Economic recovery and climate resilience through smart growth strategies, a review of state programs
RESILIENT CALIFORNIA
Economic recovery and climate resilience through smart growth strategies, a review of state programs

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CalCAN
The California Climate and Agriculture Network (CalCAN) is a statewide coalition of sustainable farmers and ranchers and allied organizations, agricultural professionals, scientists, and advocates that advances state and federal policy to realize the powerful climate solutions offered by sustainable and organic agriculture.

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# CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>1</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>6</td>
</tr>
<tr>
<td>BACKGROUND</td>
<td>8</td>
</tr>
<tr>
<td>PROJECT OVERVIEW AND METHODOLOGY</td>
<td>12</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>22</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>27</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY

INTRODUCTION

Among California’s biggest barriers to achieving its climate change goals are the state’s sprawling cities and towns, and the state’s related dependence on passenger cars. In 2014, recognizing the need to tackle these complex land use issues comprehensively, the state’s Strategic Growth Council (SGC) launched two complementary grant programs to incentivize smart growth and the reduction of greenhouse gas (GHG) emissions associated with sprawl development. These are the Affordable Housing and Sustainable Communities (AHSC) program and the Sustainable Agricultural Lands Conservation (SALC) program.

After six years of experience with the programs and approximately $1.8 billion in investments, we wanted to take stock of how well the AHSC and SALC programs work together to maximize the reduction of land-use related GHG emissions. It is also an important time to review how the state is performing overall in addressing the related challenges of our housing and our climate crises. Time is ticking. According to the Intergovernmental Panel on Climate Change (IPCC), global GHG emissions must begin to trend downwards by 2030 to avoid the worst impacts of a changing climate.

We began this project well before the coronavirus pandemic hit California. But since the shelter-in-place (SIP) orders began in March of this year, the pandemic has laid bare the vulnerabilities of communities in over-crowded housing that puts families—especially low-income households of color—at great risk of contracting the virus. It is overcrowding, not density, that appears to increase transmission of the virus. A New York University study found that overcrowded neighborhoods in Queens, New York had higher rates of infections compared to high density neighborhoods in Manhattan that house fewer people per unit.

The pandemic has also up-ended public transit systems—large and small—that are dependent on fares to pay for their systems. While GHG emissions in the state decreased in the initial months of the pandemic as many people shifted to working from home, those reductions will likely only be temporary. The state could experience greater levels of GHG emissions if transit systems around the state fail to return to their pre-pandemic levels of service.

In addition, agriculture is experiencing the impacts of the pandemic with up to 50 percent loss in markets at the beginning of the shelter-in-place orders as restaurants and institutions such as schools closed. Farmworkers—many of whom live in overcrowded conditions—have been especially vulnerable to contracting the virus. One recent study found that Monterey County farmworkers...
were three times more likely to contract the coronavirus, compared to other workers in the county. If agriculture continues to experience significant financial losses and impacts to workers, we may see a contraction in the number of farms in the state.

As the state struggles to respond to the pandemic-induced recession, we will need solutions that provide safe, affordable housing as well as aid to transit systems. We will need investments in agriculture to address farmworker housing needs, regional market diversification for farmers, and support for farmland conservation. And we will need to rebuild in ways that improve our resilience and reduce our GHG emissions and co-pollutants so we may avoid the worst impacts of a changing climate and support healthy communities.

The aims of this project are to understand how affordable housing, transit and farmland protection are connected, and how they can help California’s efforts to meet its GHG emission reductions targets, improve overall air quality and become more resilient. The AHSC and SALC programs provide an important lens for this work.

In this report, we provide background on the AHSC and SALC programs and related issues. We review our project questions, methodology and findings. Finally, we offer our recommendations for the two programs and related land use efforts to move California toward greater resilience, and sustainable, equitable communities.

**FINDINGS**

1. **In-fill housing, farmland conservation projects overlap in just 32 percent of funded counties.**

   We found that AHSC and SALC projects (both acquisition and planning grants) can be found in 47 out of California’s 58 counties. Of those 47 counties, just 15 counties, or 32 percent, had both AHSC and SALC projects. Overall, SALC reached 34 counties compared to 24 counties for AHSC. While the two programs have reached a high number of counties in just six years of program implementation, our analysis reveals that the original vision of both programs working in tandem in similar geographies to change land use patterns and develop resilient communities is not being realized in many regions of the state.

2. **Coastal, urban regions out-perform Central Valley in AHSC funding.**

   We found that the vast majority of the AHSC funding, 69 percent, is still going to Bay Area and Southern California projects. The Housing and Community Development Agency (HCD) slightly exceeded its target for rural projects, with 12 percent of projects found in rural towns. But in the fastest growing metro areas of the Central Valley, where much of the state’s sprawl development occurs, AHSC project development remains relatively low with just 19 percent of program funds going to projects located in Fresno, Sacramento and other large Central Valley urban areas.

3. **SALC supports urban edge and rural ranchette avoidance projects, demonstrating trade-offs in project types.**

   We found that 59 percent of the SALC acquisition projects are on farmlands at the urban or suburban edge. Forty-one percent of projects are on lands at risk of rural ranchette development. Those projects on the urban-suburban edge were nearly twice as expensive as the rural ranchette projects. However, the urban-suburban edge SALC projects outperformed the rural ranchette projects in total and average project-level GHG emission reductions.
4. Technical assistance improves reach of SALC planning grants.
We reviewed SALC planning grants that support local governments in developing goals, policy strategies and priorities to protect critical agricultural land. We found that increased technical assistance and related outreach has made a real difference in improving the impact of the planning grant portion of the SALC program.

5. Program design, land use policy and politics create challenges for a regional approach.
In our interviews, participants identified why AHSC and SALC programs have not typically worked in tandem to fund projects in similar locales. Here we provide a summary of participant feedback from our interviews.

- Program design has a tremendous impact on program results.
- In-fill development is complicated and expensive.
- Working at the urban-edge is very difficult and expensive.
- The AHSC/SALC programs involve actors who usually do not work together.
- Local jurisdictions often lack the capacity to participate in the programs.
- Political will to engage in strategic smart growth varies regionally.
- Technical assistance, planning and capacity-building support are essential and effective.
- In many regions, a strong leader has yet to emerge to advocate, plan and implement comprehensive smart growth strategies.
- We are at a moment of urgency and opportunity.
RECOMMENDATIONS

1. **Develop a regional pilot effort under AHSC and SALC programs.**
   Connect the programs with Sustainable Communities Strategies implementation.

   Based on mapping, data analysis and community outreach, we recommend that the Strategic Growth Council and partner agencies develop a pilot under AHSC and SALC to target program funding in identified regions, especially in regions like the Central Valley and Inland Empire, where increased smart growth development and farmland protection are greatly needed.

2. **Expand planning grants to provide the necessary resources for integrated planning and development.**

   We recommend that both the AHSC and SALC programs provide funding for multi-year, local government planning grants of $500,000 to allow for necessary community outreach and related efforts.

3. **Refine program design to support urban-edge farmland conservation.**

   We recommend that SGC, HCD and DOC work together to refine the selection criteria for both the AHSC and the SALC programs with the aim of supporting the conservation of urban-edge agriculture.

4. **Go beyond AHSC and SALC programs to support integrated land use planning grants and more.**

   - Support improved integration across new planning grant funding.
   - Support Transfer of Development Rights programs.
   - Integrate farmland conservation into pro-housing policy development.
   - Develop a statewide planning framework.

5. **Develop agricultural land mitigation programs.**

   We recommend that the state establish an agricultural mitigation requirement on all state transportation projects that take agricultural land out of production.

6. **Support work-at-home policies.**

   We recommend that the state explore avenues for incentivizing employers to maintain work-at-home policies, once the pandemic is over and normal business returns, and consider combining such incentives with other energy-saving measures for workers’ homes.
CONCLUSION

To recover from the pandemic-induced recession and to create resilient communities at a time of significant weather extremes, the state of California will need to invest in integrated land use planning and development that delivers affordable, transit-rich housing while protecting the state’s finite agricultural resources.

Such investments may be challenged in the years ahead unless an alternative funding source is found to support climate programs like AHSC and SALC. Beginning in January 2021, the legislature and the Governor are no longer required to limit expenditures from the Greenhouse Gas Reduction Fund (GGRF) to only climate investments. Moreover, the pandemic has increased the volatility of the cap-and-trade auctions, constraining available GGRF funds.

If the state’s investments in climate programs decline, especially those that tackle the state’s land-use related GHG emissions, California is at great risk of maintaining an unsustainable pattern of sprawl development that locks communities into increasing GHG emissions and related co-pollutants.

While the AHSC and SALC programs have not always worked in tandem as originally anticipated, steps can be taken to increase the synergies between the two programs to incentivize in-fill development, protect agricultural land and maximize GHG reductions, thus strengthening the transition toward resilient California communities.

We commend the agencies involved in the AHSC and SALC programs for their successful program implementation, their thoughtful analysis of program results, and their careful adjustments to the programs to accomplish policy objectives. By pursuing the recommendations above, we believe that the two programs can work in tandem in a more deliberate, targeted manner, helping to fulfill the aims of the programs and the state’s Sustainable Communities Strategies. We look forward to continuing our conversation with stakeholders about how to maximize the benefits of both the AHSC and SALC programs and go beyond them to ensure a resilient California.
INTRODUCTION

Among California’s biggest barriers to achieving its climate change goals are the state’s sprawling cities and towns and the state’s related dependence on passenger cars. In 2014, recognizing the need to tackle these complex land use issues comprehensively, the state’s Strategic Growth Council (SGC) launched two complementary grant programs to incentivize smart growth and the reduction of greenhouse gas (GHG) emissions associated with sprawl development: the Affordable Housing and Sustainable Communities (AHSC) program and the Sustainable Agricultural Lands Conservation (SALC) program.¹

State leaders and smart growth advocates recognized that Californians often drive long distances between home and work and that urban sprawl development, in particular, contributes significantly to the state’s stubbornly high transportation-related GHG emissions and related co-pollutants.² The two programs aim to support state efforts to reverse this trend and create resilient communities by supporting the building of compact, affordable, transit-rich housing in our cities and towns while permanently protecting our finite agricultural lands on the urban and suburban edges of our communities.

After six years of experience with the programs and approximately $1.8 billion in investments, we wanted to take stock of how well the AHSC and SALC programs work together to maximize the reduction of land-use related GHG emissions. It is also an important time to review how the state is performing overall in addressing the related challenges of our housing and our climate crises. Time is ticking. According to the Intergovernmental Panel on Climate Change (IPCC), global GHG emissions must begin to trend downwards by 2030 to avoid the worst impacts of a changing climate.³

We began this project well before the coronavirus pandemic hit California. But since the shelter-in-place (SIP) orders began in March of this year, the pandemic has laid bare the vulnerabilities of communities in over-crowded housing that puts families—especially low-income households of

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¹ Staff Report: Administration of the Affordable Housing and Sustainable Communities (AHSC) Program. July 10, 2014.
² For more on transportation-related GHG emissions in California, see Next Ten’s 2019 California Green Innovation Index. Oct. 8, 2019.
color—at great risk of contracting the virus. It is overcrowding, not density, that appears to increase transmission of the virus. A New York University study found that overcrowded neighborhoods in Queens, New York had higher rates of infections compared to high density neighborhoods in Manhattan that house fewer people per unit.4

The pandemic has also up-ended public transit systems—large and small—that are dependent on fares to pay for their systems.5 While GHG emissions in the state decreased in the initial months of the pandemic as many people shifted to working from home, those reductions will likely only be temporary. The state could experience greater levels of GHG emissions if transit systems around the state fail to return to their pre-pandemic levels of service.

In addition, agriculture is experiencing the impacts of the pandemic with up to 50 percent loss in markets at the beginning of the shelter-in-place orders, as restaurants and institutions like schools were closed.6 Farmworkers—many of whom live in overcrowded conditions—have been especially vulnerable to contracting the virus. One recent study found that Monterey County farmworkers were three times more likely to contract the coronavirus compared to other workers in the county.7 If agriculture continues to experience significant financial losses and impacts to workers, we may see a contraction in the number of farms in the state.

As the state struggles to respond to the pandemic-induced recession, we will need solutions that provide safe, affordable housing as well as aid to transit systems. We will need investments in agriculture to address farmworker housing needs, regional market diversification for farmers, and support for farmland conservation. And we will need to rebuild in ways that improve our resilience and reduce our GHG emissions and co-pollutants to avoid the worst impacts of a changing climate and support healthy communities.

The aims of this project are to understand how affordable housing, transit and farmland protection are connected and can advance California’s efforts to meet its GHG emission reductions targets, improve overall air quality and become more resilient. The AHSC and SALC programs provide an important lens for this analysis.

In the following report, we provide background on the AHSC and SALC programs and related issues. We review our project questions, methodology and findings. Finally, we offer our recommendations for the two programs and related land use efforts to move California toward greater resilience, and sustainable, equitable communities.

6 California Department of Food and Agriculture. #FarmersFeedtheNeed — a coordinated effort to provide food to needy Californians (blog). April 30, 2020.
BACKGROUND

Urban sprawl development threatens to undermine the state’s efforts to curb GHG emissions, provide affordable, transit-rich housing, and conserve some of the world’s most productive agricultural land. According to a 2018 report by the California Air Resources Board, the state’s regions are not on track to reduce transportation related GHG emissions and related vehicle miles traveled, as intended when the Sustainable Communities Strategies requirements for regional governments were established by Senate Bill 375 (2008).8

The Sustainable Communities Strategies (SCS) are regional government plans intended to reduce land-use related GHG emissions through transit, housing and farmland conservation strategies. Unfortunately, they have not translated into adequate and related investments. Consequently, vehicle miles driven in the state are increasing as more state residents—especially low-income households—live farther from their jobs as housing has become unaffordable in many of the state’s cities. Ongoing sprawl development further exacerbates the problem by increasing GHG emissions associated with construction and large carbon-footprint homes.9

Unless there is significant change in land use planning and development, the state will not reach its climate targets of 40 percent reductions in GHG emissions below 1990 levels by 2030 and carbon neutrality by 2045. According to one estimate, California will not meet its 2030 GHG emissions reduction target until 2060 without significant reductions in transportation-related emissions.10

Integrated land use planning and development can offer an important way out of California’s dual housing and climate crises while accommodating an increase in population. According to the Governor’s Office of Planning and Research, “…with compact, smart growth development, California can reduce the amount of land that is needed to accommodate the state’s population of 50 million by nearly 75 percent relative to business as usual (BAU) land use policies.”11

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8 California Air Resources Board. 2018 Progress Report: California’s Sustainable Communities and Climate Protection Act. November 2018.
The state of California has a variety of policy and funding tools at its disposal to support in-fill development strategies that advance affordable housing, farmland protection and reduced GHG emissions. We wanted to explore how one such significant effort—the creation of the Affordable Housing and Sustainable Communities (AHSC) and Sustainable Agricultural Lands Conservation (SALC) programs at the SGC—is supporting a shift in development towards more compact, affordable and sustainable development patterns.

AHSC and SALC are part of California’s suite of climate investments funded by cap-and-trade auction revenues. The cap-and-trade program—which places a cap on the GHG emissions of the worst polluters—creates a marketplace for the trading of emission permits, known as allowances. Until very recently, California’s cap-and-trade auctions of allowances have generated billions of dollars each year. The state invests these proceeds—known as the Greenhouse Gas Reduction Fund (GGRF)—in state climate change programs that are intended to reduce GHG emissions, transition to a clean energy economy and avoid the worst impacts of a changing climate.

In 2014, the legislature and the Governor allocated a continuous, annual 20 percent allocation of the GGRF dollars to the SGC for projects that reduce GHG emissions associated with land use and transportation. The Council, working with state agency partners and using the new GGRF dollars, created the AHSC and the SALC programs.

These pioneering state programs were established to fund affordable, transit-oriented housing and the protection of farmland at risk of being paved over from sprawl development. By bringing together a focus on in-fill, transit-rich, affordable housing with permanent protection of farmland on the edge of cities and towns, in tandem, the programs aim to reduce vehicle miles traveled by the state’s residents—thus reducing the state’s transportation-related GHG emissions, the greatest source of climate and air pollution in the state.

As originally contemplated, the two programs would work in concert, as described in the first year of the SALC program guidelines:

“The two programs – AHSC and SALC – work in tandem to deliver projects that reduce GHGs. By investing in infill development, improved mobility options, and protecting agricultural lands strategically to keep growth within discrete boundaries, the components work together to reduce GHGs in the aggregate and over time.”

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12 The recent coronavirus pandemic and an over-allocation of allowances have impacted the cap-and-trade auctions, resulting in just $25 million raised at the May 2020 auction, down from the typical $600 to $800 million. The August 2020 auction rebounded with nearly $500 million raised.


Affordable Housing and Sustainable Communities (AHSC) program.

Managed by the California Housing and Community Development Agency (HCD) on behalf of the SGC, the AHSC program serves as a model for integrated transportation and housing projects. The program provides funds to affordable housing developers who work in concert with transportation agencies and local governments to build compact, transit-oriented, affordable housing. Since 2014, the AHSC program has invested over $1.65 billion statewide to build over 10,000 affordable housing units. By statute 50 percent of the funding must be used for affordable housing and 50 percent of the grant funds must be spent in “disadvantaged communities” as identified by CalEnviroScreen.

The program establishes funding targets for three project types. Transit Oriented Development (TOD) projects are located in densely populated urban areas with significant transit infrastructure. Integrated Connectivity Projects (ICP), which do not require the same level of existing transit, are accessed by smaller metropolitan regions. In 2015, HCD created a third project type, the Rural Innovation Project Areas (RIPA), to meet the unique smart growth development needs in rural communities that otherwise could not compete with projects in high-density metropolitan areas.

Sustainable Agricultural Land Conservation (SALC) program.

The Sustainable Agricultural Lands Conservation (SALC) program, which is managed by the Department of Conservation (DOC) on behalf of the SGC, provides grants to land trusts for the purchase of conservation easements or fee title projects on agricultural lands at risk of development. The easements or fee title projects ensure the land is permanently held in agriculture by extinguishing the land’s development rights and paying willing landowners for those rights.

Since SALC was created in 2014, the state has invested more than $150 million to protect a little more than 100,000 acres of California’s most important farm and rangeland. To put the impact of the program in perspective, during the twenty years prior to the establishment of the SALC, the state of California protected 55,000 acres of California agricultural land through the state’s California Farmland Conservancy Program. SALC has nearly doubled the agricultural acres protected with state funding in just five years.

AHSC AND SALC BY THE NUMBERS, 2014-2020:

<table>
<thead>
<tr>
<th></th>
<th>AHSC</th>
<th>SALC*</th>
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<tr>
<td>Projects</td>
<td>127 projects</td>
<td>83 projects</td>
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<tr>
<td>Awarded</td>
<td>$1.65 billion</td>
<td>$153.6 million</td>
</tr>
<tr>
<td>CO₂e Reduced</td>
<td>2.4 million</td>
<td>14.8 million</td>
</tr>
<tr>
<td></td>
<td>metric tons</td>
<td>metric tons</td>
</tr>
<tr>
<td>(does not include 2020 project data)</td>
<td></td>
<td>(does not include 2020 project data)</td>
</tr>
<tr>
<td>Acres Protected</td>
<td>10,541</td>
<td>101,440</td>
</tr>
</tbody>
</table>

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16 Map of CalEnviroScreen disadvantaged communities, OEHHA, Updated June 2017.
17 Fee title projects are the full purchase of the agricultural land. See: Land Conservation and Acquisition Tools Fee Simple Land Acquisition.
18 For more on the SALC program numbers, see Investing in California Agriculture’s Climate Solutions.
19 Department of Conservation. California Farmland Conservancy Program.
20 CO₂e refers to carbon dioxide equivalent.

*The SALC program numbers do not include information from the Dec. 2020 program awards, which were not available at the time of this writing.
DOC requires that land trust applicants for acquisition projects—either conservation easements or fee title—demonstrate that there is significant development pressure on that agricultural land. The “risk of conversion” for each property is demonstrated by specific risk factors (see Appendix A for the list of risk options). DOC staff, using the data from the applicants and the associated project risk options, calculates the avoided GHG emissions associated with protecting that farmland from conversion, using a quantification methodology developed by the California Air Resources Board.

In recognition that successful agricultural conservation requires a dual strategy of strong local zoning and strategic conservation, the SALC program also provides planning grants to local governments to enact local agricultural conservation policies and programs. The aims of the SALC program can be found in statute:

“Acquisition of easements or other approaches or tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl or those of special environmental significance.

Planning to support implementation of a sustainable communities strategy, including implementation of local plans supporting greenhouse gas emissions reduction efforts and promoting infill and compact development.”

California loses an average of 50,000 acres of agricultural land every year, of which approximately 40,000 farmland acres are lost to urban development.

The loss of agricultural land from 2000 to 2014 was highest in the San Joaquin Valley and Southern California regions of the state.

The new roadway construction rate from 2012 to 2014 was highest in San Joaquin Valley counties, especially Fresno and Merced counties as well as Butte and Sacramento regions.

Some regions of the state, such as the Bay Area, are seeing a rise of multi-family housing in recent years, which supports compact development. In contrast, in the Sacramento and San Joaquin Valley regions, multi-family housing has been less than 20 percent of total new housing.

Low-income residents are moving at greater rates than higher income residents to inland parts of Southern California and to the San Joaquin Valley, especially from near the boundary of the Bay Area.

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21 See Public Resources Code 75212.


23 Source: 2018 Progress Report. CARB.
PROJECT OVERVIEW AND METHODOLOGY

As a coalition that focuses on agricultural solutions to climate change, CalCAN is concerned with the alarming loss of agricultural land to development in California and the resulting sprawl development that permanently increases the state’s GHG emissions. Agricultural land conservation is not possible in a vacuum and it is most powerful as a climate strategy when done in concert with in-fill, affordable housing development that is transit-rich.

We began this project with a sense of urgency to address the interrelated crises of climate change, the lack of affordable housing and farmland loss in the state, and to further advance the multi-benefit solutions of integrating urban and rural land use planning and investments.

We wanted to assess how the AHSC and SALC programs perform as companion, synergistic efforts. Our work was guided by the following questions:

- Are the AHSC and SALC programs achieving the original vision of synergistic project development and long-term land use change?
- What are we learning from the first years of program implementation?
- Looking ahead, could a regional approach to implementation of the programs improve their joint impact?
- How might a regional implementation approach be achieved with program design and funding?

To explore these questions, we began by reviewing the current program guidelines, staff reports and funding results, starting with a look at the locations of AHSC- and SALC-funded projects across the state. We also interviewed 14 stakeholders and experts, including representatives from local governments, land trusts, affordable housing nonprofits, and academics. We spoke with people who helped create the AHSC and SALC programs, as well as technical advisors and grantees from each program. Finally, we convened a project advisory committee with representatives who have expertise in housing, farmland conservation and land use policy. The advisory group met twice and provided comments to the draft report. In this report, we refer to the interviewees and the advisory committee as “the participants.”
FINDINGS

1. **In-fill housing, farmland conservation projects overlap in just 32 percent of funded counties.**

We began our efforts by reviewing the maps of the AHSC and SALC awards to better understand the geographic distribution of projects (see Appendix B). We wanted to know how frequently regions are utilizing both programs to support longer term land use change. We found that most AHSC projects are located in coastal, urban areas and most SALC projects are found in coastal agricultural areas or the northern part of the Central Valley, with few projects in southern California and the San Joaquin Valley—the state’s most productive agricultural region.

We also reviewed the county distribution of projects for both programs to get a closer look at program overlap. We found that AHSC and SALC projects (both acquisition and planning grants) can be found in 47 of California's 58 counties. Of those 47 counties, just 15 counties, or 32 percent, had both AHSC and SALC projects. Overall, SALC reached a greater number of counties: 34, compared to AHSC’s 24 counties (see Appendix C).

Interestingly, of the state's top ten agricultural counties, four of them—Kings, Imperial, Stanislaus, and Ventura—did not have SALC-funded projects to protect farmland from conversion. Two of the top ten agricultural counties—Fresno and Kern Counties—received SALC planning grants but do not have SALC-funded acquisition projects. This lack of SALC projects in key agricultural counties may be explained, in part, by the lack of land trust capacity in these regions as well as a lack of access to donors able to provide needed matching funds to complete SALC acquisition projects. These are two important issues that the DOC identified in its 2018 land trust listening tour. However, all six agricultural counties—Kings, Imperial, Stanislaus, Ventura, Fresno and Kern—did have AHSC projects, which speaks to the growing need for affordable housing in these counties, as all are experiencing increased populations and affordable housing deficits.

While the two programs have reached a high number of counties in just five years of program implementation, our analysis reveals that the original vision of both programs working in tandem in similar geographies to change land use patterns and develop resilient communities is not being realized in many regions of the state.

To achieve the vision of the two programs and make a difference on the ground to meet the goals of the SCS, higher levels of state program coordination will be needed, which we discuss in greater detail in our recommendations.

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24 For a list of California’s top ten agricultural counties, see: See: California Agricultural Statistics Review 2018-2019.
26 State of California Department of Finance. Demographics | Estimates.
Coastal, urban regions out-perform Central Valley in AHSC funding.

We wanted to better understand the types of projects each program is funding and their locations. With AHSC, we began by summarizing the project award recipients, using program reports and project summaries found on the SGC website and with data received from state agency staff.

In the first year of AHSC, more than 70 percent of the awards went to projects in the Bay Area and the greater Los Angeles area (see Table 1). In the second year of the program, recognizing the need to better meet the demands of rural areas, HCD created the Rural Innovation Project Areas (RIPA), and established a ten percent target for RIPA projects. RIPA funding supports affordable housing projects in rural areas with town populations of 40,000 people or less.

Table 1. Geographic allocation of AHSC awarded projects, 2015-2020*

<table>
<thead>
<tr>
<th>Funding Year</th>
<th>MTC</th>
<th>SCAG</th>
<th>RIPA</th>
<th>Valley/Metro</th>
<th>Total</th>
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<tr>
<td>2015/16</td>
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<td>7</td>
<td>4</td>
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<td>8</td>
<td>3</td>
<td>6</td>
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</tr>
<tr>
<td>2019/20</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>1</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>42</strong></td>
<td><strong>43</strong></td>
<td><strong>16</strong></td>
<td><strong>26</strong></td>
<td><strong>127</strong></td>
</tr>
</tbody>
</table>

*Note: Projects listed as “MTC” (Metropolitan Transportation Commission) are those in the nine Bay Area counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma). Projects listed as “SCAG” (the Southern California Association of Governments) are those in Imperial, Los Angeles, Orange, San Bernardino, and Ventura counties. Projects listed as “RIPA” (Rural Innovation Project Areas) are within rural areas. Those projects described as “Valley/Metro” are mostly located in large urban areas in the Central Valley, like Fresno and Sacramento, and outside the state’s two largest metropolitan areas, the Bay Area and Los Angeles. Valley/Metro also includes three projects to date in the Redding and Truckee areas.

A RIPA project must meet the Healthy and Safety Code definition of “rural area”: California Health and Safety Code Section 50199.21.
Table 2. Geographic allocation of AHSC projects by dollar amount, millions (% of total awards), 2014-2020

<table>
<thead>
<tr>
<th>Funding Year</th>
<th>MTC</th>
<th>SCAG</th>
<th>RIPA</th>
<th>Valley/Metro</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>$61.8</td>
<td>$41.3</td>
<td>$0</td>
<td>$51.1</td>
<td>$154.2</td>
</tr>
<tr>
<td>2015/16</td>
<td>$97.5</td>
<td>$76.7</td>
<td>$39.5</td>
<td>$74.2</td>
<td>$287.9</td>
</tr>
<tr>
<td>2016/17</td>
<td>$51.9</td>
<td>$91</td>
<td>$48.6</td>
<td>$65.9</td>
<td>$257.5</td>
</tr>
<tr>
<td>2017/18</td>
<td>$137.3</td>
<td>$135.6</td>
<td>$32.1</td>
<td>$97.2</td>
<td>$402.2</td>
</tr>
<tr>
<td>2019/20</td>
<td>$247</td>
<td>$202.8</td>
<td>$77.7</td>
<td>$24.8</td>
<td>$552.3</td>
</tr>
<tr>
<td>Total</td>
<td>$595.5 (36%)</td>
<td>$547.4 (33%)</td>
<td>$197.9 (12%)</td>
<td>$313.2 (19%)</td>
<td>1.65 billion</td>
</tr>
</tbody>
</table>

We found that the vast majority of the AHSC funding, 69 percent, is still going to Bay Area and Southern California projects (see Table 2). HCD slightly exceeded its target for RIPA projects with 12 percent of projects found in rural towns. But in the state’s fastest growing metro areas of the Central Valley—where much of the state’s sprawl development occurs—AHSC project development remains relatively low with just 19 percent of program funds going to projects located in Fresno, Sacramento and other large Central Valley urban areas.

We also looked at the GHG emission reductions associated with funding regions (see Table 3). The AHSC projects in the Bay Area (Metropolitan Transportation Commission, or MTC) had the highest average project-level GHG emission reductions, at a little more than 33,000 metric ton of CO₂e. The small, rural area projects (RIPA) had the lowest average project-level GHG emission reductions at nearly 9,000 MTCO₂e (metric tons of carbon dioxide equivalent). This is not surprising, given the lack of transit options for many of these smaller rural areas. The larger Central Valley projects (“Valley/Metro”) out-performed the Southern California (SCAG) projects with average project-level GHG emission reductions of nearly 24,000 CO₂e, slightly above the total average GHG emission reductions across all project types.

Table 3. Total GHG Emission Reductions and Average Project GHG Emission Reductions by Funding Region (MTCO₂e means Metric Tons of CO₂e)

<table>
<thead>
<tr>
<th>Funding Region</th>
<th>Total GHG emission reductions for all projects (metric ton CO₂e)</th>
<th>Average project GHG emission reductions (metric ton of CO₂e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTC</td>
<td>1,064,806 MTCO₂e</td>
<td>33,275 MTCO₂e</td>
</tr>
<tr>
<td>SCAG</td>
<td>606,938 MTCO₂e</td>
<td>18,392 MTCO₂e</td>
</tr>
<tr>
<td>RIPA</td>
<td>97,099 MTCO₂e</td>
<td>8,827 MTCO₂e</td>
</tr>
<tr>
<td>Valley/Metro</td>
<td>590,919 MTCO₂e</td>
<td>23,637 MTCO₂e</td>
</tr>
<tr>
<td>Total</td>
<td>2,359,762 MTCO₂e</td>
<td>84,131 MTCO₂e</td>
</tr>
</tbody>
</table>

To increase AHSC projects in the Central Valley, additional resources will likely be needed. We discuss this further in our recommendations below.
3. **SALC supports urban-edge and rural ranchette projects, demonstrating trade-offs in project types.**

There are a variety of development pressures on agricultural land in California. Two significant types include sprawl development, where farmland on the edges of cities and towns is converted to housing or other industrial development as those cities and towns expand into their spheres of influence.\(^{28}\) In California those spheres of influence can be quite large, increasing real estate speculation on agricultural land and incentivizing the eventual conversion of that land to sprawl development. Another type of conversion is subdividing agricultural land into smaller parcels to create low-density housing, often described as rural ranchettes. This kind of conversion hurts agricultural production and can lead to long-term land use changes that bring greater conversion of farmland and ultimately sprawl.\(^{29}\)

Beginning with the second round of funding for the SALC program, in 2015, DOC began requiring land trusts seeking SALC funding to demonstrate that the agricultural land being protected by SALC easement funding is at risk of being converted. To demonstrate that risk, projects must meet at least one "risk conversion" factor, as described in Appendix A.

In Table 4, we reviewed the SALC awards by risk option type to better understand the kinds of projects awarded under the program. Risk options 1 through 5 relate to agricultural land that is at risk of conversion from urban or suburban sprawl development. For example, under risk factor 5, the agricultural land must be located within two miles of a city’s sphere of influence where planned development may occur, putting the agricultural land at risk of future conversion. Risk factors 6 through 10 are for land at risk of rural ranchette subdivision.

**Table 4. SALC projects by Risk Options, 2015–2019***

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban-Suburban Edge Projects/ (Risk Options 1-5)</th>
<th>Rural Ranchette Projects/ (Risk Options 6-10)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015/16</td>
<td>10</td>
<td>6</td>
<td>16</td>
</tr>
<tr>
<td>2016/17</td>
<td>11</td>
<td>8</td>
<td>19</td>
</tr>
<tr>
<td>2017/18</td>
<td>12</td>
<td>3</td>
<td>15</td>
</tr>
<tr>
<td>2018/19</td>
<td>13</td>
<td>15</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>46</strong></td>
<td><strong>32</strong></td>
<td><strong>78</strong></td>
</tr>
</tbody>
</table>

*Note that this table does not include SALC project funding in 2014/15 because risk options were not part of the program’s eligibility criteria at that time.

We found that 59 percent of the SALC acquisition projects are on farmlands at the urban or suburban edge. Forty-one percent of projects are on lands at risk of rural ranchette development. To explore these project types further, we looked at the costs associated for each project type and their avoided GHG emissions.

In Table 5, we break down the project data by funding levels and number of acres protected per year by SALC-funded easements. Those projects on the urban-suburban edge were nearly twice as expensive as the rural ranchette projects. The average cost per acre for an easement protecting agricultural land on those urban-suburban edge was nearly $2,300 per acre, compared to $1,130 per acre for the rural ranchette projects. This significant difference in project costs is not surprising, given increased land values at the urban edge compared to most rural land values.

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\(^{28}\) For more on spheres of influence, see: [What are Spheres of Influences studies?](#)

Table 5. SALC Projects by Funding, Number of Acres Protected and Risk Options*

<table>
<thead>
<tr>
<th>Year</th>
<th>Urban/Suburban Edge Projects/ (Risk Options 1-5)</th>
<th>Rural Ranchette Projects/ (Risk Options 6-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funding</td>
<td>Acres</td>
</tr>
<tr>
<td>2015/16</td>
<td>$25,261,000</td>
<td>9,765</td>
</tr>
<tr>
<td>2016/17</td>
<td>$17,636,000</td>
<td>22,492</td>
</tr>
<tr>
<td>2017/18</td>
<td>$36,442,000</td>
<td>4,800</td>
</tr>
<tr>
<td>2018/19</td>
<td>$22,332,000</td>
<td>7,509</td>
</tr>
<tr>
<td>Total</td>
<td>$101,670,000</td>
<td>44,566</td>
</tr>
<tr>
<td>Average cost per acre protected</td>
<td>$2,281</td>
<td>$1,127</td>
</tr>
</tbody>
</table>

*Funding totals rounded up to the nearest thousandth.

However, the urban-suburban edge SALC projects outperformed the rural ranchette projects in total and average project-level GHG emission reductions (see Table 6). The average SALC project on the urban-suburban edge will avoid associated GHG emissions by a little more than 200,000 MTCO$_2$e over the life of the project, compared to a little more than 57,000 MTCO$_2$e for rural ranchette projects. Again, given differences in population and related vehicle miles traveled, the differences in avoided GHG emissions across the two project types is not surprising, but demonstrates the trade-offs associated with the two funding types.


<table>
<thead>
<tr>
<th>Year</th>
<th>Urban/Suburban Edge Projects/ (Risk Options 1-5)</th>
<th>Rural Ranchette Projects/ (Risk Options 6-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHG emission reductions</td>
<td>GHG emission reductions</td>
</tr>
<tr>
<td>2015/16</td>
<td>2,352,467 MTCO$_2$e</td>
<td>133,116 MTCO$_2$e</td>
</tr>
<tr>
<td>2016/17</td>
<td>2,776,588 MTCO$_2$e</td>
<td>155,773 MTCO$_2$e</td>
</tr>
<tr>
<td>2017/18</td>
<td>2,828,286 MTCO$_2$e</td>
<td>580,472 MTCO$_2$e</td>
</tr>
<tr>
<td>2018/19</td>
<td>3,100,528 MTCO$_2$e</td>
<td>1,000,961 MTCO$_2$e</td>
</tr>
<tr>
<td>Total GHG emission reductions</td>
<td>11,057,869 MTCO$_2$e</td>
<td>1,870,322 MTCO$_2$e</td>
</tr>
<tr>
<td>Total across all project types</td>
<td>12,928,191 MTCO$_2$e</td>
<td></td>
</tr>
<tr>
<td>Average GHG emissions</td>
<td>240,388 MTCO$_2$e</td>
<td>58,448 MTCO$_2$e</td>
</tr>
</tbody>
</table>
4. Technical assistance improves reach of SALC planning grants.

We reviewed SALC planning grants that support local governments in developing goals, policy strategies and priorities to protect critical agricultural land. We found that increased technical assistance and related outreach has made a real difference in improving the impact of the planning grant portion of the SALC program.

Some jurisdictions made excellent use of SALC planning grants that have resulted in land use changes. For example, Santa Clara County received two planning grants. The first grant was in 2014/15 to create an agricultural plan for the county. A second grant in 2016/17 was to develop an agricultural conservation easement program. In 2017/18, the county followed up with a series of strategic SALC-funded agricultural easements on the urban edge of Gilroy. In November 2019, the city of San Jose and a coalition of conservation organizations committed over $90 million to permanently protect the Coyote Valley in the southern portion of the county, demonstrating the power of robust planning and coalition building. See Table 7 for a list of all SALC-funded planning grants.

Table 7. SALC Program Planning Grants, 2014-2019

<table>
<thead>
<tr>
<th>Funding Year</th>
<th>Grantee</th>
<th>Award Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014/15</td>
<td>Mono County</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td>Butte County</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td>Mendocino County</td>
<td>$93,400</td>
</tr>
<tr>
<td></td>
<td>Santa Cruz County</td>
<td>$99,095</td>
</tr>
<tr>
<td></td>
<td>Santa Clara County</td>
<td>$100,000</td>
</tr>
<tr>
<td>2015/16</td>
<td>Monterey County</td>
<td>$182,366</td>
</tr>
<tr>
<td>2016/17</td>
<td>City of Reedley (Fresno Co.)</td>
<td>$100,000</td>
</tr>
<tr>
<td></td>
<td>Santa Clara County</td>
<td>$100,000</td>
</tr>
<tr>
<td>2018/19</td>
<td>City of Yucaipa (San Bernardino Co.)</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td>Madera County</td>
<td>$200,000</td>
</tr>
<tr>
<td></td>
<td>City of McFarland (Kern Co.)</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td>Mendocino County</td>
<td>$208,600</td>
</tr>
<tr>
<td></td>
<td>City of Arcata (Humboldt Co.)</td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td>Mariposa County</td>
<td>$245,639</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>$2,279,100</strong></td>
</tr>
</tbody>
</table>
However, until 2019, the planning grant portion of the program was undersubscribed, and the program did not receive any applications in 2017/18. During the first couple of years of the program, legal restrictions on the use of GGRF funds created impediments to successful program design and many local governments were reluctant to participate. We heard from participants that local governments often lack the capacity to apply for funding and to carry out planning projects, and that in some regions of the state, jurisdictions are resistant to state involvement in local planning.

In 2019, DOC eased the restrictions on planning grants, providing greater flexibility to local governments to meet the grant requirements. The department also funded technical service providers for the first time to actively promote the planning grant program and aid interested local governments. The results of that year’s application process show the success of the technical assistance. DOC awarded six 2019 planning grants, including three grants to Central Valley jurisdictions and one grant in the Inland Empire—both traditionally underserved regions. In December 2019, SGC committed to continue funding technical assistance for the SALC planning grant program.

5. Program design, land use policy and politics create challenges for regional approaches.

In our interviews, participants identified why AHSC and SALC programs have not typically worked in tandem to fund projects in similar locales. We learned that the design of each program is a factor. But more importantly, participants told us that California politics, land use and economics inhibit synergistic use of the two programs. Here we provide a summary of participant feedback from our interviews.

Program design has a tremendous impact on program results. Regardless of the aspirational intent of a grant program, it is the program documents—selection criteria, scoring metrics and quantification methodology for calculating GHG reductions—that will guide program results. As outlined above, the selection criteria and the quantification methodology favor affordable housing projects in the densely populated coastal urban regions. And under SALC, the program guidelines include a robust set of risk factors for rural ranchette subdivision, resulting in a significant number of projects that protect California’s rangeland from rural ranchette development in addition to urban-edge agriculture.

In-fill development is complicated and expensive. Affordable housing participants discussed the challenges of assembling multiple parcels from different owners in the urban core, and they emphasized the need for funding to upgrade old infrastructure to support in-fill development. Participants noted that it is simply easier and cheaper to build on green fields where a developer can purchase land from one property owner and build new infrastructure.
Working at the urban edge is very difficult and expensive. Many participants emphasized the challenges of working at the urban edge. California cities often have large spheres of influence, creating space outside the city limits where agricultural land is “at play.” Large spheres of influence result in politically challenging zones of expensive, fragmented agricultural parcels. While there are examples of agricultural conservationists successfully protecting urban-edge farmland, the expense and political volatility in these areas make it difficult for land trusts and public agencies to work successfully and compete for funding.

The AHSC/SALC programs involve actors who don’t usually work together. Participants pointed out that, generally speaking, affordable housing exists within cities, while farmland conservation occurs in unincorporated areas of counties. However, the level of city and county cooperation varies widely. Participants reported that the two jurisdictions are often unaware of each other’s priorities and planning initiatives. Participants also noted that California cities and counties historically have been in conflict over land use.

AHSC funding is awarded to affordable housing developers working collaboratively with cities and transportation agencies. SALC funding is awarded to land trusts working in rural areas of the state. Although their interests are synergistic, the two groups rarely interact. Participants observed that bringing these disparate actors together may be one of the greatest challenges to a more integrated program, and they cautioned that significant time, incentives and technical assistance would be needed to bridge this gap.

Local jurisdictions often lack the capacity to participate. We heard that the limited capacity of local jurisdictions is a major obstacle to strategic urban-edge planning. Local jurisdictions have talented staff committed to smart growth, but planning departments are often overwhelmed by regulatory obligations and lack the capacity to engage in the time-consuming work of community engagement. Some participants noted that California’s new housing legislation will impose new, stringent mandates on local jurisdictions that will put additional pressure on local agencies.

We also heard that local capacity varies significantly. Participants noted that in some parts of the state that were most affected by the 2008 economic crisis, local planning departments have not completely re-built capacity. Participants told us that local governments, housing advocates and land trusts working in the Central Valley and rural areas of the state often struggle to achieve the organizational capacity necessary to strategically work on the urban edge. That may only worsen due to the economic recession and resource scarcity caused by the coronavirus pandemic.

Political willingness to engage in strategic smart growth varies regionally. California is a state with tremendous political divides. The more affluent coastal metropolitan regions tend to be liberal and politically aligned with the state’s smart growth goals. Participants noted that in more conservative, rural areas of the state, particularly in the San Joaquin Valley, local legislative bodies lack the political commitment to pursue compact, transit-oriented growth and agricultural conservation. With strong “home rule” sentiments, local cities and counties often reject state interference in planning, housing and conservation.
However, participants reported that community-based social justice and housing coalitions are gaining strength in the Central Valley and have a positive impact on planning. We heard that social justice advocates engaged in general plan development in cities in Fresno and Kern counties are finding growing support for conservation and compact growth. Regional progressive coalitions that include housing and social justice advocates, labor unions, and conservationists have engaged in land use planning and social justice issues in Kern and Madera counties.

**Technical assistance, planning and capacity-building support are essential and effective.** Both the AHSC and the SALC programs demonstrate the importance of providing significant technical assistance and planning support to local governments, nonprofits and advocates. Recognizing the gaps in their programs’ outcomes when they were first launched, HCD and DOC staff sought greater resources to provide technical assistance and improve program results. It is clear that this strategy works. HCD’s focused technical assistance and capacity-building support was reflected in the 2017-2018 projects with greater geographic diversity and more rural projects. Statewide promotion and technical assistance for the SALC planning grants resulted in a fully subscribed program in 2019, with projects from the San Joaquin Valley and Southern California.

**In many regions, a strong leader has yet to emerge to advocate, plan and implement comprehensive smart growth strategies.** While regional councils of governments (COGs) and metropolitan planning organizations (MPOs) were tasked with the Sustainable Communities Strategies (SCS) process, we heard that existing COGs and MPOs, particularly in the Central Valley, have not emerged as strong players. Participants pointed out that COGs represent their members and must follow the political will of their membership. While state resources are provided, the COGs and MPOs have not been given sufficient power to enforce smart growth policy goals.

However, participants observed that the COGs and MPOs provide valuable forums, and the SCS process has focused the conversation around smart growth. Participants also noted that some regional planning efforts have been more successful than others. Several participants pointed to Metropolitan Transportation Commission’s OneBayAreaPlan,30 which designated “priority development areas” and “priority conservation areas” in order to guide affordable housing and conservation investments. These participants suggested that the model be used in other regions of the state. Participants pointed to the new “teeth” in the recent housing legislation, and noted that the pressure for regional planning will become stronger as the impacts of climate change become more intense. However, more is needed to connect the AHSC and SALC programs with the goals of the SCS to support their aims.

**We are at a moment of urgency and opportunity.** Resolving California’s housing crisis is a primary goal of Governor Newsom’s administration. The Governor’s goal of building 3.5 million homes by 2025 provides unprecedented funding and political support for affordable housing, including the $1.7 billion housing bill, AB 101,31 adopted by the legislature in 2019. Housing built in the next six years will impact California’s livability, agricultural resources, future GHG emissions, and climate resilience. The current focus on increasing the state’s housing stock creates both challenges and opportunities that will require SGC, partner agency and stakeholder involvement.

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30 See: Plan Bay Area 2050.
31 See: AB 101 Housing development and financing bill text.
RECOMMENDATIONS

To scale up and increase the impact of the AHSC and SALC programs, we offer the following recommendations, based on our interviews and program analysis. We also go beyond the two programs in our recommendations because the state will necessarily have to play a significant role in land use planning and development if California is to address its housing and climate crises.

1. Develop regional pilot effort under AHSC and SALC programs. Connect the programs with SCS implementation.

We recommend that SGC work with sister agencies on a collaborative mapping and data analysis as well as community outreach efforts to identify target regions and the necessary partners that could benefit from AHSC and SALC investments. Such outreach should include equity considerations and partnerships with community-based groups to identify key regions for targeted investment. Based on mapping, data analysis and community outreach, we recommend that SGC and partner agencies develop a pilot program under AHSC and SALC to target program funding in identified regions—especially in areas like the Central Valley and Inland Empire, where increased smart growth development and farmland protection are greatly needed.

Based on our research and interviews, we believe that the state has the tools necessary to identify regions suitable for such a pilot program. The Department of Finance’s demographic research shows that the Central Valley and Central Coast—California’s most productive agricultural regions—are also areas of the state with growing urban populations. HCD monitors local housing elements and Regional Housing Needs Allocations (RHNA), and can identify the regions that are struggling to meet their affordable housing mandates. The California Department of Food and Agriculture collects data on the state’s most productive agricultural region32 and DOC’s Farmland Mapping and Monitoring Program33 identifies the urban-edge regions of the state that are rapidly losing valuable farmland to development.

Such a pilot program can bring together AHSC project dollars along with SALC planning and project dollars to be rolled out as projects develop over a two-to-three-year period. We heard quite strongly from those we interviewed that they do not want to complicate the application process by requiring co-applications for AHSC and SALC funding. Instead, targeted technical assistance in the

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32 See: California Department of Food and Agriculture. California Production Statistics.
33 See: Department of Conservation. Farmland Mapping and Monitoring Program.
form of program outreach, education and application assistance could identify partners in the same region who could bring forward projects for both programs over the course of the two-to-three-year pilot effort.

A pilot program in targeted regions is also an opportunity to help meet the goals of regional SCS plans in order to better support those long-term planning efforts aimed at compact development and farmland protection.

2. Expand planning grants to provide necessary resources for integrated planning and development.

We recommend that both the AHSC and SALC programs provide funding for multi-year, local government planning grants of $500,000 to allow for necessary community outreach and related efforts. Such funding would be new under AHSC and would be expanded under SALC.

Participants emphasized the time and money necessary for successful integrated planning to develop land use policies that support in-fill development and farmland conservation. For example, we heard that Butte County invested three years in community engagement, in concert with the county’s successful general plan update. It takes time and resources to engage stakeholders—who may not have worked together—across different jurisdictions to align on issues of compact, affordable housing with agricultural conservation. Because of the complexity of urban-edge planning, we recommend that planning grants in target regions should be significant in size and duration.

During the multi-year planning period, local governments could develop synergistic, coordinated pro-infill affordable housing and agricultural conservation policies, engage diverse constituencies, and build the capacity of local governments, community groups and nonprofits.

To create certainty for grantees and maximize the effectiveness of state investment, multi-year planning grants could be connected to state-funded implementation grants that become available to planning grant recipients when certain benchmarks are met. Participants pointed out that it may be most effective for the state to focus planning and implementation grants where jurisdictions are updating their general plans. Such efforts will require coordination across the state’s agencies and grants programs, a role that is well suited to the SGC.

3. Refine program design to support urban-edge farmland conservation.

We recommend that SGC, HCD and DOC work together to refine the selection criteria for both the AHSC and the SALC programs with the aims of supporting urban-edge agriculture. For example, additional points should be allocated in both programs for jurisdictions that have enacted both pro-affordable housing and agricultural lands conservation policies.

The AHSC program established targets for projects that serve smaller metropolitan and rural regions. In contrast, during the first five years of the SALC program, no targets have been set for particular project types. Projects have been evaluated equally, regardless of the project’s proximity to the urban/suburban edge.
As we found in our program analysis, there are costs and avoided GHG emissions trade-offs between easement projects on the urban edge and those in more rural areas. We think it important to maintain funding to avoid rural ranchette subdivision, as it helps slow the pace of parcelization of land and future sprawl development. But because the SALC program began as a way for the state to support compact urban development, we recommend that DOC consider whether a higher percent of program funding should support urban/suburban edge easement and fee title projects and related planning grants.

4. Go beyond AHSC and SALC programs to support integrated land use planning grants and more.

As noted above, California’s new commitment to build affordable housing provides a moment of opportunity, and we recommend leveraging new efforts to incentivize strategic growth.

Support improved integration across new planning grant funding. We recommend that SGC work closely with HCD to ensure that new planning grant dollars support integrated urban-edge planning that protects agricultural land while incentivizing compact, transit-rich, affordable housing. AB 101 (2019) provides $250 million for local and regional land use planning. The regional COGs will administer $125 million of the funds to help local jurisdictions meet their housing goals while achieving GHG reduction targets. It would be a missed opportunity if the aims of AHSC and SALC are not considered when crafting the new AB 101 planning grant guidelines.

Support Transfer of Development Rights (TDR) programs. We recommend that new state planning dollars provide local governments with the capacity and technical assistance needed to develop transfer of development rights programs that support moving density from agricultural land into urban areas.

Participants pointed to the recent housing legislation, SB 330, which prohibits local jurisdictions from eliminating housing units through downzoning requiring that jurisdictions transfer the density somewhere

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34 See the League of California Cities summary on AB 101: Housing and Homelessness Budget Trailer Bill sent to the Governor.
35 Senate Bill No. 330, Skinner, Chapter 654, Statutes of 2019, chaptered by Secretary of State on October 9, 2019.
else. SB 330 provides a foundation for a transferred development rights program, but local jurisdictions need to adopt enabling language in their city and county general plans. The state can play a supportive role through targeted planning grant support for local TDR programs.

**Integrate farmland conservation into pro-housing policy development.** To support HCD in establishing funding preferences for communities that adopt a suite of pro-housing policies, as authorized in AB 101, we recommend that the OPR work with local governments on pro-housing policies that include farmland conservation policies such as urban limit lines to protect agricultural land and farmland mitigation programs. Other agencies like the California State Transportation Agency should also been encouraged to offer additional application evaluation points to pro-housing jurisdictions in their grant programs. The current development of this suite of pro-housing policies provides an excellent, immediate opportunity to include agricultural conservation policies.

**Develop a statewide planning framework.** Land use decisions are made at the local level but are informed and influenced by state priorities. More is needed to develop a statewide land use planning framework that comprehensively brings together these currently disparate state goals and measures. Such a framework should outline goals and policy pathways to achieve affordable compact, transit-rich housing and land conservation to achieve more equitable, resilient communities in California.

**5. Develop agricultural land mitigation programs.**

We recommend that the state establish an agricultural mitigation requirement on all state transportation projects that take agricultural land out of production. While our interviews focused primarily on housing and agricultural conservation, participants also urged us to look at the role of transportation in California’s strategic growth goals. The AHSC program funds transportation projects that support compact development, and we recommend that state agencies also tie transportation projects to the protection of agricultural land.

While transportation projects must mitigate for the loss of habitat and wetlands, there is presently no mitigation requirement for the loss of agricultural land. The state currently has a Regional Conservation
Investment Strategy (RCIS) program\textsuperscript{36} that provides a mechanism for regions to plan transportation mitigation strategies for habitat and natural resources, and we recommend that the RCIS program include agricultural mitigation.

There are additional opportunities in the state to support innovations in mitigation. For example, SB 743 (2008) changes how local governments consider new developments, no longer requiring a level of service analysis that often led to supporting sprawl development projects. Instead, SB 743 creates opportunities for innovative new policies to support compact development and farmland conservation, including vehicle miles traveled (VMT) mitigation banks that support conservation easement or fee title purchase of agricultural lands on the urban/suburban edge.

6. Support work-at-home policies.

We recommend that the state explore avenues for incentivizing employers to maintain work-from-home policies once the pandemic is over and normal business returns, and that the state consider combining such incentives with other energy-saving measures for workers’ homes. Some have suggested that increased telecommuting may not by itself reduce energy consumption and related GHG emissions when other factors like increased home-energy use, driving for errands, etc. are factored into GHG emission calculations.\textsuperscript{37} However, given the significant reduction in transportation-related GHG emissions the state experienced at the beginning of the pandemic,\textsuperscript{38} we suggest that the state explore telecommuting policies, combined with home energy and zero-emission vehicles policies, that can result in reduced overall GHG emissions. One place to start can be with the state’s own agencies supporting work-from-home and related policies for state workers.

\textsuperscript{36} See: Regional Conservation Investment Strategies Program.


CONCLUSION

To recover from the pandemic-induced recession and create resilient communities at a time of significant weather extremes, the state of California will need to invest in integrated land use planning and development that delivers affordable, transit-rich housing, while protecting the state’s finite agricultural resources.

Such investments may be challenged in the years ahead unless an alternative funding source is found to support climate programs like AHSC and SALT. Beginning in January 2021, the legislature and the Governor are no longer required to limit GGRF to only climate investments. Moreover, the pandemic has increased the volatility of the cap-and-trade auctions, constraining available GGRF funds.

If the state’s investments in climate programs decline—especially those that tackle the state’s land-use related GHG emissions—California is at great risk of maintaining an unsustainable pattern of sprawl development that locks communities into increasing GHG emissions and related co-pollutants.

While the AHSC and SALT programs have not always worked in tandem as originally anticipated, steps can be taken to increase the synergies between the two programs to incentivize in-fill development, protect agricultural land and maximize GHG reductions, thus transitioning toward more resilient California communities.

We commend the agencies involved in the AHSC and SALT programs for their successful program implementation, their thoughtful analysis of program results and their careful adjustments to the programs to accomplish policy objectives. By pursuing the recommendations above, we believe that the two programs can work in tandem in a more deliberate, targeted manner, helping to fulfill the aims of the programs and the state’s Sustainable Communities Strategies. We look forward to continuing our conversation with stakeholders about how to maximize the benefits of both the AHSC and SALT programs and go beyond them to ensure a resilient California.
## Residential Risk: Options to demonstrate risk of conversion for which residential zoning can be used to calculate the number of extinguished development rights

1. Agricultural land identified for development as evidenced by inclusion in a development proposal submitted to the local government, undergoing environmental review, or publicly available from controlling interests within the past five years

2. Agricultural land identified for potential rezoning from agricultural to residential use by a jurisdiction as evidenced by a revised zoning proposal or land use plan, or undergoing environmental review, within the past five years

3. Agricultural land within a city’s Sphere of Influence or municipal service boundary and, if applicable, within the city’s urban growth boundary according to the city’s general plan

4. Agricultural land within a proposed expanded city boundary (annexation), Sphere of Influence, municipal service boundary, or specific plan

5. Agricultural land within two miles of a city’s Sphere of Influence or municipal service boundary, or within two miles of an unincorporated area which is zoned for or contains residential development where the average lot size is two acres or less

## Rural Residential Risk: Options to demonstrate risk of conversion for which rural residential zoning can be used to calculate the number of extinguished development rights

6. Agricultural land identified for potential rezoning from agricultural to rural residential use (one to ten acres) by a jurisdiction, as evidenced by a revised zoning proposal or land use plan, or undergoing environmental review, within the past five years

7. Agricultural land between two and five miles from land developed or zoned for residential use with an average lot size of one acre or less, or agricultural land up to five miles from land developed or zoned for rural residential use (one to ten acres) in the county General Plan

## Risk of subdivision to current zoning minimums: Valid options to demonstrate risk of conversion for which the current zoning minimums can be used to calculate the number of extinguished development rights

8. Agricultural land that is subject to county-issued Certificates of Compliance

9. Agricultural land located within two miles of attraction(s) such as a casino, resort, golf course, public recreation area, school or university; within two miles of a major highway intersection; or within two miles of a planned road expansion project that increases vehicle capacity (e.g., additional lanes)

10. Agricultural land within five miles of other agricultural land sold or advertised as rural home sites, rural recreational sites, or other development as evidenced through comparable sales, multiple listing services, or similar property sales tools within the last five years

*With the 2020 program guidelines, DOC dropped Risk Options 8–10 because they found that the few proposed projects that utilized these risk options did not fare well in providing demonstrated avoided greenhouse gas emissions. We include Risk Options 8–10 here for purposes of our analysis of the program since its inception.*
Appendix B. Maps of AHSC and SALCP projects 2015-2019\textsuperscript{39,40}

\textbf{NORTHERN CALIFORNIA PROJECTS:}

Legend

- Affordable Housing and Sustainable Communities
- Sustainable Agricultural Lands Conservation

\textsuperscript{39} Maps do not include the 2020 funded projects
\textsuperscript{40} Source: \textit{Annual Report to the Legislature}, California Climate Investments.
CENTRAL VALLEY/CENTRAL COAST PROJECTS:
SOUTHERN CALIFORNIA PROJECTS:
### Appendix C. Distribution of AHSC and SALC Projects by County

**BLUE** counties only have **AHSC** projects – 12 total or 26%.
**GREEN** counties only have **SALC** projects - 20 total or 43%.
**WHITE** counties have both **AHSC** and **SALC** projects - 15 total or 32%.
(Please note that percent totals are rounded up)

- AHSC and/or SALC projects are located in 47 of the 58 counties in California.
- We include both SALC acquisition projects and planning grants.
- Counties with an asterisk/star* received a SALC planning grant(s).
- You can also find a listing of SALC planning grants in the narrative of the report.

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Affordable Housing Sustainable Communities (AHSC) Program

2014-2015 Project Summaries  

2014 Staff Report  

2015-2016 Project Summaries  
http://sgc.ca.gov/programs/ahsc/docs/20190201-AHSC_Case_Studies%20Phase2_Update.pdf

2016-2017 Project Summaries  
http://sgc.ca.gov/programs/ahsc/docs/20190715-AHSC_Rd3_Award_Summaries.pdf

2017-2018 Project summaries  
http://sgc.ca.gov/meetings/council/2019/docs/20190621-Item6_AHSC_R4_Awards_StaffReport.pdf

Sustainable Agricultural Lands Conservation (SALC) Program

2014-15 Staff Report, June 30, 2015 with project summaries  

2014-15 Easement Project Summaries  
https://www.conservation.ca.gov/dlrp/grant-programs/SALC/Documents/SALC_Attachment_1D_Easement_Summaries.pdf

2014-15 Strategy Grant Recommendations  
https://www.conservation.ca.gov/dlrp/grant-programs/SALC/Documents/SALC_Attachment_2_Strategy_Grant_Recommendations.pdf

2015-16 Staff Report, August 9, 2016 with project summaries  

2015-16 Easement Project Summaries  

2016-17 Staff Report, December 5, 2017 with project summaries  
https://www.conservation.ca.gov/dlrp/grant-programs/SALC/Documents/2016-17_SGCStaffReport_FINAL.pdf

2016-17 Easement Project Summaries  
https://www.conservation.ca.gov/dlrp/grant-programs/SALC/Documents/2016-17_ProjectSummaries_ACES.pdf

2016-17 Strategy Grant Recommendations  
https://www.conservation.ca.gov/dlrp/grant-programs/SALC/Documents/2016-17_ProjectSummaries_S_O.pdf

2017-18 Staff Report, November 27, 2018 with project summaries  

2017-18 Easement Project Summaries  

2018-19 Staff Report, December 17, 2019 with project summaries  

2018-19 Easement Project Summaries  

2019-20 Draft SALC Program Grant Guidelines, December 20, 2019  


California Department of Food and Agriculture. #FarmersFeedtheNeed – a coordinated effort to provide food to needy Californians (blog). April 30, 2020. https://plantingseedsblog.cdfa.ca.gov/wordpress/?p=21213


