

CHAPTER 5 Farms, Ranches, and Other Working Lands

Goal and Guiding Principles

GOAL: Conserve farms, ranches, and other working landscapes to sustain the economic and environmental viability of local agriculture.

GUIDING PRINCIPLES:

- Permanently protect farmland and rangelands most critical to overall agricultural viability.
- Engage in land use planning efforts to stem conversion of farmland at the urban edge and to promote a healthy and environmentally sustainable agricultural business sector.
- Manage agricultural land uses on Authority properties to optimize natural resource protection and viability of local agriculture.
- Educate the public about opportunities to engage with and benefit from local agriculture.
- Promote community gardens and agricultural parks.

With its rich soils and moderate climate, the Santa Clara Valley was one of the most productive farming regions in the nation from the mid-1800s to the mid-1900s. The orchards of the



William K. Matthias

45% of the County's farmland was lost to development in the last 20 years, and half of what remains is at risk of development in the next 30 years.

legendary Valley of the Heart's Delight produced cherries, apricots, and prunes that were processed and shipped all over the country, meeting about a third of the nation's demand (American Farmland Trust *et al.* 2011). The fertile farmland extending north to the San Francisco Bay also supported extensive vegetable farming, field crops, dairies, nurseries, and flower businesses.

Since the 1950s, development and sprawl have claimed many of these orchards and fields. Almost all of the farmland in the northern part of the County and much in the mid-part of the County has been lost to urban development. In an accelerating trend, farmland has declined in the County by 45% in the last 20 years alone (California Farmland Conservancy website 2014). This trend is expected to continue, as Santa Clara County is the fastest-growing county

in the region. Of the remaining 27,000 acres of farmland that remains, approximately half is considered at risk of development over the next 30 years (Greenbelt Alliance 2012).

Still, thanks largely to the extensive rangelands in the eastern part of the County, nearly half of the County's land area remains in rangeland and productive farmland (**Figure 9**). Due to the great diversity in production areas, growers across the County produced almost 40 different crops including fruits, vegetables, and livestock products, as well as nursery products, wine grapes, seed crops, forage crops, and timber. The most valuable of these are nursery crops, mushrooms, and other vegetables; countywide, agriculture in 2012 had a direct gross value of nearly \$261 million, an increase of 5% from 2011 (Santa Clara County 2012). Considering indirect sales and other agricultural support industries, the total value of agriculture to the local economy approached half a billion dollars, and provided nearly 5,000 on-farm and related agricultural sector jobs (Scheer 2014).



Jordan Plotsky

In 2012, vegetables and other Santa Clara County crops grossed nearly \$261 million.

The County's rangelands are threatened by development and changes in the economics of ranching. Santa Clara County agriculture faces many challenges, many of which are typical of small and medium-scale operations that characterize the area: cumbersome and conflicting regulations, challenging permit requirements, an aging farming population with children opting out of farming, and marginal profitability. Other challenges are unique to this area, such as a likely increase in traditionally low water rates and the number of small and disconnected agricultural parcels – 75% of the County's farms are 50 acres or less in size, with over 40% smaller than 10 acres.

Skyrocketing land values and development pressures continue to put local agriculture and farmers and ranchers at risk. Parcels intended for development versus agricultural operations typically command far greater prices per acre, and drive speculative investments in real estate. Indeed, it is widely accepted that many agricultural landowners throughout the County have chosen not to make necessary investments in agricultural infrastructure, anticipating that their properties will be rezoned for development purposes and can be sold for significantly higher prices. Development pressures are compounded by the potential displacement of farmland by planned highway widening projects and by the California High Speed Rail. The proposed High Speed Rail alignment places future stations in the midst of prime farmland outside of Gilroy and Morgan Hill, which could lead to further urbanization and impacts to remaining agricultural lands.

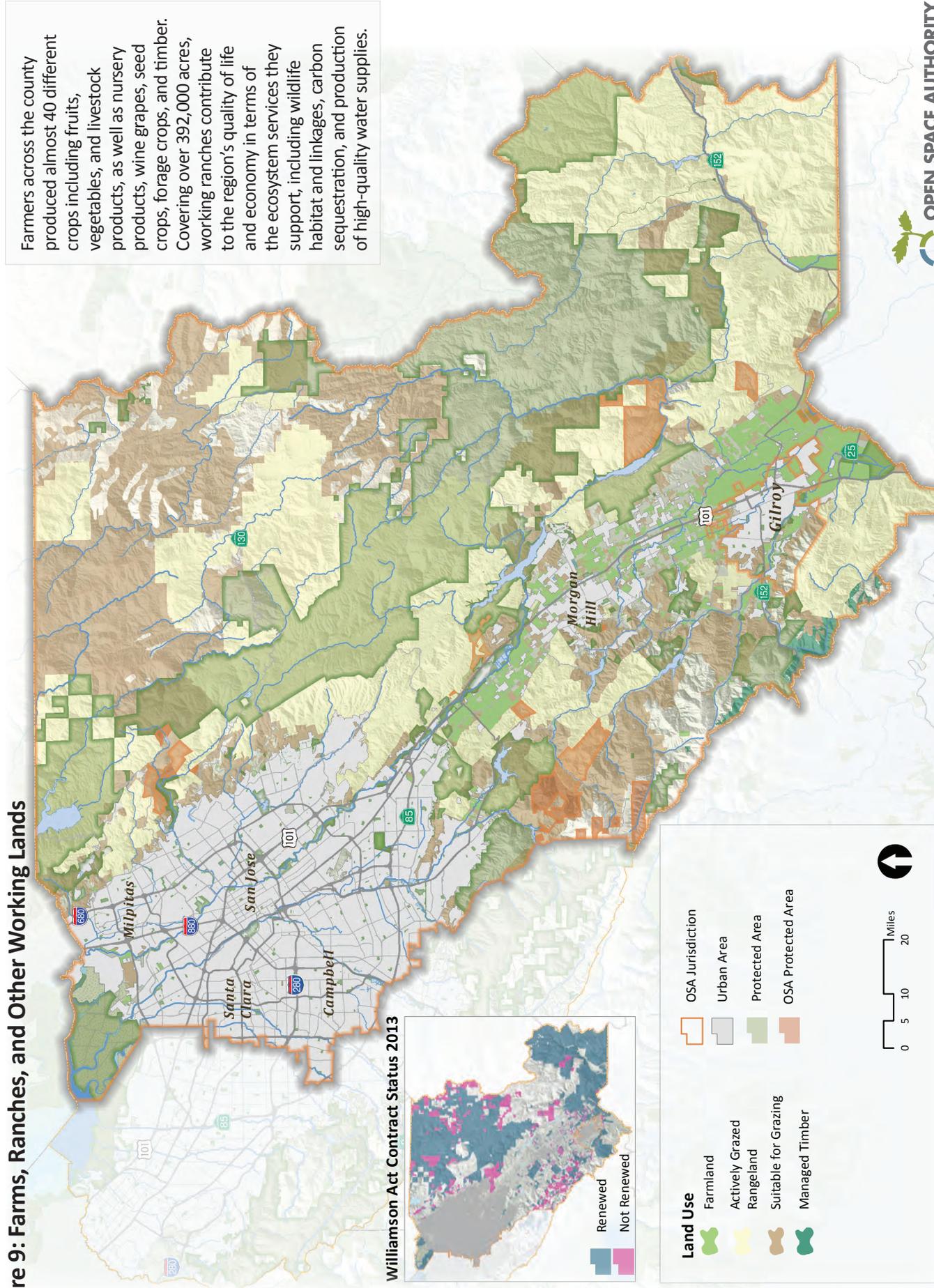


Cait Hutnik

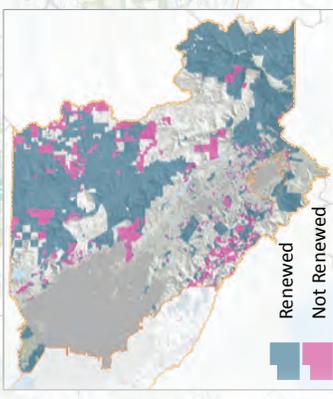
Many of the productive farmlands and orchards of the Valley of the Heart's Delight have been replaced by development, particularly in the north part of the County. However, many productive farms remain in the Coyote Valley and the southern part of the County.

Figure 9: Farms, Ranches, and Other Working Lands

Farmers across the county produced almost 40 different crops including fruits, vegetables, and livestock products, as well as nursery products, wine grapes, seed crops, forage crops, and timber. Covering over 392,000 acres, working ranches contribute to the region's quality of life and economy in terms of the ecosystem services they support, including wildlife habitat and linkages, carbon sequestration, and production of high-quality water supplies.



Williamson Act Contract Status 2013



Data sources: FMIMP 2010, SCCDA Crops Data, CalFire FRAP, CLN Rural Residential, SCC Williamson Act Data, SCC Parklands Database, CPAD 2013.

Important Areas for Farms, Ranches, and Other Working Lands

The County's food system is comprised of a number of elements, including production, processing, shipping, retail, and waste and recycling. While all of these pieces are necessary to support the economic viability of local agriculture, the key role for the Authority as a leader in land conservation is in the production aspect of the food system. The Authority will focus its efforts to help protect the most important remaining farmlands and rangelands where production occurs – and where it can be most effectively sustained in the long term.

Farmlands

Given the extensive loss of farmlands in the County, all of the remaining farms and areas with rich, prime soils may be considered precious and irreplaceable. Using criteria from the California Farmland Conservancy Program and the Natural Resources Conservation Service Farm and Ranch Land Protection Program, the Authority identified key farmland conservation priorities for protection (**Figure 10**). These areas represent those farmlands that have the best combination of location, size, proximity to other large blocks of farmland, soil quality, water supplies, cultivation history and crop production potential, and many other factors. Five key landscapes emerged from this farmlands analysis that will be especially important to sustain the economic viability of agriculture.

Coyote Valley. Located between San Jose and Morgan Hill, the 7,400-acre valley has outstanding natural resource and agricultural values and faces significant development pressure. The northern third of the valley was incorporated into the City of San Jose in 1983, and much of this area is designated for light campus industrial development. San Jose's General Plan designates the middle third as urban reserve for future growth, and the



Stuart B. Weiss

Despite significant development pressure, agriculture remains the primary land use in Coyote Valley. This area provides unique opportunities for greenbelts that maintain agricultural viability and provide a variety of environmental benefits.

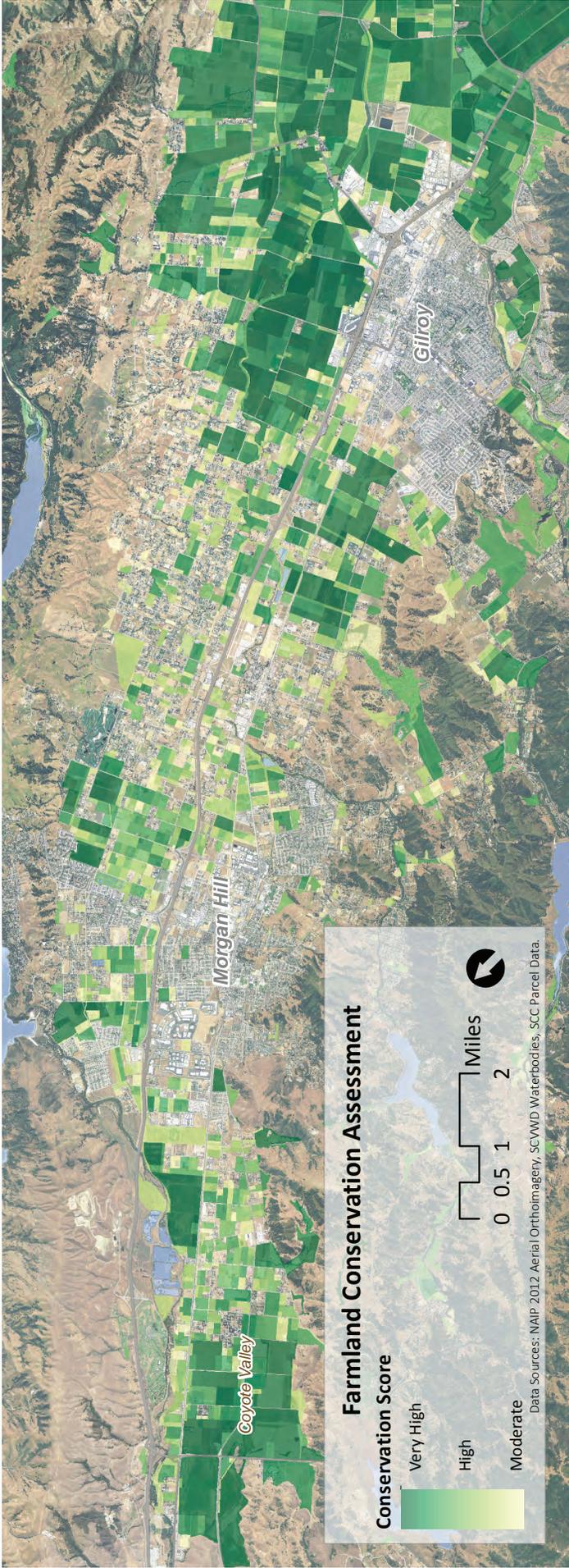


Figure 10: Farmland Conservation Assessment

Over 20,000 acres of the county's farmland was lost to development in the past 20 years, and half of the remaining 27,750 acres is at risk in the next 30 years. Protecting this remaining farmland is important to support the local agricultural economy and to provide communities with access to locally grown foods. While all of the county's remaining farmland is critical for these purposes, the Farmland Conservation Assessment identifies regional priorities where the Authority and partners can focus conservation efforts to promote agricultural viability.

Data sources: NAIP 2012 Aerial Orthoimagery, SCVWD Waterbodies, SCC Parcel Data.



Derek Neumann

southern third as greenbelt, although this area is largely fragmented with homes on relatively small rural lots. This is also an important groundwater percolation zone, which would be threatened by urban development.

Still, agriculture remains the primary land use here, where production includes orchards, row crops, field crops, mushroom facilities, and nursery production. Coyote Valley, historically an orchard area, still supports some of the largest plantings of cherries as well as a large truck farm, extensive field crops, and a cluster of Asian vegetable farms. Greenhouses formerly used for flower production are now being used to grow Chinese vegetables.

Coyote Valley has been the subject of a number of focused planning efforts in recent years. *Coyote Valley: Sustaining Agriculture and Conservation*, a 2012 feasibility study led by Sustainable Agriculture Education (SAGE) and funded in part by the State Coastal Conservancy, outlines a range of strategies to promote resource protection and increase agricultural production in the valley, including conservation easements, legislation that protects farmland at the urban edge, education about and restored funding for the Williamson Act (see sidebar), and general plan updates (SAGE 2012). The Authority was identified as a key stakeholder to pursue land conservation projects with willing sellers, and to participate in an interagency effort along with the Natural Resources Conservation Service, Resource Conservation District, UC Cooperative Extension, SAGE, and other partners to secure funding and incentives for participating landowners to invest in new agricultural infrastructure and on-farm conservation projects.



Our agricultural heritage contributes to the region's quality of life.

Williamson Act Contracts

Established by the State of California in 1965, the Williamson Act allows landowners to pay lower property tax rates in exchange for keeping their land in agricultural production for a minimum of 10 years. This tax break makes farming and ranching more financially feasible, and helps landowners resist the temptation to sell to developers.

Until 2009, county governments were partially reimbursed by the state for the lost tax revenue. Santa Clara County has continued to grant Williamson Act contracts despite the lack of state subvention funds.

In 2013, almost 62% of Santa Clara County's agricultural lands (8,537 acres of farmland and 210,087 acres of rangeland) were under Williamson Act contract. These areas are mostly located in the the foothills of the Diablo Range.

Ensuring continued funding for Williamson Act contracts is an important part of maintaining the rural character and agricultural heritage of the Open Space Authority's jurisdiction.

Morgan Hill / Gilroy Area. This area includes numerous small to medium-sized agricultural parcels and currently supports diverse production on its prime soils, from one-acre family farms that run small community supported agriculture programs to large commercial enterprises. It includes many small parcels and hobby farms in the San Martin area, and larger commercially productive areas west of Highway 101 and in the southeast quadrant of Morgan Hill. These farms face speculative development pressure as the City of Morgan Hill is proposing to annex nearly 759 acres in the area southeast of the city.

Maintaining the long-term viability of agriculture in this area is complicated by the number of small parcels, and will require strong partnerships and use of many conservation tools. Through its Urban Open Space Program, the



Agriculture in the Santa Clara Valley ranges from row crops to orchards to small hobby farms. In 2013, farmers produced over 40 different crops.

Authority can promote and fund community gardens, agricultural parks, and urban farms in southern Santa Clara County. Should Gilroy choose to join the Authority's jurisdiction, these programs can be expanded to help protect that community's important farms and agricultural resources. The Authority will continue to encourage strong general plans, strict urban growth boundaries, and protective agricultural protection policies, and will explore opportunities to work in partnership with the cities to implement effective agricultural mitigation programs. Working with cities and regional conservation partners, the Authority will explore new tools such as the creation of a local agricultural enterprise zone to incentivize farmland protection and value-added farm enterprises in exchange for tax benefits.

Santa Cruz Foothills. Characterized by steep-sided valleys with rich, alluvial soils, the foothills along Watsonville and Day Roads include a number of scenic farms, orchards, nurseries, and vineyards. As Uvas Creek flows from the foothills it opens into a broad valley that supports larger field and commercial row crop operations.

Along with conservation easements, the Authority has the opportunity to help promote the region's agricultural history and support regional marketing initiatives by promoting agritourism through activities such as a Farm Trails program, branding for locally grown foods, and U-pick operations.

East and South of Gilroy. The County's most extensive farming area, the lands between Gilroy, the Pajaro River, and the foothills of the Diablo Range, consist of highly fertile, deep soils. Here, large-scale commercial agriculture includes 97% of the County's seed crops, 87% of the vegetable crops, and over 50% of both floral and nursery crops. This area is also important for the production of specialty greens for the pre-pack market.

The Authority can best protect agricultural operations in this area by working on large-scale agricultural conservation easement projects. This will also help protect a critical groundwater recharge area as well as much



Cait Huttnik

Protection of farms and working lands at the edge of our cities can provide multiple benefits for natural and human communities.

of the Upper Pajaro River's floodplain. There may be opportunities to work with The Nature Conservancy, Flood Prevention Authority, Silicon Valley Land Conservancy, and other partners to assist with implementation of agricultural mitigation programs in this area. Partnerships with Resource Conservation Districts (RCDs), land trusts, UC Cooperative Extension, and other conservation partners can help farmers and ranchers with agricultural and natural resource protection projects.

Pacheco Valley. Located in the southeast corner of Santa Clara County, Pacheco Valley is a diverse agricultural landscape with many small, scenic farms located along Pacheco Creek, as well as a few large commercial operations. The Authority can pursue conservation easements to protect the valley's agricultural values and help maintain key linkages for wildlife movement. The Authority will also explore partnerships with organizations like the Natural Resources Conservation Service (NRCS) and Loma Prieta RCD to promote and incentivize conservation projects that benefit agricultural operations and protect the environment, such as hedgerows, sediment basins, and cover crops.

The Rural-Urban Interface

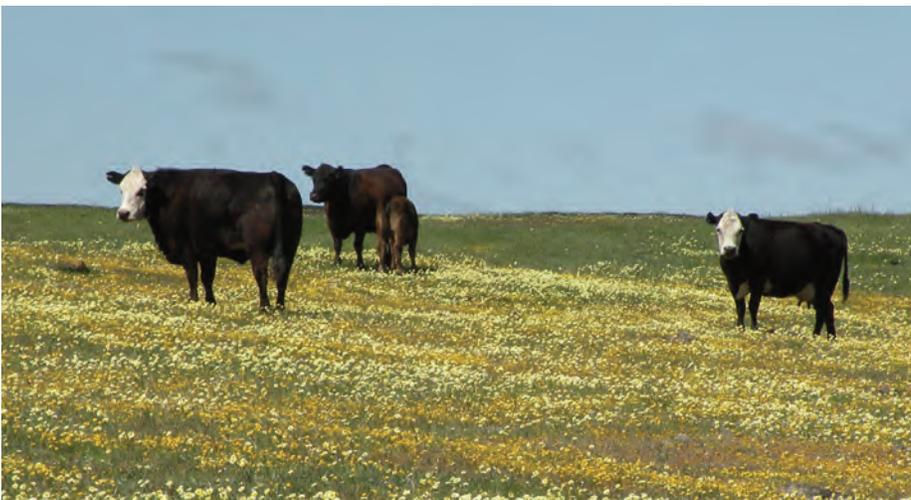
Much of this work will focus at the urban edge of our cities, where agricultural protection provides multiple conservation and community benefits. Protection of agricultural greenbelts in these interfaces helps to ensure the compact and efficient growth of our cities, a critical part of the strategy outlined in *Plan Bay Area* to reduce greenhouse gas emissions by reducing sprawl (ABAG 2013). Greenbelts help stabilize land use and preserve the scenic views that define the distinct character of each community, and they offer promising opportunities for marketing and agritourism. Most importantly, urban-edge agriculture, including community gardens, provides residents access to healthy, locally grown foods.

Urban-edge agriculture faces a number of challenges: development pressure, speculative land value, conflicts with urban neighbors, increased high speed traffic on rural roads, and disinvestment in agricultural infrastructure. Through its Urban Open Space Program, the Authority can play a critical role in the link between urban and rural lands. The Authority can align efforts to protect natural resources, agricultural sustainability, and livable communities by protecting the remaining agricultural land base, and by helping promote opportunities to expand markets for food grown close to urban centers. The Authority will continue to work with conservation partners to ensure the protection of urban-edge agriculture. The strong policies of the Santa Clara County Local Agency Formation Commission (LAFCO) can help contain sprawl by promoting organized growth and preventing development in agricultural preserves. The Authority can help implement these policies. The creation of agricultural enterprise zones and implementation of effective agricultural mitigation programs may also benefit these urban-edge farms.

Rangelands

Grasslands and oak savannas cover nearly 400,000 acres in the Diablo Range, and support a thriving livestock industry that dates back to the Spanish colonial period in the 1700s. In 2012, the region's rangelands generated over \$6 million for the local economy through livestock grazing. They also contributed to the region's quality of life and economy in terms of the ecosystem services they provide, including wildlife habitat and linkages, carbon sequestration, and production of high-quality water supplies. Rangelands are increasingly at risk of development due to mounting competition for land and water resources, elimination of Williamson Act payments, slim profit margins, and fewer young ranchers getting into the business. Protecting the region's rangelands will require public conservation investments to preserve the land base, as well as new tools, incentives and cost-share programs to support members of the ranching community who have the skill and knowledge base necessary to effectively manage grasslands.

The Authority will take a regional approach to help ensure that rangelands are protected and well managed across the landscape, on both public and nearby private lands. Using information from the Department of Conservation's Important Farmland Mapping and Monitoring Program (FMMP), the Authority partnered with the Cattlemen's Association to identify rangelands where livestock operations presently occur, as well as areas where grazing could be a suitable resource management tool. The Authority will focus land protection efforts in areas that have the highest conservation values for wildlife, water resources, recreation, and other resources, and will work with willing sellers to purchase or secure conservation easements over strategic properties. Tax credit or incentive programs can reward landowners in these areas who voluntarily preserve their land (or the agricultural use of their land) for a fixed term. The Authority can promote the availability of these programs, including Williamson Act contracts, to neighbors and landowners.



Stuart B. Weiss

By working closely with conservation partners and the ranching community the Authority can support good management of public and private grasslands.

Of course, grasslands and rangelands transcend land ownership boundaries and jurisdictions. The Authority is committed to working closely with our conservation partners and the private ranching community to support good management of grasslands on private lands. Through these partnerships, and by encouraging the use of stewardship incentives such as NRCS grants, we can help foster a generation of professional land managers in the private sector who can in turn effectively help manage public lands through grazing licenses and leases.

Effective land management is necessary to protect and improve the quality of rangelands. The Authority works in close partnership with ranchers on more than 5,000 acres of protected lands to maintain grassland biodiversity, improve habitat for rare species, and reduce wildfire risk. On Coyote Ridge, for example, grazing is used to manage and restore populations of the Bay Checkerspot Butterfly by reducing weeds that would otherwise outcompete this rare butterfly's native host plants. Grazing is a practical and inexpensive alternative to other weed removal methods, such as controlled burns, herbicide treatments, and mechanical removal. The Authority takes advantage of grants and other incentive programs to stretch limited funding for stewardship: many rangeland stewardship projects on Authority properties were funded in part by the NRCS, an agency that provides technical

The Authority will work with conservation leaders throughout the region and state to develop and pilot new payment for ecosystem service programs.

support and cost-share programs for riparian fencing, pond enhancement, and many other range improvements.

New funding sources for rangeland conservation and management may emerge in the next few years. Increased regulations for clean water and reduced greenhouse gas emissions, for example, may lead to new market-based solutions, including payment for ecosystem service programs for water quality or carbon sequestration. The Authority will work with conservation leaders throughout the region and state to develop and pilot new payment for ecosystem service programs. In combination with cost-share programs, payments to farmers and ranchers to maintain and enhance the natural services their lands provide – carbon sequestration, water quality, and flood protection – protect the environment and help ensure the economic viability of the agricultural community by offsetting land management and production costs.

The Open Space Authority is taking a leadership role in identifying and preserving the region's most important farmland and rangeland. In collaboration with farmers and ranchers, agricultural organizations, natural resource agencies, and local, regional and state initiatives,

the Authority is identifying ways to support the environmental and economic viability of the agricultural sector. This will require creative land protection tools that go beyond fee-simple purchase to help make agriculture economically viable and protect these working lands. As a land management agency, the Authority will continue to set a high standard for stewardship of its own working lands to achieve goals of both natural resource protection and sustained agricultural production.



Stephen Joseph

The Open Space Authority will explore new programs and partnerships that support farmers and ranchers who maintain and enhance the natural services their lands provide, to both protect the environment and help ensure the economic viability of agriculture.

Strategies for Protecting Farms, Ranches, and Other Working Lands



Kathy Switky

The Open Space Authority will explore new tools that help make farming viable for future generations.

- 1. Protect farms and ranches through fee purchase, conservation easements, and other incentives.**
 - a. Partner with local and regional conservation organizations to secure funding for regionally significant farm and ranch protection projects with a focus on (1) farms and ranches that demonstrate long-term economic viability and operational adaptability, and that provide multiple environmental benefits and (2) urban-edge farmlands threatened by conversion to non-agricultural uses.
 - b. Increase the Authority's funding and staffing capacity to manage conservation easements by developing program guidelines and mitigation policies.
 - c. Explore the use of new conservation tools to help make farming economically viable, such as affirmative easements, right to purchase at farm value, and payment for ecosystem services programs.
 - d. As new funding becomes available, develop a matching grant program to fund local Resource Conservation Districts, UC Cooperative Extension, land trusts, or other nonprofit conservation partners that assist farmers and ranchers with agricultural and natural resource protection projects.
 - e. Work to streamline regulations and provide technical support to the agricultural community.
 - f. Work with conservation partners to conduct outreach to agricultural landowners to raise awareness about the Authority's conservation programs.

- 2. Manage Open Space Authority lands for natural resource protection and viable agricultural operations, and to model effective public-private partnerships.**
 - a. Engage experts to develop comprehensive management plans for Authority properties and easements that integrate agricultural and natural resources.
 - b. Work with the Natural Resources Conservation Service, Resource Conservation Districts, and other partners to share best practices for land management and secure funding to implement farm and rangeland conservation projects on Authority preserves and nearby private lands that enhance water quality, habitat protection, carbon sequestration, and other ecosystem services.
 - c. Demonstrate and interpret successful conservation practices on Authority lands, such as hedgerows, sediment basins, irrigation efficiency projects, or other climate-smart projects.
 - d. Explore opportunities for beginning farmers to lease Authority agricultural lands, for example, through California FarmLink. Offer competitive leases and long-term land security in exchange for tenants' commitment to implementing on-farm conservation and stewardship projects.
 - e. For current and prospective Authority grazing lands, work with landowners to create criteria for rangeland conservation that will serve an array of resource benefits, including grazing business viability, land management, and control of invasive species.

- 3. Support regional efforts to promote local sustainable food and economically sustainable working lands, and develop public education and outreach campaigns to promote awareness about the economic and environmental value of working lands.**
 - a. Support efforts of the Santa Clara County Food System Alliance, Health Trust, and other organizations that promote access to locally grown foods.
 - b. Support regional marketing initiatives that promote place-based agricultural branding and agritourism including "Buy Fresh Buy Local", Farm Trails programs, and U-pick operations.



Community gardens and urban farms help connect people to the region's agricultural heritage.

- c. Promote awareness of the region's agricultural heritage.
- d. Promote and fund community gardens, agricultural parks, and urban farms as an element of the Authority's Urban Open Space Program.
- e. Organize and support hands-on events, on-farm gatherings, and farm tours to foster public appreciation of working lands and provide opportunities for public engagement.
- f. Partner with organizations including the Natural Resources Conservation Service, local Resource Conservation Districts, the Farm Bureau, California Rangeland Trust, and Community Alliance with Family Farmers to (1) provide technical and marketing assistance to growers and (2) streamline permitting processes and facilitate permitting for farm and ranch conservation and stewardship projects.

4. Engage in local, regional, and state land use planning and policy projects to promote farm and rangeland protection and the economic viability of regional agriculture.

- a. Work with the Santa Clara County Local Agency Formation Commission (LAFCO), the County, and cities to maintain and strengthen agricultural zoning, maintain effective urban growth boundaries, and develop and implement effective agricultural mitigation policies and projects.
- b. Work with state legislators to restore funding for the Williamson Act (including a focus on urban-edge farms, which are grossly underrepresented in Williamson Act contracts) and engage County leadership to secure funding and provide incentives, such as transportation project mitigation, and urban agriculture incentive zones to increase agricultural viability and protect open space.
- c. Advocate for agricultural tax credits such as California's Natural Heritage Tax Credit program.
- d. Participate in local and regional water supply planning efforts (such as the Pajaro and Bay Area Integrated Regional Water Management plans) and agencies (such as the Santa Clara Valley Water District and the San Francisco Public Utilities Commission) to ensure reliable long-term supplies of affordable irrigation water.
- e. Initiate multi-benefit agricultural conservation projects that contribute to groundwater recharge and water supplies, water quality, and flood risk reduction.
- f. Support legislation that protects farmland at the urban edge, where it can act as a greenbelt to contain development and reduce greenhouse gas emissions.

- g. Advocate for a portion of AB 32 cap-and-trade revenues to be directed to farmland conservation.
- h. Strengthen SB 375 to integrate agricultural protection into the local Sustainable Communities Strategy (*Plan Bay Area*) and to promote agricultural protection within Association of Bay Area Government (ABAG) Priority Conservation Areas.
- i. Support adoption of minimum statewide standards for mitigating the loss of farmland when a project results in the conversion of farmland to non-agricultural uses.
- j. Engage with transportation projects needing agricultural mitigation, such as the High Speed Rail and highway widening projects.
- k. Support implementation of a local agricultural enterprise zone to use tax benefits to incentivize farmland protection and value-added farm enterprises.



Planning and policy can support farm and rangeland protection and the economic viability of regional agriculture.