGREEMENTS**

Regional or cooperative planning agreements were essential in implementing successful regional approaches to protecting farmland.

Agricultural land conversion threat factors were identified and mapped based upon the State Department of Conservation's SALC Program criteria, using local factors specific to Santa Clara Valley. Mapping tasks focused on conversion of farmland to other uses with the intent of determining "why" and "where" the land was converted and "which" of the existing agricultural preservation tools did not work. Research was conducted to also better understand farming trends over the last 30 years, changes in the agricultural economy, and current challenges and opportunities facing farmers and the agricultural industry. This analysis informed a policy gap assessment to help identify policies that could be expanded, strengthened or refined to preserve agricultural land.

## 2. IDENTIFICATION OF BEST PRACTICE POLICIES AND PROGRAMS FROM OTHER SUCCESSFUL AGRICULTURAL PRESERVATION EFFORTS

This task evaluated policies from other successful agricultural conservation programs within California and the United States and assessed which of these policies were most relevant to Santa Clara Valley. The consultant team conducted in-depth studies of other agricultural preservation and support programs in California, including the counties of Yolo, Contra Costa, Sonoma, and Napa. Research included interviews with staff and stakeholders associated with these programs, along with an evaluation of the effectiveness of different policies that were implemented.

Based on evaluation of existing policy and planning frameworks, feedback from advisor groups, and detailed case study research, components and commonalities of successful agricultural preservation and economic development programs were identified and integrated into this Valley Agricultural Plan. (See Commonalities of successful agricultural preservation and economic development programs, this page).

## Community and Stakeholder Engagement

This Valley Agricultural Plan was spearheaded by a Project Team comprised of staff from the County of Santa Clara Planning Department and Division of Agriculture, and the Santa Clara Valley Open Space Authority (OSA). The Project Team was further assisted by groups of advisors with knowledge and expertise in the field of agriculture, locally and statewide. Stakeholders and experts were divided into two groups, a) "Advisors" consisted of statewide experts who served to advise the staff / consultant team during preparation of the Valley Agricultural Plan, and, b) "Technical Panels" comprised of local stakeholders in the farming and ranching community and partner governmental agencies who reviewed and provided input and feedback regarding the preparation of the program. A full list of all advisors and technical panel members is included as Appendix B.

Advisors' Groups: The Advisors consisted of three sub-groups, each focusing on specialized areas of farming and agricultural preservation - a) Agricultural Conservation Easements; b) Farming and Economic Vitality; and c) Land Use Planning and Policy. The Project Team solicited their input through focused group sessions on these topics, individual one-on-one discussions, and presentations from the Advisors on their experience with such programs. Details of Advisors' meeting and Advisors' Group meeting notes can be found in Appendix C.

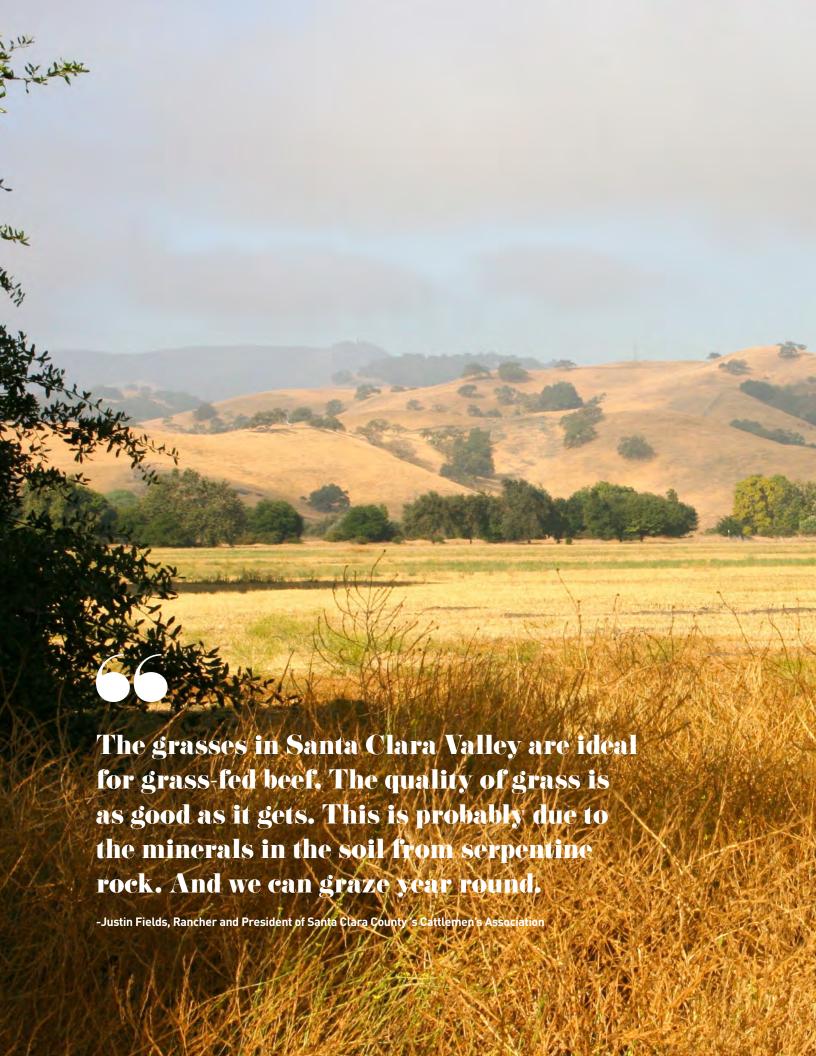
Technical Panels: Technical Panels consisted of two groups: a) Municipal Sector Panel - included staff from the three cities-San Jose, Morgan Hill and Gilroy and Santa Clara Valley Water District b) Agricultural Sector Panel - included representatives from the agricultural and food systems community; such as the Farm Bureau and the Santa Clara Food Systems Alliance and representatives of agricultural businesses, real estate, and non-profit interests.

A collaborative engagement process between the Project Team and both the Technical Panels, allowed a multi-stakeholder dialogue to effectively inform this Valley Agricultural Plan at key milestones in its development process. The panelists reviewed and provided feedback on work products and reports, in collaboration with the different stakeholder groups, resulting in a better understanding of the many tools necessary for a successful conservation program. The collaboration process was conducted during in-person meetings, over conference calls and webinars. Details of Technical Panel meetings and meeting notes can be found in Appendix D.

Other public outreach was conducted via a dedicated webpage on the The County of Santa Clara website containing detailed information about project and the development process of this Valley Agricultural Plan. This website was regularly updated with presentations and meeting notes. The webpage enabled the public to sign up for updates, which were provided when new information was added to this website.

In addition, County and OSA staff provided regular updates to their Boards and Committees, and also provided the presentations and updates at city council meetings, LAFCO Board meetings, and Farm Bureau meetings. A full list of these is provided in Appendix E.

Through the process of stakeholder engagement described above, this Valley Agricultural Plan activated conversations between government agencies and key stakeholders in the region. The process further sought to inform city general plans, in particular the cities of Gilroy, Morgan Hill and San Jose, which include agricultural preservation and mitigation policies.





Agriculture makes significant direct and indirect contributions to the County's economy, climate resilience, social vitality, and environmental health. In order to understand how to best strengthen the agricultural economy, it is helpful to first understand agriculture's strengths, weaknesses, opportunities and challenges.

## 3.1 SANTA CLARA VALLEY AGRICULTURE AND ITS BENEFITS TO THE REGION

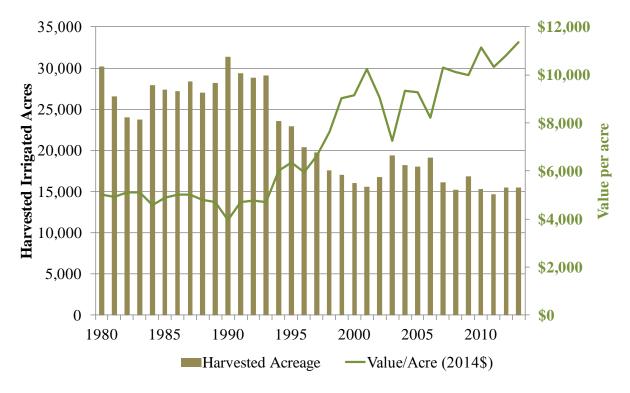
## 3.1.1 ECONOMIC CONTRIBUTIONS

The County's temperate climate, soils and long growing season supports a wide diversity of agricultural products. Major crops include, vegetables (including seed production), orchard fruit and nut crop, mushrooms, field crops and nursery crops. Farming trends over the past 30 years show the overall crop mix shifting toward higher value crops, including nurseries, mushrooms and vegetables, wine production and ag-tourism. (See page 24, Southern Santa Clara County Agriculture - Then & Now)

There are several ways to measure the County's agricultural economy. The basic metric is the direct 'farm-gate' value of products produced on farmland within the County. For 2016, the gross value of Santa Clara County's agricultural production was \$310,132,000, an increase of around 11% from the 2015 value of \$279,162,600.12

While agriculture's direct economic output is often referenced, the total holistic economic activity associated with Santa Clara Valley agriculture is rarely quantified or mentioned in public policy decisions. According to a 2014 study published by the Agricultural Commissioner's Office, titled *The Economic Contribution of Agriculture to the County of Santa Clara* (Appendix F), Santa Clara Valley agriculture industries created a total of \$1.6 billion in economic output and contributed a total of \$830 million annually to the Santa Clara County economy. Employment on the over 1,000 plus farms (average size of 225 acres) in Santa Clara County, represents 8,100 jobs. <sup>13</sup> As these farms and jobs are essential to providing a constant food source to society, they provide a constant economic counterweight to other industries that have greater boom and bust cycles.

Beyond the direct economic value of the agricultural production, farming is a critical part of the County's entire regional food system, that includes production as well as processing, distribution, and consumption. Holistically, Santa Clara County's 7,490 agriculture and food sector establishments generate \$6.8 billion in annual revenue and support 92,162 jobs, accounting for six percent of the total Bay Area food sector revenue and 19 percent of Bay Area food sector jobs. 14



GRAPH A: 1980 - 2013 HARVESTED IRRIGATED ACREAGE AND PRODUCTION VALUE PER ACRE

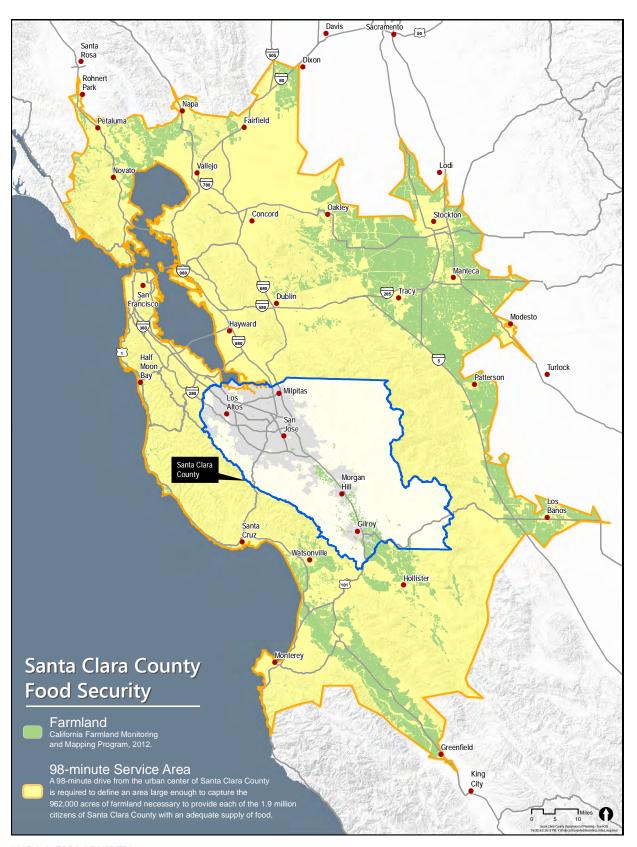
(Source: The Economic Contribution of Agriculture to the County of Santa Clara 2014 - Page 6, report by Department of Agriculture, County of Santa Clara)

## 3.1.2 FOOD SECURITY

Today, Santa Clara County, like other developed metro-regions throughout the world, sources its food from a supply chain that seamlessly integrates products from local, regional, national and global sources. In order to strengthen resiliency to climate change and peak oil with potential future disruptions to international food supply, more regions are making investments in their local and regional food production base. Santa Clara County is fortunate to have rich soils and a temperate climate that can support a wide array of agricultural crops, including fruits and vegetables as well as livestock products. Currently, Santa Clara County grown agriculture – part of California's extensive and diversified production - is consumed locally and internationally. **Protecting the County's farmland supports a current agricultural economy based on wide-spread markets while ensuring food security for the region in the future.** 

## 3.1.3 ECOSYSTEM SERVICES

Agriculture is considered "self-financing" open space, and provides important ecosystem services to County residents that are normally unrecognized, such as clean air and water, flood risk reduction, groundwater recharge, erosion control and climate protection and resiliency. Sustaining and growing our agricultural lands in the County over time will retain and enhance these important and valuable regional ecosystem services. Recognizing and placing an economic value on these essential services enhances the importance of farming to the region, beyond food production. A 2014 study by the OSA established that in addition to the economic contributions of agricultural lands, the total value of Santa Clara County's natural capital is \$45-107 billion.<sup>15</sup>



MAP 3-1: FOOD SECURITY

## Professor Louise Jackson's Yolo County Case Study Found a 70 -Fold Difference in the Annual Rate of GHG Emissions Between Urbanized Land and Irrigated Cropland:

In 2012, Professor Louise Jackson with her team from UC Davis led a place-based case study to research adaptation strategies for agricultural sustainability in Yolo County. Using a local inventory of agricultural GHG emissions for Yolo County, Jackson found that emissions from cropland and rangeland were several orders of magnitude lower than urbanized land per unit area. Calculated on an area-wide basis the Yolo County's urban areas emitted approximately 152 tons of CO2 emissions per hectare per year and by contrast, in 1990 Yolo County's irrigated cropland averaged 2.16 tons of CO2 emissions per hectare per year.

The 70-fold difference in the annual rate of emissions between urbanized land and irrigated cropland underscored the importance of land use policies, which protect existing farmland from urban development, as likely tools to help stabilize and or reduce future emissions, particularly if they are coupled with "smart growth" policies that prioritize urban infill over expansion. The research also established that since emissions from cropland and rangeland were several orders of magnitude lower than urbanized land (per unit area), local measures to protect farmland may themselves be viewed as mitigation strategies, or at the very least a means of stabilizing emissions.

Louise Jackson is a professor and extension specialist in the Department of Land, Air and Water Resources at UC Davis

Source: http://www.energy.ca.gov/2012publications/CEC-500-2012-032/CEC-500-2012-032.pdf

## **Climate Change and Working Lands**

There is growing support among policymakers in California for achieving California's greenhouse gas reduction goals by minimizing future conversion and urbanization of natural and working lands.

Studies by Professor Louise Jackson at UC Davis found that irrigated croplands emit 70 times less greenhouse gases (GHG) than urban land of the same size. Based on the average differential (68.3 MTCO2e/acre/year) between emissions from crop production and urban land uses in Santa Clara County, for each 1,000 acres of county farmland not converted to urban use, the annual greenhouse gas savings would be equivalent to taking 13,400 cars off the road and reducing vehicle miles traveled ("VMT") by more than 160 million miles. (See Appendix G –Comparing Greenhouse Gas Emissions from Southern Santa Clara County Rangeland and Irrigated Cropland and Santa Clara County Urban Lands, by Steve Shaffer).

If farmland conversions to urban uses in California were to be halved, a total of about 110 million MTCO2e of greenhouses gas emissions over the next decade could be avoided. This climate benefit would be equivalent to reducing VMT by approximately 258 billion miles.<sup>17</sup>

## **Watershed Protection**

Local food production has a complex but co-beneficial relationship with water use. California's aquifers are shrinking as growers pump groundwater to support crop production when surface water is not available. However farmland can replenish aquifers by keeping lands open, and allowing groundwater infiltration, as opposed to urban development which creates impervious surfaces. Preliminary research at UC Davis indicates that in some circumstances deliberately flooding farmland in winter with excess winter stormwater runoff can replenish aquifers without harming crops or affecting drinking water.<sup>18</sup>

Santa Clara County's groundwater system, managed by the Santa Clara Valley Water District (SCVWD) has the potential to be managed in a strategic manner where local agriculture is recognized as a resource steward of groundwater and watershed protection.

## Open Space and Ecosystem Protection

Agricultural lands constitute 54% of the land within Santa Clara County. Farmland and rangeland provide open space and regional ecosystem benefits including wildlife connectivity, and important foraging habitat for certain types of birds and mammals. Farmland and rangeland protection can also provide important water supply, groundwater recharge and flood risk reduction services; increase the real estate value of nearby properties; and decrease long-term infrastructure costs through the natural provision of ecosystem services.

## California Department of Food and Agriculture's Environmental Farming Act Science Advisory Panel defined ecosystem services in agriculture as:

"The multiple benefits we gain from farming and ranching including crop and livestock production. In addition to valuable open space and wildlife habitat, the management decisions and conservation practices of farmers and ranchers also enhance environmental quality, provide recreational opportunities and offer social benefits"

(Source: CDFA, 2014)



## I love the freedom of working out here. I am really proud of our quality. People will always want flowers.

-Mario Silva, Owner, Coyote Valley Nursery

## 3.1.4 RURAL COMMUNITY CHARACTER AND AGRICULTURAL HERITAGE

The County's agricultural lands are an important part the rural character and heritage of Santa Clara Valley which support the region's economy and quality of life. The community character of Santa Clara Valley is defined by the region's agricultural lands, and its history as the Valley of the Heart's Delight. Protecting Santa Clara Valley's unique agricultural landscapes and vital agricultural economies can attract and retain employers and tourism dollars into the region as people look for unique experiences that connect them to working lands and natural surroundings.

## 3.2 TRENDS AND CHALLENGES - SANTA CLARA COUNTY AGRICULTURE

Like other industries in the County, agriculture has been subject to constant change over the last 30 years. There are two dominant forces driving this change. On the one hand, there has been a significant reduction in the resource base of agricultural lands due to urban and rural development. Countering this effect is a growing interest by new farmers to locate in Santa Clara County with a shift toward higher-value commodity specialty crops and a significant increase in productivity which has substantially grown the value of agriculture per acre and per worker.

## **SOUTHERN SANTA CLARA COUNTY AGRICULTURE - THEN & NOW**

1984 agriculture



## 2016 agriculture

- 40.000 acres in Farmland Production
- Gross Production Value of \$139,451,505
- Top Value Crops:
  - Cut Flowers \$26m
  - Nursery \$17m
  - Mushrooms \$15m
- 11,600 acres in vegetable crops
- 7,000 acres in fruit & nuts
- 26,888 acres field crops

- 24,000 Acres in Farmland Production
- Gross Production Value of \$310,132,000
- Top Value Crops:
  - Nursery \$81m
  - Mushrooms \$79m
  - Bell Peppers \$20m
- 15,193 acres in veg. crops
- 2,560 acres in fruits and nuts
- 4,459 acres in field crops

Based on data from the Agricultural Commissioner's Office, County of Santa Clara



#### 3.2.1 AGRICULTURAL LAND CONVERSION - PAST HISTORY AND FUTURE THREATS

Between 1984 and 2014, Santa Clara County lost 14,807 acres of farmland and 6,364 acres of rangeland resources.<sup>20</sup>

Mapping conducted by the Project Team found that of the 14,807 acres of agricultural land converted to other uses, 42% of the agricultural conversions were attributed to city annexations, while 58% was due to rural development. In rural unincorporated lands of Santa Clara County, the majority of agricultural land conversions have occurred in the Agricultural areas around the communities of San Martin and Morgan Hill.

The majority of agricultural conversions from urban development are associated with city annexations by the cities of Gilroy and Morgan Hill. This urban greenfield development trend peaked in the year 2000. (Refer to Graph B)

Within the rural areas, over 83% of land conversions from rural development occurred on existing properties sized 10 acres or less. The majority of these conversions entailed the development of single-family homes on existing lots in the Morgan Hill and San Martin Area. Although the County has a General Plan that establishes a 20 acre minimum lot size for subdivision within the agricultural zoning areas, much of the rural ranchette development has occurred on pre-existing lots that were created prior to existing zoning regulations.

Additional mapping and modeling was conducted by the Project Team, incorporating agricultural conversion threats identified by the State. Through this modeling, it is estimated that **over 28,391 acres of farmland are at risk of conversion in the future**. Farmlands near southern San Jose, south and east of Morgan Hill, and around Gilroy are at the greatest risk of development, and are considered high priorities for conservation.

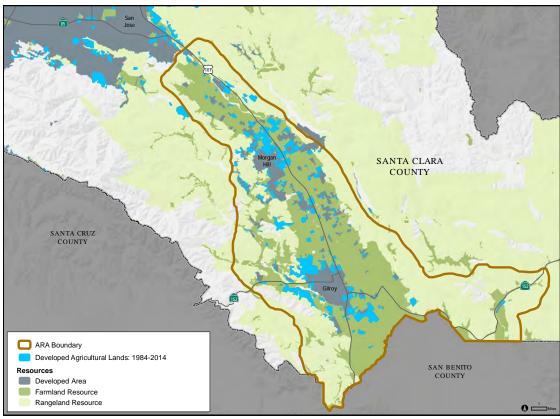
#### 3.2.2 CHALLENGES FOR VIABLE AG IN SANTA CLARA COUNTY

#### Large number of small lots

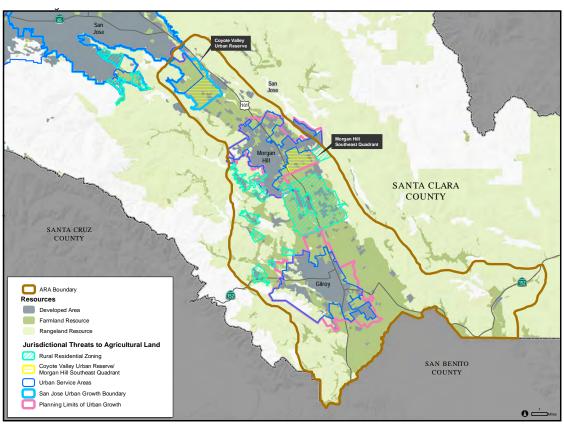
Approximately 51% of agricultural land in Santa Clara Valley is comprised of parcels sized 10 acres or less. Especially in the Morgan Hill and San Martin area, there are few larger lots available for farming (293 lots of size 20 acres or more). The median parcel size of all actively productive farmland is approximately 10 acres.<sup>21</sup> A majority of the small parcels are located in Morgan Hill and San Martin, with the larger farms located around the Gilroy area.

Farming on smaller parcels can be challenging, especially in an urbanizing area. Based on economies of scale, smaller farms may not have the revenues to support investments in labor-saving machinery, technology and specialized management, resulting in higher production cost per unit. Farmers also find it hard to operate equipment on smaller parcels owing to insufficient area for moving the equipment. Moreover, smaller lots are more expensive compared to larger parcels as they are priced for rural ranchette development.

While it is important to preserve and aggregate larger parcels, an innovative approach is necessary to realize the potential of small and medium-scale farms in supporting a growing demand for local food production. A combination of education, emerging markets for specialty and niche crops, agricultural tourism, and discouraging the use of smaller agricultural parcels as rural ranchettes through stronger land use tools may all contribute to supporting the economic vitality of small parcel farming in the County. In 2016, the **Santa Clara County Food System Alliance** initiated a study to identify the necessary elements to promote viability of small and urban farms in the County. This work will be integrated into the Valley Agricultural Plan implementation elements.



MAP 3-2: AREA OVERVIEW OF AGRICULTURAL LANDS AND CONVERSIONS: 1984-2014



MAP 3-3: POTENTIAL DEVELOPMENT OF FARMLANDS

#### **Proliferation of Rural Ranchettes**

An ongoing challenge to sustaining agricultural lands and farming is the proliferation of rural residences on lots between 5-40 acres in agricultural areas. Identified as 'rural ranchettes', this housing may appear agricultural in character, but results in land not being used for commercial crop or livestock production. The proximity to large job sectors in Silicon Valley has induced market demand for rural ranchettes often driven by the desire by some for a rural lifestyle.

#### **Land Held for Speculation**

Santa Clara Valley contains approximately 20,099 acres of fallow farmland soils. It is assumed that many of these fallow agricultural parcels are purchased by property owners for future development purposes, driving speculative investments into Santa Clara Valley agricultural lands. The properties are often not made available for farming leases. Around the City of Morgan Hill, small parcel ownership is almost exclusively absentee-owned.

Without a priority on agriculture as a real estate investment, absentee landowners of agricultural resource lands have chosen not to make necessary investments in agricultural infrastructure. When the lands are made available for agriculture, it is often leased for farming that requires little or no long term agricultural investment, such as hay farming.<sup>22</sup>

When farming leases are for a short term, often in the range of three to five years, there may be less incentive for a farmer to invest in higher value crops and favoring crops that are more temporary in nature.<sup>23</sup> This impacts the local agricultural economy, and limits diversification of farming practices.

#### **Rural-Urban Interface**

Farmers in Santa Clara Valley face challenges due to the rural-urban interface that are not present in other larger agricultural areas in California such as the Central Valley. Undeveloped agricultural lands in Santa Clara Valley are interspersed among uneven city limit lines, rural residential homes, and other incompatible land uses. In this environment, agriculture faces a number of challenges: development pressure, speculative land value, conflicts with residential neighbors, commuter traffic on rural roads, and disinvestment in agricultural infrastructure.

Once non-agricultural development occurs in an agricultural area, the resulting interface challenges create a significant burden for ongoing farming. Although the County has adopted a Right-to-Farm Ordinance, local growers often receive ongoing complaints from adjacent residences regarding dust, noise, spraying activities, and unsightly but necessary infrastructure such as portable toilets and hand washing stations for employee sanitation. Newly proposed State noticing requirements related to the use of pesticides near schools puts additional burdens on farmers. Moving farm equipment is also challenging on rural roads used by commuter traffic. As congestion intensifies on freeways and major roadways, traffic spills over onto rural roads posing a conflict with agricultural equipment movement. In some instances, such as on Highway 25 and Santa Teresa Boulevard, these rural roads have become defacto major thoroughfares.

#### **Ag Infrastructure**

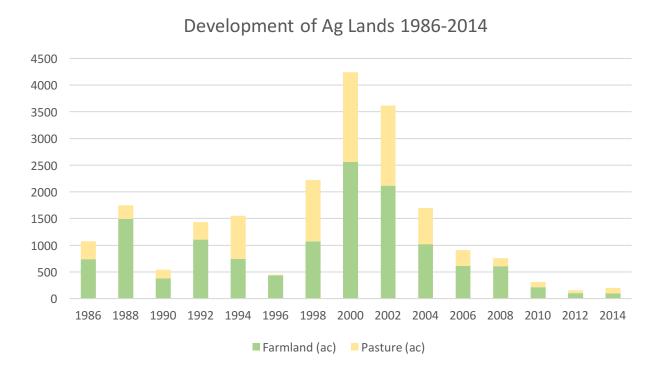
Santa Clara Valley agriculture depends on a network of adequate roads and irrigation wells, as well as on the availability and proximity of field labor, processing facilities, transportation services, and other farm-related services.

Santa Clara County's nearly 7,256 miles of roads provide a reliable network by which local farmers can move equipment, labor and supplies from field to field and transport their goods to processing plants and markets. However, increased traffic and the rural-urban interface impedes the movement of slower farm equipment, thus affecting productivity, especially in the areas north of Gilroy.

Scarcity of agricultural worker housing in the region, specifically for seasonal labor is a major concern. Agricultural worker housing is needed in locations throughout the County so farmers have a ready and nearby supply of reliable labor at key times in the crop cycle. In addition, farm workers and their families need an array of social support services, including schools, medical services, shopping, etc. that are largely located in the urban areas. Farm workers tend to have the lowest incomes among all workers, so housing needs to be affordable for households earning 50 percent or less of the median income.

Santa Clara County is home to an extensive agricultural packaging and distribution industry. However, this distribution industry in better developed in some sectors, such as vegetables, than others, such as for certain types of stone fruit. Map of existing agriculture related infrastructure in Santa Clara Valley can be found in Appendix H.

Small farms often do not have access to a centralized storage, processing, and distribution network to assist with their operations.



#### **GRAPH B - DEVELOPMENT OF AG LANDS 1986-2014**

#### **Labor Challenges**

Labor is one of the top challenges across food supply chain businesses, including farmers, food and beverage manufacturers, and food service. The issues are both cost of labor and a shortage of labor, especially unskilled low wage labor.<sup>24</sup>

#### **Limited Direct Marketing**

The majority of produce from Santa Clara Valley is sold through wholesale facilities and distributed throughout the nation and world and there are limited direct sales between Santa Clara Valley farmers and consumers in Silicon Valley. There are no local procurement policies in place to give preference to local farmers and their produce such as farmer's markets, institutional purchasing or restaurants.

#### Regulation

Farming is currently regulated at multiple levels by local, state and federal requirements, ranging from food safety regulations, to water quality requirements to pesticide permitting. With respect to local land use controls, several types of agricultural uses such as processing facilities and agricultural worker housing require architecture and site approvals and use permits from the County.

The regulatory process can seem intimidating to farmers who want to comply with requirements but do not understand the regulatory framework.

#### **Climate Change**

Climate change is altering both average and extreme temperatures and precipitation patterns, which in turn has an influence on crop yields, pest and weed ranges and length of the growing season. Extreme events, such as heat waves, floods, and droughts, may be among the most challenging impacts of climate change for agriculture, since they can lead to large losses in crop yields and livestock productivity. In one study, researchers found that cherries, the 18th most valuable perennial crop in the state, with 900 acres planted in Santa Clara County, are likely to be the crop most negatively affected by warming in coming decades.<sup>25</sup>

#### **Water Rates**

The Santa Clara Valley Water District offers agricultural water users a lower groundwater rate in accordance with their District Act. The cost of agricultural water is also lower in part because of a reduced cost of service and to encourage open space preservation, which is important for watershed health. There is a need to maintain water rates and water access for farms and ranches. (Refer to www.valleywater.org for more information on the District Act).

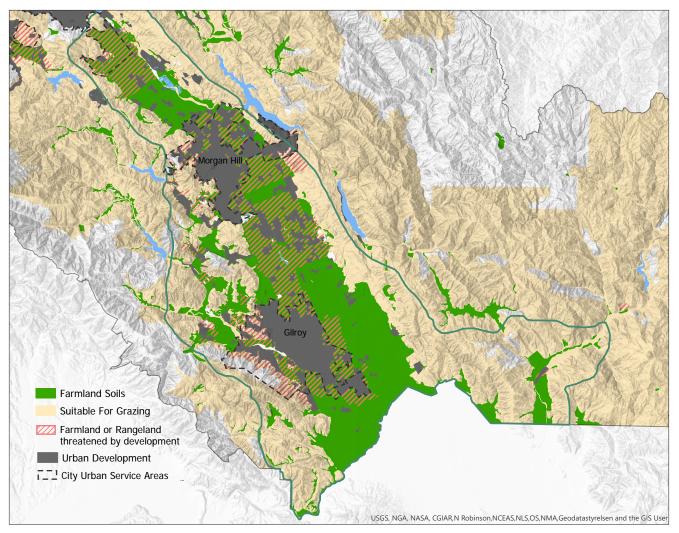
#### High Speed Rail (HSR) and other Utility/Infrastructure projects

Development pressures are compounded by the potential displacement of farmland by planned highway widening projects and by the California HSR. The proposed HSR alignment places future urbanization risks and impacts to remaining agricultural lands in Santa Clara Valley.

#### 3.3 AGRICULTURAL RESOURCES AND THE RISK OF DOING NOTHING

Santa Clara Valley contains 44,462 acres of available farmland and 54,894 acres of rangeland. Approximately 14,145 acres of available farmland and 2,641 acres of rangeland within the Santa Clara Valley are within City Urban Growth Boundaries or non-agricultural County zoning districts. Based on these factors, the Valley Agricultural Plan designates these areas at a higher risk for development. If developed, The Santa Clara Valley would lose approximately 32% of its remaining available farmland and 5% of its rangeland. This development, also factoring in additional residential development allowed under the County's agricultural zoning, would result in over 1.86 billion additional annual vehicle miles traveled, and over 21 million MT CO2 emissions. This is the equivalent of burning nearly 2.47 billion gallons of gasoline, or over 50 million barrels of oil.

In addition to these direct impacts, an on-going loss in working lands puts the County at future sustainability risk with less capacity for climate resilience, where retention of local groundwater supplies (an ecosystem benefit provided by working lands) and local food security resources is critical. Other losses include the change and decline in rural community character of Santa Clara Valley, as defined by our working lands that provide self-financed open space.



MAP 3-6: THE RISK OF DOING NOTHING



#### Doing nothing also means missed opportunities, such as:

- The food story. The food system is evolving towards delivering the "story behind the food" and a full accounting about how food is produced, in response to growing consumer demand.
- **Opportunities at all scales.** The region is receptive to food supply chain businesses across all sectors and is notable for having a wide range of businesses at scales that are economically feasible, from owner/operator start-ups to international corporations.
- Agglomeration of food and beverage processing and distribution firms adds value. Geographic concentrations of interconnected food and beverage businesses, suppliers, service providers, and associated institutions create added value for the industry.
- Growing demand for co-locating and co-packing operations. There are marketing, equipment, labor, and other efficiencies that come with co-locating for food entrepreneurs in operations such as brick and mortar incubator spaces; kitchens; and workforce development programs with physical food production/manufacturing locations. Likewise, co-packing facilities help enterprises to scale production and can enable savings on start-up costs for equipment, rent, labor and certifications.
- Institutional purchasing policy and infrastructure. Large purchasers with "economies of scale", such as schools, corporate campuses, hospitals, and jails have the potential to greatly impact the demand for local food. Better connecting farmers to local markets fosters increased revenue and diversified revenue streams (e.g., through direct marketing, food hubs, institutional procurement of local goods, etc.).
- A wide range of job opportunities. Occupations across the food value chain represent an array of fields, levels of training, and earnings potential. In every segment, training and requirements vary from on-the-job training to graduate degrees. In particular, there is a growing demand for people who can bring technological innovation to agricultural and food businesses.

#### 3.4 SUPPORTING THE GROWTH OF A VIBRANT AGRICULTURAL ECONOMY

The Project Team identified several key ingredients and desirable conditions to create a favorable environment for farming and to allow growth of the agricultural economy. Enhancing and supporting these conditions is vital to growing a viable agricultural economy in Santa Clara Valley:

01

#### **LARGE PARCELS:**

Protecting contiguous holdings and consolidating smaller parcels where possible for agricultural use 02

### LAND PRICED TO SUPPORT FARMING:

Reducing land speculation to provide favorable financial conditions for farming

03

#### GOOD SOIL:

Prioritizing conservation of parcels with prime Category I, II or III soils

04

### AVAILABILITY OF WATER AND LOW WATER RATES:

Working with the SCVWD to maintain water rates that support sustainable agricultural practices 05

### ACCESS TO SEASONAL AND YEAR-ROUND LABOR:

Promoting the development of agriculture worker housing

06

### URBAN INTERFACE THAT VALUES AND RESPECTS AGRICULTURE:

Maximizing separation between agricultural land and incompatible residential development, directing commuter traffic off of rural roads

07

### EASY ACCESS TO MARKETS AND CUSTOMERS:

Marketing, branding, education and instituting local-preferable purchasing policies

08

### LESS RED TAPE WITH REGULATORY PERMITTING PROCESS:

Deregulation of permitting where possible in the agricultural sector and providing farmer assistance

09

#### SUPPORTIVE INFRASTRUCTURE:

Developing packing, warehousing, distribution, equipment and farm supplies





#### 4.1 AN INTEGRATED VISION FOR GROWING SANTA CLARA VALLEY'S AGRICULTURAL ECONOMY

We can realize the vision of a thriving agricultural economy as articulated in Section 1. This is a vision that we can enact and commit to fulfilling today through our policy decisions and investments.

This Valley Agricultural Plan looks at Santa Clara County's agricultural economy from an integrated systems perspective. This Plan is organized around four Focus Areas of equal importance: (a) Land Use Policy (b) Regional Agricultural Conservation Easement Program and other Voluntary Financial Incentives (c) Agricultural Economic Development Strategy and (d) Branding, Education and Awareness Strategy, which make up the foundational system of advancing this Plan. The organizational framework is based on the idea that innovation is most likely to occur in the areas where the Focus Areas overlap and that the success of this Valley Agricultural Plan relies on businesses, nonprofits, government agencies, educational institutions, and others working together. The underlying concepts and goals of this framework are:

- **Common agenda** To articulate a shared vision and actions that strengthen the regional ag economy and are implemented by 2030;
- **Collaboration** To build on a range of opportunities for increased communication and collaboration across a diversity of stakeholders and decision makers; and
- **Mutually reinforcing activities** To support and build on existing agricultural and food system projects, programs and organizations and advance new ideas in a coordinated and directed fashion.

#### 4.2 FOCUS AREAS AND MAIN OBJECTIVES

Each of the four Focus Areas has a set of objectives, strategies, recommended near-term action steps and responsibilities in the following pages, and summarized below:



#### **OBJECTIVES**

- Recognize viable agricultural lands and subareas within the County General Plan and Zoning Ordinance.
- 2. Prevent the conversion of agricultural lands to non-agricultural uses within the rural areas.
- Encourage the establishment of infrastructure and support uses that facilitate the growth of the regional agricultural economy.
- 4. Reduce conflict between incompatible uses and Agriculture within agricultural areas.



#### **OBJECTIVES**

- Establish a Regional Agricultural Conservation Easement purchasing program for Santa Clara Valley.
- Encourage landowners to take advantage of property tax incentives to keep land in agriculture.
- 7. Identify opportunities and create programs that provide financial compensation to farmers who provide ecosystem benefits (greenhouse gas reduction, groundwater and floodplain protection) through farming.



#### AG ECONOMIC DEVELOPMENT STRATEGY



#### **BRANDING, EDUCATION & AWARENESS STRATEGY**

#### **OBJECTIVES**

- **8.** Provide support for farmers in regulatory compliance.
- **9.** Improve the climate for the growth of a diverse, vibrant, and innovative agriculture economy.
- 10. Support the growth of new farms and creation of new farmers to provide diversity and long term resiliency in the local agricultural economy.

#### **OBJECTIVES**

- **11.** Develop and launch a Santa Clara Valley Agriculture Campaign.
- **12.** Conduct outreach and engage and educate the public and consumers. Build a local constituency that is informed about and supportive of regional agriculture.





As many leading authorities have suggested, the Natural and Working Lands pillar of California's climate strategy should include an aggressive effort to reduce the conversion of agricultural land to urban uses. This effort should be guided by an ambitious but achievable goal of reducing the annual rate of farmland conversion at least 50% by 2030 and at least 75% by 2050.

-American Farmland Trust-Agricultural Land Conservation: An Important Part of California's Climate Strategy

#### 4.3 WHAT SUCCESS LOOKS LIKE

This Valley Agricultural Plan recognizes the need for shared leadership and responsibility across many organizations to accomplish the vision of a vibrant regional agricultural economy. In contrast to the risk of doing nothing, success of the Plan centers around the growth and expansion of a vibrant regional agricultural economy that provides multiple benefits to all members of Santa Clara County.

Success is defined not as a decline, but a growth in the amount of available lands that are actively farmed, a growth in the number of farms and farmers active in agriculture, a growth in farming diversity (including a new generation of farmers and a wider diversity of products) and a growth in the overall economic output of our agricultural sector. In addition, long-term success is defined as an evolution and maturity of an integrated regional food system, where food grown in Santa Clara Valley is present and recognized in markets, stores, and households throughout the County and region.

To realize the change in rural agricultural Santa Clara Valley, success of this Plan would result in recognized agricultural character as one travels through southern Santa Clara County, distinguished by a diversity of working farms, ranging from small "niche" farms that provide direct sales to restaurants and CSA's, to larger operations that provide crops and important distribution facilities that integrate with both the local food economy and worldwide agricultural exports.

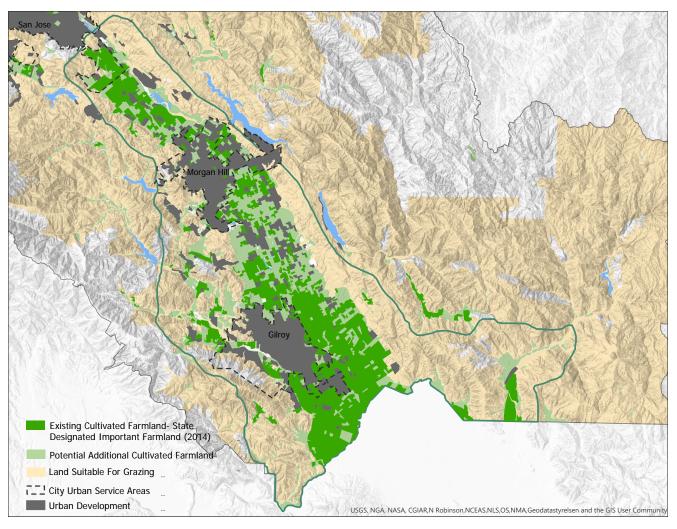
Expansion in the awareness of Santa Clara Valley agriculture and agri-tourism would be distinguished by the visual presence of more farm-stands, u-pick operations, farm to table events, areas for corporate picnics, signs and landmarks identifying and recognizing the Santa Clara Valley agricultural region, representing a richer understanding and appreciation of our working farms.

Finally, success results in a more climate resilient and sustainable Santa Clara County. Protection of critical food and groundwater resources associated with the maintenance of working lands is critical in the years ahead, in which access to the global food markets and non-local water resources will be challenged by climate change. The retention of local working lands is a critical part of recognizing the importance of regional economies in which cities and rural areas are integrated in holistically managing resources, wastes, food, and water.









MAP 4-1: WHAT SUCCESS LOOKS LIKE



If agriculture is to not only survive but thrive in Santa Clara County, we need a coordinated set of strategies that recognize the contribution of our working lands to a resilient and sustainable region. The Santa Clara Valley Agricultural Plan puts us on that path.

-Andrea Mackenzie, General Manager, Santa Clara Valley Open Space Authority



# **JUSTIN & ARLEAH FIELDS**

"I'm lucky to be have had four generations of ranchers on this land before me," reflects Justin Fields, whose family ranch has been in business since 1914. Fields is the President of the local Cattlemen's Association and a fifth generation rancher who runs roughly 450 cattle in Coyote Valley, on the outskirts of San Jose. In addition to over 8,000 acres of public lands under grazing leases, the Fields have held onto their home ranch of about 700 acres.

Despite prime conditions for grazing, there are less than a dozen ranchers left in this area, virtually all of whom depend upon public lands to some degree, and only a few of whom own any land at all. "Grasses in Santa Clara Valley are ideal for grass fed beef. The quality of grass is as good as it gets. Probably due to the minerals in the soil from serpentine rock. And we can graze year-round." Justin only raises a handful of his cows to maturity for local consumption, with the majority of his calves shipped out around the country once they reach 600 to 700 pounds. Santa Clara Valley provides a niche environment for raising cattle because calving occurs in the fall instead of the spring, so that newborns can be turned out on pasture to graze the fresh growth that comes with our winter rains.

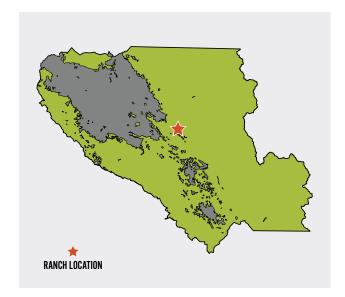
#### ON STEWARDSHIP: SHARING AGRICULTURE'S ECOSYSTEM SERVICES

Justin relishes the diversity of work that makes up his livelihood. In addition to the variability of daily tasks on a ranch, the seasonality of running cattle, the unpredictability of weather and markets, Justin has the twin responsibilities of being a natural resource manager and public educational liaison for the ranching community. From Justin's perspective, the key to a successful ranching business is sustainability, whether an operation can sustain its activities, its demands upon the land and use of resources, in perpetuity. "If you're running a sustainable operation, if you're doing things right, everything else just falls into place."

When a ranch family manages their herd and their lands well, they intrinsically provide valuable co-benefits known as ecosystem services. These services include wildlife habitat, fire hazard reduction, landslide prevention, noxious weed abatement, carbon and nitrogen sequestration from nearby highways, and groundwater recharge. More often than not, ranchers with good practices do not need to go out of their way to provide these public benefits.

One example of an ecosystem service facilitated by the Fields is that of habitat for the Bay Checkerspot Butterfly. Listed as a threatened species under the Endangered Species Protection Program, the Bay Checkerspot Butterfly relies upon native plants that grow in the serpentine foothills of Santa Clara Valley. Without Justin's cattle grazing down invasive plants, the native species this butterfly depends upon for reproduction would be snuffed out. "It's a symbiotic relationship really," says Justin, speaking not only about the butterflies and the cattle, but also ranchers and the public.

Justin regrets that so few Bay Area residents are exposed to ranching, and is the first to acknowledge that his business relies to some degree upon a public understanding of ranching and willingness to allow families such as his to graze on public lands. "Pretty much any nice view of an open grassy hillside, and somewhere there are cows there. Most people don't realize that." Serving as an agricultural liaison to the broader community, Justin will bring folks up onto the land and bring the story of his working lands down to them.





"Being ranchers that are grazing on public and park land, you have to be able to talk to people. The more we can tell our story the better -- people seeing the cattle, they don't realize that it's another family trying to make a living, they don't have a face to put with it, but when they see there's an actual person there that is trying to make a living, it helps people to understand what we're trying to do, and that it's not just somebody throwing a bunch of cows out there and letting them run around. When I can see that somebody is understanding -- when the lightbulb goes off, I do enjoy doing that."





As California's population continues to grow, communities must expand to accommodate more people. However, urbanizing productive cropland can have real costs, both for the ag economy as well as the fiscal bottom line.

-Rural Urban Connections Strategy, Sacramento Area Council of Governments (SACOG)



#### PRESERVING AGRICULTURAL RESOURCES AND SUPPORTING WORKING LANDS

This Valley Agricultural Plan proposes new agricultural land preservation policies, policy updates and programs to support long-term agriculture and a vibrant agricultural industry that in turn protects the County's economic, environmental and cultural assets. The proposed policy builds on foundational policies in the County's General Plan that identify agriculture as a key resource and identify areas of important agricultural value to focus conservation efforts.

RECOGNIZE VIABLE AGRICULTURAL LANDS AND SUB-AREAS WITHIN THE COUNTY GENERAL PLAN AND ZONING ORDINANCE.

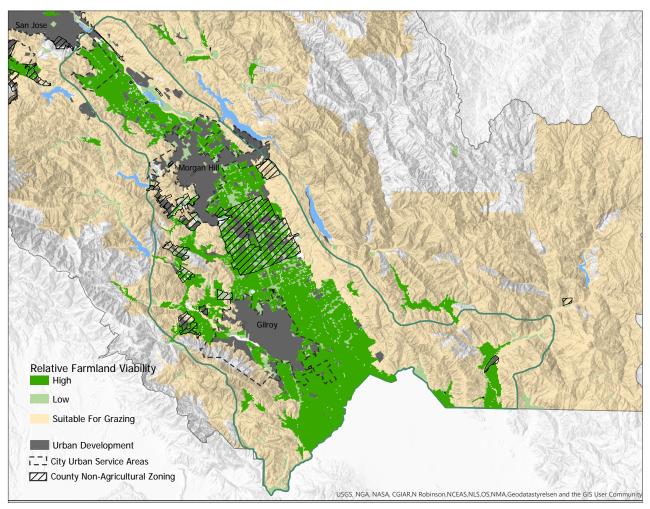
#### Strategies / Actions



#### Extend Agricultural zoning to encompass all viable agricultural lands.

#### **ACTIONS AND ACTORS**

• Designate all viable agricultural lands within the Agricultural Resource Area (ARA) as Agricultural Zoning. A preliminary map identifying this area is Map 5-1. (*County*)

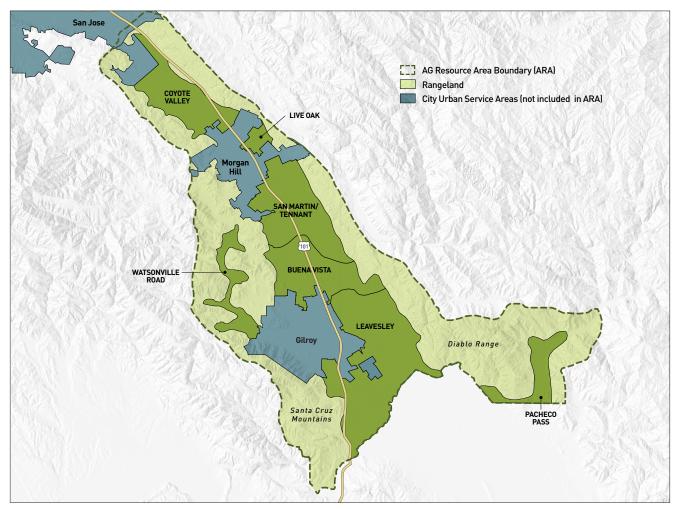


MAP 5-1: VIABLE AG LANDS WITHIN THE ARA



### Consider designation of agricultural zoning regions specific to sub-areas in the ARA that share a common identity, for focused application of agricultural protection tools.

- In concert with economic development actions (*Section 7 of this Plan*), consider application of specific zoning tools for different sub-areas based on specific characteristics. Potential land use tools include:
  - Cluster Subdivison Requirements clustering of homes in subdivisions with retention of large contiguous lands for farming.
  - Underlying Lot Standards Clustering standards and development footprint size limitations for underlying lots (undeveloped legal lots much smaller than the minimum lot size within the Agricultural areas)
- *Agricultural Industrial zones* recognition of areas essential for Agricultural packing, warehousing, processing and distribution of agricultural products.
- *Agricultural Tourism* recognition of areas where Agricultural tourism activities are prevalent.
- Transfer of Development Rights allowing the transfer of development rights on agricultural lands to higher density urban development within partner Cities. (County)



MAP 5-2: ARA SUB-AREAS



Coordinate with neighboring Santa Clara Valley cities to create consistency in the designation of agricultural areas between the County and Cities' General Plans.

- Create and share template language for agricultural resource definition and protection policies for consideration by Cities. (County)
- Integrate and adopt such policy language in general plans to share a common regional vision, goal, and approach for agricultural resource conservation in Santa Clara Valley. (County -Lead, San Jose, Gilroy, Morgan Hill)



### 2

# PREVENT THE CONVERSION OF AGRICULTURAL LANDS TO NON-AGRICULTURAL USES WITHIN RURAL AREAS

#### Strategies / Actions



Prevent the establishment of incompatible uses within the ARA which increase land speculation and impair ongoing agricultural production.

#### **ACTIONS AND ACTORS**

 Strengthen zoning standards for agricultural areas that restrict the establishment of non-agricultural and non-residential uses in agricultural areas that do not support agriculture. (County)



Prevent conversion of agricultural lands into rural ranchettes that increase land speculation and reduce viability of ongoing neighboring farm operations.

#### **ACTIONS AND ACTORS**

 Set limits on residential building sizes and footprints within the ARA with residences accessory to the agricultural production use.



Enact a County-wide agricultural mitigation fee that requires a mitigation fee for development that converts viable agricultural land to other uses.

#### **ACTIONS AND ACTORS**

Prepare and adopt an agricultural mitigation fee, including the definition of when the fee would apply, the cost / mitigation ratio (in compliance with mitigation fee act requirements), and the mitigation program (County)

• Create a regional mitigation fee program that uses a consistent fee among all jurisdictions in the ARA (County-Lead, Gilroy, Morgan Hill, LAFCO)



We found common ground among people that participated in this project - we must protect the land that is currently zoned for agriculture for long-term agricultural production.

-Kirk Girard, Planning Director, County of Santa Clara

3.

# ENCOURAGE THE ESTABLISHMENT OF INFRASTRUCTURE AND SUPPORT USES THAT FACILITATE THE GROWTH OF THE REGIONAL AGRICULTURAL ECONOMY

#### Strategies / Actions



Enact regulatory reform that reduces regulatory barriers to allow the establishment of buildings, infrastructure and uses that support a regional agricultural economy.

#### **ACTIONS AND ACTORS**

Pursue revisions to County zoning ordinance regulations and development standards to streamline the establishment of agriculture supportive uses within the ARA, such as agricultural processing and agricultural research uses. (County)



Facilitate construction of more farm worker housing for seasonal and year around farmworkers.

- Pursue revisions to County zoning ordinance regulations and development standards to streamline the establishment of farmworker housing within the ARA.
- Identify opportunities, including siting and funding options, for farmworker housing projects. Develop farmworker housing models and identify densities that could be supported in urban and urban edge areas as well as in unincorporated rural communities. (County-lead)



4

# REDUCE CONFLICT BETWEEN INCOMPATIBLE USES AND AGRICULTURE WITHIN AGRICULTURAL AREAS

#### Strategies / Actions



Require setbacks / buffers for new nonagricultural development within or adjacent to agricultural lands to reduce interface between incompatible land uses and farming.

#### **ACTIONS AND ACTORS**

- Develop and adopt policies and standards relating to agricultural setbacks / buffers for non-agricultural uses that are developed adjacent to agricultural areas, when adjacent or within the ARA. This may include increasing setback requirements for residential uses, and specific setback requirements within the County Zoning Ordinance.
- Work with adjacent cities (San Jose, Gilroy, Morgan Hill) to adopt consistent agricultural setback standards within their zoning ordinances, for any urban edge development adjacent to agricultural areas. (County – lead; San Jose, Morgan Hill, Gilroy)



#### Strengthen right-to-farm requirements.

#### **ACTIONS AND ACTORS**

 Draft revisions to the ordinance code to require active disclosure and education for any individuals that buy property within agricultural areas, clarifying expectations regarding agricultural activities and potential nuisances and protections for agriculture under the County's Agriculture and Resource Management ordinance (Division B29, Chapter 1). (County – lead)







# Agriculture easement programs are only successful if they are backed up by strong zoning and GP certainty.

-Kathryn Lyddan, Assistant Director - California State Department of Conservation



Agricultural conservation easements are the prescribed agricultural preservation tool under *California's Sustainable Agricultural Lands Conservation Program* (SALCP). Through strategic conservation easements, the SALC Program seeks "to protect the broad agricultural land and soil resource base from sprawl development, and in doing so, avoid increasing GHG emissions associated with increased automobile emissions."<sup>26</sup>

An agricultural conservation easement (ACE) can result in significant financial benefits to a landowner or farm family. Payment by a conservation organization or agency to purchase all or a portion of a property's development rights results in payments that can be paid at one time or spread out over a period of time. This can provide capital for a family to make investments to support their operation, pay down debt, or perhaps buy out family members who want to sell the farm or ranch. Donations of easements to qualified conservation organizations are typically considered charitable gifts by the IRS for tax purposes and can significantly reduce income tax burden; a benefit that can be spread over a period of years. Reducing development potential may also result in a lower property tax assessment and reduce a family's annual property tax burden.

5.

# ESTABLISH A REGIONAL AGRICULTURAL CONSERVATION EASEMENT PURCHASING PROGRAM FOR THE SANTA CLARA VALLEY

#### THINK ABOUT IT

#### A Legacy of Conservation

### THE SANTA CLARA VALLEY OPEN SPACE AUTHORITY (OSA)

OSA was founded in 1993 for the purpose of balancing rapid development and ensuring protection of valuable open space lands and productive farm and ranchland. A small, diverse group of citizens together with community, business and government leaders sowed the seeds for the founding of the OSA during the 70's and 80's through advocacy and education about the threats to the environment from development and the urgent need to protect open space lands. This effort culminated with Governor Pete Wilson signing the OSA into being in 1993. The OSA's jurisdiction includes the cities of San Jose, Santa Clara, Milpitas, Campbell, Morgan Hill and parts of the unincorporated Santa Clara County.

# The OSA's purpose is to protect the County's quality of life by preserving open space and natural resources.

It does so through well-planned land preservation, state of the art resource management, educational programs, and collaborative partnerships. In the last 20 years, the OSA has protected nearly 22,000 acres of the Valley's most beautiful and valuable open space lands through purchase, conservation easements, and partnerships with other conservation agencies and nonprofits.

#### Strategies/Actions



#### Establish a Regional ACE Purchasing Program

- Secure grant funding to support ACE Program development (County and OSA – lead)
- Create a Regional ACE program, establishing a sustainable administrative structure and financial model to support ongoing purchase of Agricultural Conservation Easements from agricultural landowners. Key factors include:
  - Building on past efforts and models, including the 2000 County of Santa Clara Agricultural Conservation Easement Task Force, the Morgan Hill Agricultural Lands Preservation Program, and the California Council of Land Trusts' Conserving California's Harvest (2014).
  - Engage LAFCO and the Cities of San Jose, Morgan Hill, and Gilroy in this planning process, along with the Land Trust of Santa Clara Valley and other conservation partners.
  - Identify and implement a sustainable financial / funding model, including SALCP grant funding, agricultural mitigation fees (Land Use Policy Action 2.d) and / or real estate transaction fees or other fees or assessments.
  - Identify and establish the administrative structure for the ACE program, including the feasibility of developing a central ACE Program administrator.
  - Develop and adopt a preferred acquisition strategy, using refined mapping to identify strategic properties that maximize carbon and other environmental co-benefits, and which are essential to sustain the local agricultural economy.
- Develop outreach program and materials to educate landowners about the benefits of conservation easements.
  - Host ACE workshops for landowners incorporating legal and tax professional advice.

6.

# ENCOURAGE LANDOWNERS TO TAKE ADVANTAGE OF PROPERTY TAX INCENTIVES TO KEEP LAND IN AGRICULTURE

#### Strategies/Actions



#### Increase participation in the County's Williamson Act Program and Establish a Farmland Security Zone Program

#### **ACTIONS AND ACTORS**

- Increase landowner participation in the **Williamson Act Program**, which is estimated to save agricultural landowners
  20 to 75 percent in annual property tax liability.
- Develop promotional and outreach materials for landowners that describe the benefits of the Williamson Act and the County's role in covering the State's subvention payment.
- Adopt and implement a Farmland Security Zone (FSZ), which
  offers landowners greater property tax reductions, and for a
  longer period (land restricted by a FSZ contract is valued for
  property assessment purposes at 65% of its Williamson Act
  valuation, or 65% of its Proposition 13 valuation, whichever is
  lower; and for a minimum term of 20 years).

#### THINK ABOUT IT

#### Preserve Land. Preserve Profit

Yuba County set policies to safeguard their agricultural economic base, while strategically allotting other areas for new jobs and residents.

#### THESE POLICIES INCLUDED:

- » Preserve 10,000 acres of farmland from urbanization, thereby...
- » Protecting \$31 million per year of agricultural value in current crop mix, with...
- » Potential to reach \$150 million per year, as farmers grow higher-value crops

Source: Rural-Urban Connections Strategy, SACOG



In addition to contributing to beef production, cattle grazing in Santa Clara County is now recognized by resource management professionals as essential to conserving open space and maintaining habitat for many native plants and animals. At the landscape level, ranching maintains extensive open spaces that support species-rich wildlife communities."

-Sheila Barry, Livestock and Natural Resources Advisor for University of California Cooperative Extension, SCC

7.

IDENTIFY OPPORTUNITIES AND CREATE PROGRAMS THAT PROVIDE FINANCIAL COMPENSATION TO FARMERS FOR PROVIDING ECOSYSTEM BENEFITS (GHG REDUCTION, GROUNDWATER AND FLOODPLAIN PROTECTION) THROUGH FARMING

#### Strategies/Actions



One of the most important means to protect the local agricultural land base is to help ensure that farmers and ranchers can stay profitable over the long-term, reducing the pressure to sell land for development.

In addition to the financial benefits provided by conservation easements, many voluntary programs, tools and financial incentives are available from Federal, State, and local agencies to help local agricultural families and businesses stay in the black. Many landowners lack the awareness or expertise to effectively pursue and secure these funds, which demonstrates the critical importance of increasing the capacity of local Resource Conservation Districts and related agencies to work with willing landowners to take full advantage of these and other programs. Simultaneously, many financially remunerative programs also incentivize the ecosystem co-benefits of agriculture, including greenhouse gas reduction, groundwater and flood plain protection.

- Complete visible pilot projects under existing State and Federal grant and technical support programs that provide support for farmers that provide ecosystem benefits such as:
  - USDA Farm Bill funded grant programs such as the **Agricultural Water Enhancement Program**, **Agricultural Assistance Program**, and **Environmental Quality Incentives Program** that address areas such as:
    - > On-farm water conservation, establishing cover crops and tailwater ponds to reduce nitrate pollution in groundwater, and creating hedgerows and farmscaping that provide habitat for beneficial insects, pollinators and wildlife.
    - > Programs like the CDFA Healthy Soils Initiative that provides financial incentives to farmers and ranchers for the adoption of new management practices with climate benefits.
- Evaluate expansion of the Santa Clara Valley Water District's Open Space Credit Program, that currently caps
  the water rate at 1/10th the amount paid by industrial and municipal water users. Coordinate with the SCVWD to
  pursue opportunities to refine or expand the program to provide additional incentives to agricultural landowners who
  employ water-saving and climate-smart conservation management practices that promote water conservation and
  groundwater recharge.
  - Specific actions include pursuit of potential grant funding, conducting an economic cost-benefit analysis, and pursuing a pilot implementation program.

- Establish a Pilot Payment for **Ecosystem Services Program** to provide incentives to local landowners to implement conservation practices that promote climate, water, and related environmental benefits. Specific actions include:
  - Pursue **Conservation Innovation Grant** funding from the *Natural Resources Conservation Service (NRCS)* and related programs offered by public funders and private foundations.
  - Consider grant funding from OSA's **Measure Q** for a pilot implementation program for funding of farming that incorporates conservation practices that provide important ecosystem services —such as cover cropping.
  - Identify long-term funding opportunities for supporting agricultural land preservation and farming that reduces greenhouse gas emissions, thorough California's growing carbon market, including any regional GHG mitigation programs.





# **MATT SMILEY & ERIC WILSON**

Amidst miles of single-family homes in South San Jose, and only a stone's throw from Highway 85, one can find 287 acres of agricultural oasis in the form of Martial Cottle Park. Left by Walter Cottle Lester as a public space and farm preserve in perpetuity, the Park is home to a variety of educational agricultural enterprises, including the Farmer Veteran Coalition (FVC).

Matt Smiley is FVC's Farm Manager at the Park, and Eric Wilson is the Assistant Manager. Matt and Eric are both former combat medics and have found a lot to be thankful for in their new occupations as fruit and vegetable growers. In Eric's words, "Farming is the deployment we always dreamed of. The work is so diverse, it's physical, I'm out in the field all day. It's a challenge, it's both fun and meaningful work. I quit school to come do this and I learn everyday. It's helped me to heal."

FVC is predicated on the belief that veterans are uniquely well-qualified to strengthen rural communities and create sustainable food systems, and that agriculture is uniquely well-suited to provide purposeful, healing work for veterans in transition. The goal for FVC's incubator site at Martial Cottle Park is to demonstrate diversified small-scale farming practices, while training and transitioning returned veterans into agriculture and food system careers.

#### ON STEWARDSHIP: START UP FARMERS COMBAT CLIMATE CHANGE

2017 was FVC's first full growing season on the site, and while Matt and Eric were beset by scavenging squirrels and other challenges of farming in an urban setting, they are ever-optimistic about their future as farmers and the role agriculture can play ecologically. Matt made his role in agriculture clear, "I'm a farmer because I understand climate change is directly linked to how we handle our natural resources, and we can work the land to sequester carbon."

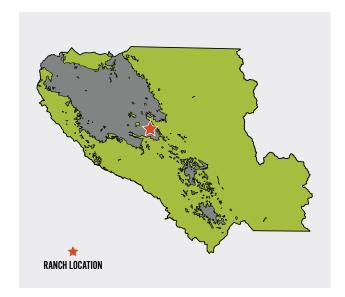
"Properly managing our farmland is actually one of the largest possible carbon sinks out there," Matt continues, and because agriculture provides environmental services that become self-financing, he reckons getting more farmers with good practices onto more acres "is probably one of the cheapest ways" for us to combat climate change.

Protecting and maintaining our remaining farmland from speculation and development "is such a win-win," Matt believes, whether it be actively sequestering carbon or passively reducing sprawl and traffic, that supporting the land access efforts of beginning farmers will yield benefits for us all.

Beginning farmers "are not asking for a handout," notes Matt, "but the way things are right now, if you're not already established or have lots of money, it's pretty stacked against you, especially in this area," referring to the high costs and development pressures of Santa Clara Valley.

So great is the potential public benefit, Matt thinks "creating channels to make it easier for people to start" is a sound investment of public resources. "If you put farmers who are ecologically-minded and collaborative on public land, they will make that land better."

If there were a program supporting new farmers and in turn communicating the ecosystem benefits accrued to the larger urban community, Matt says "it's almost like the farmer becomes a new version of the fireman, it becomes civic duty. I think if you can connect the dots that way and people see it that way, it would shift people even more so to support their local food systems."





"As a farmer we know how intimately everything is connected to nature," but for most urbanites, "there is still a huge disconnect" Matt concludes. "People think that farming should happen somewhere else. Farming should happen right here. People need to understand where their food comes from and what it takes to produce."

### **BEYOND THE FARM**

Farms are just one element of a larger food system including processors, distributors and support industries that refine, enhance, and move food products from farms to consumers. Together these industries form the food and agriculture economic cluster.



**INTERNATIONAL** TRADE





**SUPPORT INDUSTRIES** 



**PRODUCE DISTRIBUTION** 

**DISTRIBUTION** 



**WINERIES** 

**CANNING** 

**FRUIT & VEGETABLE** 



**OTHER FOOD PROCESSING** 

## **NURSERIES FARMS FARM LABOR SERVICE PRODUCTION PROCESSING**

#### The Industries within the Food and Ag. Cluster facilitate:

- aggregation,
- » marketing, & distribution
- packing,
- processing,
- storage

...all the processes that move food from farm to table.







**BUSINESS SERVICES** 



**RESEARCH & DEVELOPMENT** 

# FOCUS AREA: AGRICULTURAL ECONOMIC DEVELOPMENT STRATEGY

MAKING THE CASE FOR INVESTMENT IN SANTA CLARA COUNTY'S AGRICULTURAL ECONOMY

Economic development is the enhancement of a community's productive capabilities, largely through the retention and expansion of businesses, jobs and revenue as well as through investments in training and critical infrastructure, such as transportation, energy, and water systems. The County of Santa Clara is committed to growing a healthy agricultural economy, in order to help the private sector provide more business development and job opportunities for County residents, which in turn generates more revenue for the County to provide a better array and quality of services. The *Economic Development Strategy* Focus Area lays out a suite of strategies and actions that reinforce and support the other three Focus Areas of this Valley Agricultural Plan.

The following proposed strategies and actions, organized by three main objectives, directly build on the strengths, address the challenges, and capitalize on the opportunities described in the other Focus Areas.

8.

#### SUPPORT THE VIABILITY OF THE AGRICULTURAL ECONOMY.

#### THINK ABOUT IT

#### Farmbudsman

A "Farmbudsman" acts as a liaison between agricultural businesses and local and county governments with the goal of facilitating projects and helping to add value to agricultural enterprises by reducing obstacles to expanding, enhancing, or maintaining these agricultural businesses. This position typically involves assisting farmers, ranchers, and agriculture-related businesses with permitting processes, including support with meeting agricultural permitting and standards required by regulatory agencies. The position may also be responsible for administering special grants from state and federal sources.

Solano and Yolo counties in California jointly established a farmbudsman program in 2013 to serve the agricultural needs of both counties. The farmbudsman was anticipated to improve the viability of the agricultural industry, enhancing its economic, cultural, and environmental benefits in the respective counties. The position was originally established by an operating agreement with the counties and Solano Community College Small Business Development Center to administer the program. However, Yolo County withdrew from the joint program in July 2016. Today, the farmbudsman program continues in Solano County with administrative support from Humboldt State University's Northern California Small Business Development Center.

Within the first year of the joint farmbudsman program (2013-2014), the position directly facilitated a \$565,000 increase in agriculture sales across the two counties and \$620,000 in direct equity investments and loans. During this same time, the position contributed to an estimated \$1.7 million of economic growth through sales and investment and \$6.5 million in economic growth through jobs added. While the position no longer serves Yolo County, the Solano County Farmbudsman has built on these previous successes by continuing to help hundreds of farmers and ranchers throughout the County with direct assistance in navigating regulatory processes and cultivating new sales outlets for their products.

#### Strategies / Actions



Support farmers in obtaining permits and regulatory compliance associated with actions and activities that support long term agricultural investment and growth of the agricultural economy.

- Create an Agricultural Ombudsman (Farmbudsman)
   position to assist farmers and ranchers with regulatory
   compliance. The Farmbudsman would be a liaison
   between agricultural businesses and the local
   government, with the goal of facilitating projects and
   helping to add value to agricultural endeavors. (County,
   UCCE)
  - Develop a job description based on assessment of responsibilities, successes and challenges of similar positions in other counties.
  - Identify organizational options for creation of a Farmbudsman program.
  - Identify existing staff resources, budget resources, and potential funding sources to support the creation of the Farmbudsman program.
- Evaluate and implement opportunities for permit streamlining for farmers in ARA. (County-lead)
  - In coordination with Objective 3, conduct an analysis
    and evaluate streamlining opportunities and resources
    for farmers for a seamless review process for all
    aspects of their operations. Amend ordinance codes
    and create collaborative opportunities with other local,
    state and federal agencies as needed. Create a task
    force with farmers and local, state and federal agencies
    to discuss permitting obstacles and opportunities.
    (County-lead)

9.

# IMPROVE THE CLIMATE FOR THE GROWTH OF A DIVERSE, VIBRANT, AND INNOVATIVE AGRICULTURE ECONOMY.

#### Strategies / Actions



# Create an Agricultural Enterprise Program for specific sub-areas of the ARA.

#### **ACTIONS AND ACTORS**

- Develop a plan for this program, including goals, participation terms, management and funding
- In particular, assess current regulations for production of value-added products within farming areas; enact feasible recommendations for changes. (OSA, County)



# Coordinate and support the small farms initiative effort under way by the SCC Food Systems Alliance.

#### **ACTIONS AND ACTORS**

- Analyze the demographics of existing small farms (County)
- Identify those areas that have an agglomeration of small farms now and that could potentially support additional small farms, such as the San Martin area, areas with concentrated greenhouse operations, areas around Morgan Hill and areas with smaller parcels.
- Identify the specific challenges and opportunities for these existing small farms
- Develop a plan to help address these challenges and to enhance opportunities for current and potential new small farms. (County, OSA)



#### Support expansion of ag tourism

#### **ACTIONS AND ACTORS**

- Assess current on-farm ag tourism regulations, facilities and programs, including visitor rates, opportunities and challenges
- Assess utilization of non-farm ag tourism adjunct facilities (e.g., hospitality) and programs (e.g., County CrossRoads) including utilization and needs
- Assess potential ag-tourism participants to understand their perceptions of Santa Clara Valley agriculture and their interests
- Identify best practices from other regions, including those that offer a range of interconnected experiences (e.g., art, food, farms, recreation, nature experience, education, etc.)
- Develop a plan to address ag tourism needs and opportunities
- Explore opportunities to develop new farm trails, docent-led walks and related programs to connect visitors to agriculture on public ag lands and with willing private landowners. (OSA, County)

#### THINK ABOUT IT

#### Ag Enterprise Areas

Agricultural Enterprise Areas (AEA) are generally defined as areas that a local land use authority has prioritized for farmland preservation and agricultural development. The term has various additional meanings depending on the context, as shown in the following examples:

- wisconsin developed an Agricultural Enterprise Areas program as part of its Working Lands Initiative with a function similar to the Williamson Act Program in California. This tool helps communities preserve farmland and develop their agricultural economies, and also supports broader community planning efforts. In this two step process, communities first apply for state designation for an AEA and then encourage eligible farmers owning land within the area to enter into a farmland preservation agreement with the state. Currently, Wisconsin has 18 AEAs.
- » In Brentwood, California, the Agricultural Enterprise program administered by the Economic Development Office, provides funding for a variety of services and policy initiatives including: Partnership on purchase of conservation easements; support for a Brentwood Grown campaign; support for 'enterprise activities' within, and also serving, the agricultural core (e,g, commercial kitchens for producing value-added products); and support for agri-tourism initiatives and ag-related business development.



Address the need for additional distribution and processing space for agricultural products; include assessment of 'hubs' for co-located businesses.

#### **ACTIONS AND ACTORS**

- Conduct an Agricultural Distribution and Processing Facility Needs Assessment to get information about locations of, specifications for, and target users of needed facilities
- Research analogs for types of facilities identified as most needed
- Convene City and County departments to discuss assessment and analog research and to consider options and identify potential partners, funding, and incentives for moving forward.
- Develop and implement a plan for developing any additional needed facilities. (OSA, County, Cities)



# I'm lucky to be have had four generations of ranchers before me.

-Justin Fields, Rancher and President of Santa Clara County's Cattlemen's Association

10.

# SUPPORT THE GROWTH OF NEW FARMS AND CREATION OF NEW FARMERS TO PROVIDE DIVERSITY AND LONG-TERM RESILIENCY IN THE LOCAL AGRICULTURAL ECONOMY

#### Strategies / Actions



Address the needs of beginning and immigrant farmers, currently in the County or interested in starting farming operations in the County, for land access, technical assistance and financial assistance

#### **ACTIONS AND ACTORS**

- Develop list of target farmers and outreach strategies through partners; one focus should be on urban ag farmers wanting to scale up
- Develop and implement assessment tool to determine farmers' needs, interests, capacity, background and resources
- Assess demand in terms of experience, resources, and needs/desires for land, technical assistance and financial assistance.
- Develop and implement a plan for addressing prioritized needs for affordable land, technical assistance and financial assistance. (UCCE - lead, CA FarmLink, UC SC, ALBA, SAGE)



# Develop an action plan for implementation of a Farm Incubator or AgPark, with related programs

#### **ACTIONS AND ACTORS**

- Research and summarize descriptions of kinds of ag incubators, ag training programs, AgParks, and other collaborative farming opportunities
- Identify both specific farmland sites and general kinds of farmland sites available for farming, which fit the various needs of categories of 'new' farmers. Types of sites could range from large parcels (20 to 100 acres) to smaller parcels (5 acres or less) perhaps even on ranchette properties; farmland could be owned by public or private entities.
- For technical and financial assistance, identify all existing resources, and compare with needs of beginning farmers
- Conduct feasibility study, conceptual plan and business plan, for establishing an AgPark/Farm Incubator
- Beyond the AgPark/Farm Incubator idea, and per demonstrated need, assess best approaches for increasing access to financing, affordable land and technical assistance for emerging farmers and ranchers (OSA/UCCE – co-leads, CA FarmLink, UC SC, ALBA, SAGE)

#### THINK A B O U T I T

#### Food Hubs

A food hub is a centrally located facility that helps facilitate the aggregation, storage, processing, distribution and/or marketing of locally or regionally produced food products. Food hubs can give smalland medium-sized farms better access to markets by connecting them to suburban and urban markets and removing barriers to entry into local food markets. In addition to aggregating and distributing food, many food hubs offer additional services to their producers, customers, and communities. For producers, such services may include marketing, branding or labeling, food safety training, and business management or strategic planning. For communities, food hubs play an important role in filling the gaps in a region's food system infrastructure, including transportation, product processing, and product storage. Some food hubs may have relationships with local food banks where unsold or imperfect food is donated to the food bank on a daily or weekly basis. Food banks range in scale from smaller aggregation sites for a few farmers in rural areas to substantial wholesale distribution business in urban areas, such as the Common Market.

The Common Market is a regional food hub whose mission is to connect communities with food from regional family farms, develop fair wholesale markets, improve public health and food access, and promote the viability of small and mid-scale farmers. Started in Philadelphia, Pennsylvania in 2008, the Common Market now operates throughout the Mid-Atlantic and Southeast with plans for expansion into other U.S. regions. The Common Market partners with anchor institutions including hospitals, schools, and universities by connecting them with local farmers to change the quality of the food served at these institutions. Since its founding, the Common Market has aggregated and distributed over \$14 million of local foods from over 100 sustainable family farms and producers. The Common Market also quarantees the safety and quality of farmers' products to its institutions, which can be a barrier to institutions contracting directly with farmers. This approach helps meet the needs of small farmers by providing them with a secure market outlet for their products, while helping anchor institutions invest in the economic health of their local community.

## A GROWING INDUSTRY

## SANTA CLARA COUNTY'S TOTAL AGRICULTURAL

- PRODUCTION HAD -

GROWTH IN ONE YEAR

\$280 Million  $\rightarrow$ 



\$310 Million





2015

2016

# TOP 3 CROPS



MUSHROOMS \$79 MILLION



**BELL PEPPERS** 



**NURSERY PLANTS** \$81 MILLION

Source: Crop Report 2016, County of Santa Clara





# FOCUS AREA: BRANDING, EDUCATION & AWARENESS STRATEGY

# ENSURING THAT THE REGION'S WORKING LANDS ARE NOT ONLY PRESERVED, BUT UNDERSTOOD, IDENTIFIABLE, AND VALUED.

The communications element of this Valley Agricultural Plan is predicated on the belief that in order for this Agricultural Plan to be successful the story of the landscapes targeted for protection must be proactively communicated and the place itself branded. Of equal importance is growing public awareness of those farmers and ranchers who steward these working lands, and of their stories and values.

The agricultural history and potential in Santa Clara Valley can easily be lost in the bustle and growth of the region. In order for the remaining acres of undeveloped land to resist development, the value of working landscapes and their connection to climate resilience must be effectively conveyed.

The goal of this Focus Area is to create a **positive** feedback loop between the other Focus Areas: Land use policy, conservation easements, and economic development strategies, for a catalytic effect.

While the goal of this Focus Area is to serve as a catalyst for new associations with Santa Clara Valley, and for attracting new producers and partnerships to the region, there is also an abiding need to champion those farmers and ranchers diligently managing these lands at present. Both well-established operations with consistent markets and new entrants are needed for a resilient regional ag economy. The duality of this approach supports the growth of both supply and demand, providing increased opportunities to connect Silicon Valley with rural Santa Clara Valley.

The goal is to develop and launch a **Santa Clara Valley Agriculture Campaign** that ensures a

balanced implementation of the strategies delineated in this Valley Agricultural Plan, and build momentum and awareness around the motivations behind it.

11.

## DEVELOP AND LAUNCH A SANTA CLARA VALLEY AGRICULTURE CAMPAIGN.

#### Strategies/Actions



Develop a regional brand identity, reclaiming "Santa Clara Valley" with a strong sense of place, associating it with working lands and representing a diversity of people and products.

#### **ACTIONS AND ACTORS**

- Finalize initial concepts for a brand identity under the name of Santa Clara Valley across a range of communications.
- Develop communications tools to demonstrate the application of the place-based identity along with strategies to tell the story of Santa Clara Valley.
- Design and produce a Style Guide that will provide direction for use of the regional identity and application of brand elements, for use in creating a consistent identity over time.
- Calibrate campaign to balance branding efforts with concurrent strategies intended to materially support a diversity of farmers and ranchers, and a vibrant regional ag economy overall, including establishment of an Agricultural Incubator / Ag Park.
- Adapt materials to directly solicit committed relationships and funding from local institutions, identifying appropriate areas for targeted investments and partnerships. (County/OSA/Farm Bureau)



# ...what it comes down to is if the public values agricultural land.

-David Morrison, Napa County Director of Planning, Building and Environmental Services

Some preliminary examples of branding and education tools are shown in this chapter as well as in the farmer and rancher stories represented throughout this plan document.





Sample of sign campaign to identify and raise awareness for working lands in Santa Clara Valley

**12**.

BUILD A LOCAL CONSTITUENCY THAT IS INFORMED ABOUT AND SUPPORTIVE OF REGIONAL AGRICULTURE, BY CONDUCTING OUTREACH, ENGAGING AND EDUCATING THE PUBLIC.

#### Strategies/Actions



Explore potential partnerships with local institutions, primarily the region's universities, companies, and restaurants.

#### **ACTIONS AND ACTORS**

- Identify universities, technology companies and other large employers and local institutions to approach for engagement, procurement agreements, and potential capital investment – schedule informational interviews and presentations with each;
- Discuss and develop appropriate matches between the institutional resources available and regional agricultural needs;
- Identify opportunities, strategies and tools for communicating with institutional constituents (i.e. students and employees);
- Research models and precedent for corporate/ institutional engagement on this level and assess effectiveness;
- Estimate various potential levels for engagement in cost and commitment, centered around the establishment of an Ag Incubator, and for other distinct projects. (County/OSA/Farm Bureau)



Promote and support local-preference purchasing policies for private companies, public schools and other institutions as a means to foster awareness and build relationships.

#### **ACTIONS AND ACTORS**

- Engage with organizations that have developed similar successful programs (e.g. Center for Good Food Purchasing).
- Prepare draft Local Preference policy for future County adoption (County/OSA/Farm Bureau)



Continue interviewing and updating agricultural stakeholders to build support for and inform this Valley Agricultural Plan.

#### **ACTIONS AND ACTORS**

- Make presentations to local community groups and leaders;
- Update stakeholders already interviewed on our progress and plans;
- Ensure that multi-generational, more established farms and ranches are able to sustain their businesses;
- Enlist more-experienced farmers and ranchers to serve as mentors to new entrants;
- Develop matchmaking programs for linking established farms with institutions, where appropriate;
- Assist legacy operations with succession planning. (County/OSA/Farm Bureau)



Preliminary branding concepts to tell the story about Santa Clara Valley agriculture



In partnership with Cities and natural resource agencies, develop programs and initiatives that connect the health, vitality, resilience, and identity of urban and rural areas.

#### **ACTIONS AND ACTORS**

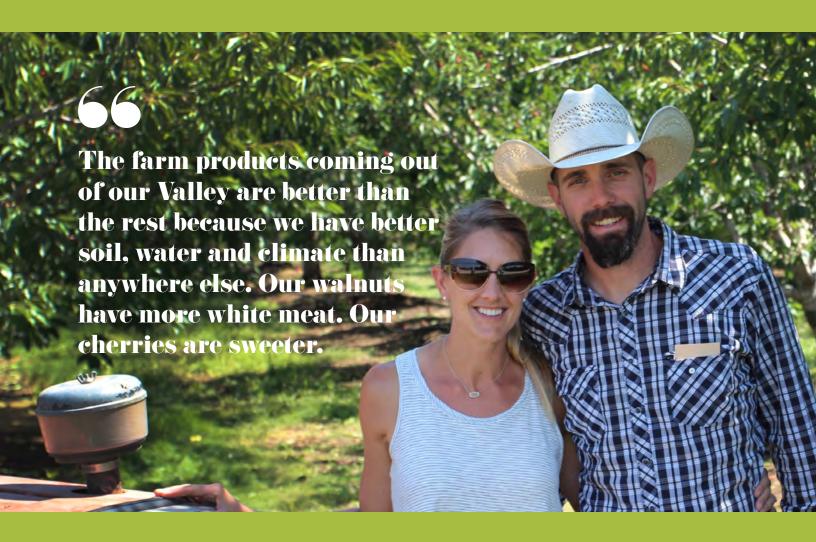
- Convene City Economic Development departments, Chambers of Commerce, business associations, and County departments, to discuss potential programs that would be mutually beneficial;
- Create educational materials and programs with the Santa Clara Valley Water District that give examples of farmers as good water conservation and water quality stewards;
- Create educational materials and programs with the NRCS and RCD's, that give examples of farmers as good stewards of soil and biodiversity, and as a cutting edge for climate change mitigation and adaptation (County/OSA/Farm Bureau)



Promote agro-ecoliteracy in K-12 education, with focus on local agricultural production and stewardship stories.

#### **ACTIONS AND ACTORS**

• Convene interested school districts with exemplary practitioners (e.g. Center for Ecoliteracy, Ag in the Classroom). (County/OSA/Farm Bureau)



# **CHRIS & MARY BORELLO**

Chris and Mary Borello are the beneficiaries of a family with deep roots in Santa Clara Valley. Chris, who is a third-generation farmer actively growing cherries, peppers, walnuts, hay and recently began running 300 head of Black Angus, is also a licensed real estate broker. He understands that Santa Clara Valley is uniquely well-suited to both growing produce and growing houses, and that there's a need to balance demand for both.

Chris's immigrant grandfather began farming in the area at the turn of the last century, and in order to keep the farming enterprise solvent also bought and sold ag properties. His father continues to farm, but Chris broke out on his own in 2014, the only one out of twelve in his generation disregarding family advice to move on from agriculture. As a real estate broker Chris believes that the best route, maybe the only route, to the sustained resilience of Santa Clara Valley's working lands is through fair prices for the sale of development rights. Financial drivers and incentive-based tools, such as agricultural conservation easements, have to be competitive and based on fair market value in order to preserve the viability of farms. Preservation of farmland alone cannot foster a vibrant ag economy – the investments and livelihoods of farmers and ranchers must also be supported.

#### ON STEWARDSHIP: GROWING RELATIONSHIPS IN THE VALLEY

In 2016, Chris purchased a 12-acre cherry orchard where he also lives with his wife Mary. Together, Chris and Mary have begun sending their cherries to regional farmers' markets and bring over 1,500 members of the public to their property for a U-pick operation <u>upickorchards.com</u> during the narrow cherry harvest window. "People want to buy local, but here sometimes it's just hard to find local." Often, their cherry stand at the farmers' market is the only one selling products grown in Santa Clara Valley.

Direct sales to the public, through U-pick and farmers' markets, only make up a fraction of the Borellos' sales, but they are dedicated to and enthusiastic about this branch of their operation. Direct marketing brings added satisfaction to the Borellos' work, but also allows non-farming neighbors and community members to meaningfully engage with local agriculture. Chris and Mary see part of their responsibility as stewards to be reconnecting non-farm families with the joys and realities of working lands.

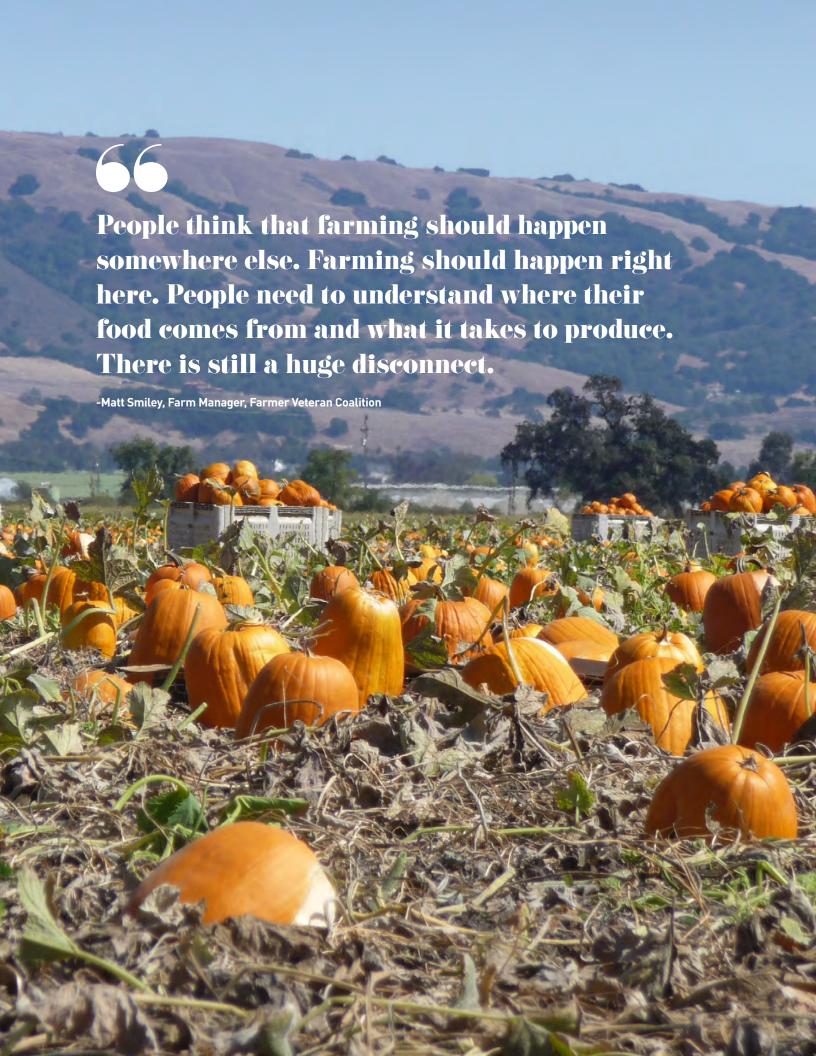
Chris is on the board of the local Farm Bureau chapter, the mission of which he describes as growing the importance of agriculture in the County. Chris sees that the legacy of agriculture in Santa Clara Valley can only grow if younger people are engaged, but that the deck is often stacked against first-generation farmers. "Without the land and family already in ag, starting out on your own today, it's really hard to make the business work."

Chris also believes in the importance of mentorship in agriculture. Even with a family farming background, it can often be a well-matched mentor who ultimately leads to the success of a new operation. Chris stresses the value of pairing up someone just starting out with "an old-timer who has the land and the knowledge, someone who spent a generation learning how exactly to grow here and wants to see the knowledge continue in some way."





Chris believes it's in the public interest to preserve and hold onto our peri-urban farmland, and that the solution lies in public-private partnerships, specifically through the purchase of easements. If public agencies and land trusts can protect working lands from development, "that allows folks like me to keep it in agriculture, growing food for our community." It's these such relationships, built on mutual respect, that Chris believes will be essential for agriculture to grow and thrive in Santa Clara Valley.



# IMPLEMENTATION OF THE VALLEY AGRICULTURAL PLAN

As described in the previous Sections, implementation of the four Focus Areas is intended to put into effect a suite of different actions that collectively support the growth and expansion of the Santa Clara Valley agricultural economy.

Implementation of these Focus Areas and specific actions requires different staff and financial resources along with different community and agency partnerships to be successful. Success of the Valley Agricultural Plan in initiating and growing the Santa Clara Valley agricultural economy depends upon the effective use of resources and timing in implementing the action items within the four Focus Areas.

This Section of the Valley Agricultural Plan provides a recommended approach regarding the priority of implementation actions and the identification of existing and new resources and partnerships that will support these efforts.

As a key first step towards implementation success, the Valley Agricultural Plan identifies the creation of a **Program Manager** within the County who will act as a facilitator and coordinator in ensuring Implementation of this Plan.

#### 9.1 RECOMMENDED IMPLEMENTATION PRIORITY

Table C below lists the four Valley Agricultural Plan Focus Areas and their respective actions and identifies priority for implementation.

**Priority 1 actions are identified as the highest priority actions -** those that are recommended to occur first – within a timeframe of the next one to two years.

Priority 2 actions are identified as the second tier priority implementation actions, to occur in years 3-5.

#### TABLE C - IMPLEMENTATION PRIORITY TABLE

FOCUS AREAS & ACTIONS	PRIORITY
Land Use Policy	
Expansion of Agricultural Zoning districts with new zoning tools	1
City / County Agriculture Designation Coordination	2
Limitation on non-agricultural uses in agricultural areas	1
Residential Building Size Limits on Agricultural Property	1
Regional Agricultural Mitigation Fee Program	2
Regulatory Reform - loosen regulations on agricultural supportive uses	1
Farmworker Housing Development	1
Setbacks for Non-Agricultural development next to Agriculture	1
Strengthen Right to Farm disclosures	1
Regional Agricultural Conservation Easement Program & Other Financial Incentives	
Creation of Regional ACE Purchasing Program	1
Outreach Program to landowners – Benefits of Conservation Easements	1
Outreach Program to landowners – Williamson Act Program	1
Adopt Farmland Security Zone	2
State and Federal Grant and Technical Support Programs	2
Expansion of Santa Clara Valley Water District Open Space Credit Program	2
Pilot Payment for Ecosystem Services Program	2
Agricultural Economic Development Strategy	
Agricultural Ombudsman	1
Permit Streamlining	1
Agricultural Enterprise Program	2
Small Farms Initiative Program	2
Agricultural Distribution & Processing Expansion	2
Establish a Farm Incubator / AgPark	2
Branding, Education and Awareness	
Development of Regional Brand Identity associated with Santa Clara Valley Agriculture	1
Partnerships with Local Institutions	2
Local Preference Purchasing Policies	2
Expand Stakeholder Support	1
Urban / Rural Partnerships	2
Agro-Eco Literacy in Local K-12 Education	2

#### PRIORITY 1 ACTIONS WERE CHOSEN AS THE HIGHEST PRIORITY ACTIONS BASED ON SEVERAL FACTORS -

- (a) **Technical panel feedback** Feedback from the panelists regarding which actions are of a higher priority and should be implemented first.
- **(b)** Existing resources and partnerships Actions for which there are current staff resources and skills available within the County or Open Space Authority or partnerships in place with other organizations and entities that can more quickly facilitate implementation of the item.
- **(c) Knowledge of implementation specificity** –Actions for which the Implementation task, resources needed, and specific procedural steps required are currently known.

#### **SUMMARY OF PRIORITY 1 ITEMS**

As shown in Table C- the Priority 1 Valley Agricultural Plan implementation items consist of the following groups of actions:

#### **Land Use Policies**

- Expansion of Agricultural Zoning districts with new zoning tools
- Residential Building size limits in agricultural areas
- Limitation on non-agricultural uses in agricultural areas
- Regulatory Reform loosen regulations on agricultural supportive uses
- Farmworker housing
- Setbacks for non-agricultural development next to agriculture
- Strengthen Right to Farm disclosures

#### Regional Agricultural Conservation Easement Program & Other Financial Incentives

- Creation of Regional ACE Program
- Outreach Program to landowners benefits of agricultural conservation easements and Williamson Act

#### Agricultural Economic Development Strategy

- Agricultural Ombudsman
- Permit Streamlining

#### **Branding, Education and Awareness**

- Development of Regional Brand Identity associated with Santa Clara Valley Agriculture
- Expand Stakeholder Support

In several of these areas, work has already begun on the implementation action. This includes an additional SALC grant application by the County to support the creation of a regional ACE purchasing program and an initial partnership between the County, Morgan Hill and the Open Space Authority to purchase an ACE on farming property near Morgan Hill. Several of the pilot regional brand identity materials have been prepared and will soon start to be used.

#### 9.2 INITIAL ORGANIZATIONAL FRAMEWORK

For the initial implementation phase, the Valley Agricultural Plan is proposed to incorporate existing staff resources within the County, Open Space Authority, and other partner agencies, and focus on the work efforts and programs that have already begun.

In addition to capitalizing on these existing resources and work efforts, a Program Manager position is envisioned to be created within the County to act as a central responsible party to orchestrate implementation of the Priority 1 tasks.

This position, envisioned to be located within either the Department of Planning and Development or the County Executive's Office, would be directly responsible for initiating several implementation actions while coordinating with other County departments, the Open Space Authority, and other partner agencies, to ensure implementation of actions that require an inter-coordinated effort.

In addition to this Program Manager position, another position envisioned to be created during the Phase 1 portion of the SCVAP program is the Agricultural Ombudsman. This position, responsible for assisting farmers with regulatory and permit compliance, is envisioned to be a ½ time or full time position and could potentially be positioned within the UC Cooperative Extension Office.

Below are the envisioned staff resources and responsibilities for Phase 1 Implementation.

#### County - Valley Agricultural Plan Program Manager

- Initiate Regional Agricultural Conservation Easement Purchasing Program
- Farmworker Housing Program
- Outreach / Education of Rural Property Owners Agricultural Conservation Easements and Williamson Act program
- Strengthen Right to Farm Ordinance
- Development of Regional Brand Identity associated with Santa Clara Valley Agriculture
- Expand Stakeholder Support
- Coordinate with County, OSA, and other partner agencies on Implementation actions

#### **County Department of Planning**

- Land Use Policies
  - Expansion of Agricultural Zoning districts with new zoning tools
  - Residential Building Size Limits on Agricultural Property
  - Limitation on non-agricultural uses in agricultural areas
  - Regulatory Reform loosen regulations on Agricultural supportive uses
  - Setbacks for Non-Agricultural development next to Agriculture
  - County Zoning Changes addressing Farmworker Housing

#### **Open Space Authority**

- Initiate Agricultural Conservation Easement Purchasing Program
- Development of Regional Brand Identity associated with Santa Clara Valley Agriculture

# ADDITIONAL COUNTY AND AGENCY PARTNERSHIP ROLES – INCLUDING PHASE 2 TASKS

#### **County Agricultural Commissioner's Office**

- Coordination on Regional Brand Identity associated with Santa Clara Valley Agriculture & other related Branding action items
- Coordination on Agricultural Ombudsman
- Expand Stakeholder Support

#### **County Office of Supportive Housing**

• Farmworker Housing Program

#### **County Office of Economic Development**

- Development of Regional Brand Identity associated with Santa Clara Valley Agriculture & other related Branding action items
- Agricultural Economic Development Strategy

#### **UC Cooperative Extension**

 Agricultural Ombudsman & Permit streamlining

#### Farm Bureau

• Development of Regional Brand Identity associated with Santa Clara Valley Agriculture

#### Food System Alliance

- Small Farms Initiative Program
- Coordination on Local Preference Purchasing Policies
- Coordination on Regional Brand Identify and Agricultural Economic Development Strategy

## Local Agency Formation Commission (LAFCO)

Coordination on Land Use Policies

#### Santa Clara Valley Water District

- Expansion of Santa Clara Valley Water District Open Space Credit Program
- Pilot Payment for Ecosystem Services Program
- Local Preference Purchasing Policies

#### How Can I Help?

This Plan describes many actions to be taken by the County of Santa Clara, OSA, and other partner agencies and organizations to support and grow a regional agricultural economy.

In addition to these efforts, here are actions anyone living in Santa Clara County can take to support our local farmers and contribute to the success of the Valley Agricultural Plan:

- 1. Buy locally grown farm products Farms in Santa Clara County grow a wide variety of goods, from fruits and vegetables to wine, meat, dairy and nursery products. Look for these items in local markets and ask your grocer to stock more of them.
- Encourage local preference purchasing programs in your schools, hospitals, businesses and other institutions - Larger scale procurement of locally grown farm products supports the bottom line for farmers and promotes community health and sense of place.
- 3. Visit local farms, ranches and vineyards Santa Clara Valley is home to dozens of farms, vineyards and ranches that offer a wide range of on-farm experiences for all visitors and audiences. These include u-pick berries, educational events, farm dinners, seasonal celebrations and opportunities to purchase farmgrown and farm-made products.
- 4. Enjoy nearby nature and outdoor recreation Regional open space lands offer trails and vantage points with views of the Valley's diverse and beautiful working landscapes. Rural backroads and creek-side trails offer opportunities to take in the landscape on bike rides and by horseback.
- 5. Support agricultural literacy in schools Programs for all grade levels can help young people understand and connect with the many processes of growing our food. Older students can engage in learning about the many technical and hands-on careers related to the agriculture and food sector.
- 6. Avoid, and slow down on, our farm roads –
  With congestion on our freeways and major
  thoroughfares, many commuters resort to local farm
  roads for their commute making it more difficult
  for farmers to move equipment and bring products
  to market. Please try to avoid using our farm roads,
  and if necessary, please slow down and accommodate
  tractors and farm equipment.
- Coordination on development of a regional ACE program.

#### City of San Jose

- · Coordination on Regional Brand Identify
- Local Preference Purchasing Policies
- Coordination on Regional Agricultural Mitigation Fee Program
- City / County Coordination on Land Use Policies
  - Agricultural Designation
  - Setbacks for Non-Agricultural development next to Agriculture

#### City of Morgan Hill

- · Coordination on Regional Brand Identify
- Local Preference Purchasing Policies
- Coordination on Regional Agricultural Mitigation Fee Program
- City / County Coordination on Land Use Policies
  - Agricultural Designation
  - Setbacks for Non-Agricultural development next to Agriculture

#### **City of Gilroy**

- · Coordination on Regional Brand Identify
- Local Preference Purchasing Policies
- Coordination on Regional Agricultural Mitigation Fee Program
- City / County Coordination on Land Use Policies
  - Agricultural Designation
  - Setbacks for Non-Agricultural development next to Agriculture

### **ENDNOTES**

#### **CHAPTER 1**

- 1 Santa Clara Valley Agriculture Plan (Valley Agricultural Plan) Project Team
- 2 Valley Agricultural Plan Project Team
- 3 Steve Shaffer, Comparing Greenhouse Gas Emissions from Southern Santa Clara County Rangeland and Irrigated Cropland and Santa Clara County Urban Lands (Conserve and the County of Santa Clara, December 2016), See Appendix G
- 4 Valley Agricultural Plan Project Team
- 5 Santa Clara County Department of Agriculture (SCCDA), The Economic Contribution of Agriculture to the County of Santa Clara 2014, https://www.sccgov.org/sites/ag/news/Documents/AG\_Economic\_Report\_WEB\_Final.pdf
- 6 Valley Agricultural Plan Project Team
- 7 Rural- Urban Connections Strategy (RUCS), Sacramento Area Council of Governments (SACOG), www.sacog.org/rural-urban-connections-strategy

#### **CHAPTER 2**

- 8 ABAG, Projections 2013
- 9 Valley Ag Plan Project Team
- 10 County of Santa Clara Database
- 11 City of San Jose, Planning Division, Envision San Jose 2040 General Plan (2011), http://planning.sanjoseca.gov/planning/gp\_update/FinalText/ESJ2040GeneralPlan 12-1-2011.pdf

#### **CHAPTER 3**

- 12 SCCDA, Santa Clara County Crop Report 2016, https://www.sccgov.org/sites/ag/news/Documents/2016%20CR%20final.pdf
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