

PROTECTING FARMLAND USING INTEGRATED LAND USE PLANNING

PLATFORM RECOMMENDATIONS AT-A-GLANCE

- Invest in Integrated Farmland Conservation and Infill Housing Development
- Set Ambitious Goals for Agricultural Land Protection and Require Local Smart Growth Policies
- Establish Requirements for Local Action on Farmland Conservation
- Set Up State Financing for Land Purchases for Beginning Farmers and Ranchers
- Create “Just Cause” Tenancy Termination Protections and Give Farmers the Right of First Refusal

A CLIMATE PLATFORM FOR CALIFORNIA AGRICULTURE

This is one in a series of CalCAN policy briefs that describe approaches to moving California agriculture boldly and quickly toward a carbon-neutral and climate-resilient future. Together, they make up *A Climate Platform for California Agriculture*.

Access the full report at: calclimateag.org/ca-agriculture-climate-platform

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INTRODUCTION

California is steadily losing some of its most productive agricultural land to development at an average rate of 40,000 acres per year. In the past 40 years, the Department of Conservation reports the loss of 1.6 million acres, about the size of Ventura County.⁹⁰ Their last farmland conversion report for the years 2016 to 2018 found that two-thirds of developed agricultural land during that time period was lost to housing, commercial, or industrial uses (most of it in Southern California) and a bit less than one-third was converted to solar facilities.

As summarized below, there are several pressures that are likely to exacerbate this trend in farmland conversion. Given the higher greenhouse gas (GHG) emissions associated with developed land (e.g., residential or commercial uses) relative to land used for agriculture,⁹¹ the land use policy choices the state of California and local governments make in the coming years will have implications for the state's climate goals. These choices will also impact access to agricultural land for current and future generations of farmers as well as flood and wildfire resilience due to the buffering effect farms and ranches play.

Many decades of unregulated groundwater pumping have led to an unsustainable expansion of irrigated cropland and critically overdrafted groundwater basins. In response, in 2014 the state passed the Sustainable Groundwater Management Act (SGMA)⁹² which is expected to lead to fallowing as much as 900,000 acres out of California's 9.5 million acres of irrigated cropland in the coming years as an effort is made to achieve groundwater sustainability.⁹³ Some of this land would likely have gone out of production in any event when it ran out of water, some of it may be converted to less intensive agricultural uses (e.g., rangeland and dry-farmed grains), some may be restored to wetlands and other wildlife habitat, and some could be developed into housing or large-scale solar. This underscores the critical importance of conserving the viable farmland that we do have left.

Another factor driving agricultural land loss is the demographics of today's producers. The average farmer in California is 59 years old, and as more farmers retire in the coming years, thousands of acres of agricultural land will change hands. Farmers who own their land often

⁹⁰ Department of Conservation. [2016-2018 Farmland conversion report](#).

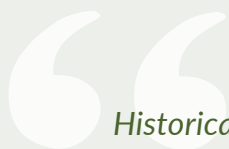
⁹¹ A study looking at Yolo County (Jackson, L., et al., (2012). [Adaptation strategies for agricultural sustainability in Yolo County, California](#)) found that an acre of developed land emits 70 times as much greenhouse gas emissions as the same amount of irrigated crop land does.

⁹² [Sustainable Groundwater Management Act](#) background.

⁹³ Public Policy Institute of California. (2023). [Policy brief: The future of agriculture in the San Joaquin Valley](#).

need to sell it as part of their financial strategy for retirement. Even when there are other farmers interested in purchasing agricultural land, they may find it challenging to compete with more lucrative buyers such as solar developers, logistics warehouses such as those proliferating in the Inland Empire,⁹⁴ or hedge funds, pensions, and other wealthy investors who may not keep the land in agriculture if given more profitable options.⁹⁵

In terms of increased values for farming and ranching land, agricultural land prices in the state rose 10 percent between 2021 and 2022.⁹⁶ Nearly all new farmers—and particularly new farmers of color—are priced out of purchasing land for their operation and instead lease land without any certainty about whether they will be able to continue on the same land from one year to the next. In the absence of secure access to land through ownership or a multi-year lease, many farmers are unable to invest in sustainable, climate-resilient practices that can take multiple years to yield benefits. In recognition of the stark disparities in land access, California recently formed an Agricultural Land Equity Task Force at the Strategic Growth Council (SGC) which will develop recommendations on how to equitably increase access to agricultural land for food production and traditional Tribal agricultural uses by 2026.



Historically, farmers of color in California have not had equitable access to land and other resources necessary to conduct farming in the state, and that legacy of prejudice persists. Female farmers represent less than a quarter of all farmers in the state, and only 2 percent of California farmers are women of color On average, socially disadvantaged farmers and ranchers in California receive less in federal payments than their White counterparts and also earn less.

– Strategic Growth Council⁹⁷

Finally, as California grapples with its shortage of affordable housing, it remains to be seen whether housing developments will sprawl onto valuable agricultural land or be sited within existing communities guided by transit-oriented development planning principles. California’s high-speed rail project will drive the development of communities built around train stops. Whether train stations are located in existing cities or in between, there will be opportunities to design sustainable, dense, and compact development rather than following the low-density sprawl patterns that characterize much of California.

The experts we interviewed emphasized the need to develop comprehensive policies and innovative approaches to balance development needs with the conservation of farmland and rangeland in order to optimize climate resilience in both urban and rural communities.

⁹⁴ Ho, J. (2023, April 19). [In California's Inland Empire, the warehousing industry's growth comes with consequences.](#) *Marketplace.*

⁹⁵ Greene, C. (2021, December 26). [Farmland in demand.](#) *LA Times.*

⁹⁶ USDA National Agricultural Statistics Service. [Land values 2022 summary.](#)

⁹⁷ Included as an attachment in a Strategic Growth Council [meeting packet](#) on October 22, 2022.



FINDINGS

Housing Crisis Drives Displacement and Sprawl

At the same time that agricultural land is under threat, the state faces a severe affordable housing crisis. Over half of California’s households are considered “cost burdened,” which is defined as paying more than 30 percent of household income on housing costs. In search of more affordable housing options, Californians—and especially low-income Californians of color—are increasingly priced out of coastal urban areas and many are forced to become “super commuters,” enduring long drives between inland and rural areas with more affordable housing and job-rich coastal cities that have failed to adequately expand the housing supply. In its 2022 Statewide Housing Plan, the Department of Housing and Community Development (HCD) projects that the state needs to build 2.5 million new housing units, one million of which are affordable to low-income households, by the end of the current eight-year housing needs allocation period that ends in 2032.⁹⁸

However, while it is clear that the state needs to build much more housing if it wants to see more affordable rents and home prices, our interviewees noted that not all housing development is equally beneficial from a climate change mitigation or resilience perspective. Large, low-density single-family home developments tend to be more energy- and water-intensive to build and operate than dense, multifamily residential developments in mixed-use neighborhoods. Additionally, because California has seen decades of sprawl development, many areas of the state have a high level of car dependence and the associated greenhouse gas (GHG) emissions.



Some Progress Made on Transit-Oriented and In-Fill Housing Policy

California has made some notable efforts to promote more affordable, sustainable, dense housing developments near jobs and public transit through policies and funding. In particular, state housing and sustainable planning efforts include requiring cities and counties to allow accessory dwelling units (also known as “in-law units” or “casitas”), the creation of the Infill Infrastructure Grant (IIG) program, the Transformative Climate Communities (TCC) program, and the Affordable Housing and Sustainable Communities (AHSC) Program. The legislature similarly enacted policies to make it easier to build affordable housing near transit and in areas with low vehicle-miles traveled.

One of the main pillars of the state’s housing policy is the Regional Housing Need Allocation (RHNA) process, which happens in eight-year cycles. Several reforms to the RHNA process have revised the method the state uses to determine the number of housing units that regions must accommodate through their local planning process. To support the increased RHNA numbers and other new requirements, significant planning funds were provided to cities and counties through the Regional Early Action Planning (REAP) and Local Early Action Planning (LEAP) programs before the current sixth cycle of the RHNA process. These funds were intended to help local governments plan for housing and comply with new laws that incentivize housing development, further fair housing, and promote climate smart development.

However, “greenfield” housing developments on undeveloped land (and often agricultural land) continue to be common. In addition to being GHG-intensive, these developments are often on the wildland–urban interface and face significant and growing fire and flooding risks.

⁹⁸ California Department of Housing and Community Development. (2022). [A home for every Californian: 2022 statewide housing plan](#).



Efforts to Reduce GHG Emissions From Transportation and Urban Sprawl Are Falling Short

In 2008, the state enacted SB 375 to establish Sustainable Communities Strategies (SCS), regional government plans intended to reduce land use–related GHG emissions through transit, housing, and farmland conservation strategies. However, SCSs have not had the desired impact, and vehicle miles driven in the state are increasing despite the adoption of these strategies. Ongoing sprawl development further exacerbates the problem because suburban homes tend to have larger household carbon footprints than urban homes.⁹⁹ The California Air Resources Board reported in a 2022 update on the impact of SCSs that the state is not on track to reduce transportation-related GHG emissions, and that while new growth has generally been more compact, development in the San Joaquin Valley has become less compact.¹⁰⁰

California has taken some steps to protect agricultural land that is at risk of development. In 2015, it launched the Sustainable Agricultural Lands Conservation (SALC) Program, administered by the Department of Conservation (DOC), which is explicitly intended to prevent increases in GHG emissions that come with urban and suburban sprawl. The program has protected 199,000 acres of agricultural land by funding permanent conservation easements as well as supporting planning and capacity building at land trusts and other conservation organizations. However, the experts we interviewed all agreed that SALC alone is not sufficient to reverse agricultural land loss and create the types of sustainable communities that are needed to lower GHG emissions from housing and transportation.



Decentralized Local Land Use Decisions Present Challenges

One major hurdle to achieving the dual goals of protecting prime agricultural land while promoting dense, infill housing is the fact that local cities and counties decide on land use plans and approval of housing developments. California has 539 cities and counties that each have different processes for housing permitting and approvals. Moreover, these local governments often face pressures from not-in-my-backyard (“NIMBY”) constituencies that oppose infill developments and any increases to housing density in existing neighborhoods, including through accessory dwelling units or allowing duplexes on single-family zoned parcels.

Even when local governments are willing to “upzone” and allow more dense housing developments in urbanized transit-rich, job-rich areas, building infill housing tends to be more complicated and less lucrative than greenfield or brownfield development. The COVID-19 pandemic also enabled more remote work opportunities for white collar professions, and there are reports of increased housing costs in a number of “zoom towns,” which are typically located in more suburban and rural areas. Our interviewees noted the need for research on what effect zoom towns have had on agricultural land prices.

⁹⁹ Jones, C., & Kammen, D. M. (2014). [Spatial distribution of U.S. household carbon footprints reveals suburbanization undermines greenhouse gas benefits of urban population density](#). *Environ. Sci. Technol.*,48(2). 895–902.

¹⁰⁰ California Air Resources Board. (2022). [Draft 2022 progress report: California’s sustainable communities and climate protection act](#).



RECOMMENDATIONS

Invest in Integrated Farmland Conservation and Infill Housing Development

While land use decisions are made at the local level, they are shaped by state priorities and the incentives provided in laws and regulations. Funding and political commitment are needed to develop a statewide land use planning framework that comprehensively brings together climate, housing, equity, and natural resource goals including agriculture. We heard that REAP funding for local governments was especially effective because it required community engagement in the process. There are examples in other states to look to as models for this type of framework (e.g., Oregon's statewide land use planning goals¹⁰¹ and Washington state's Growth Management Act approach that establishes goals, deadlines, and guidelines but protects local decision-making authority¹⁰²).

One possibility the state should explore is greater integration of agricultural land protection with funding and technical assistance for infill development planning. Both the SALC Program and the AHSC Program can fund planning, but neither program currently requires or incentivizes integrated housing and agricultural planning. The SALC Program continues to be oversubscribed, and at the very least needs reliable and sufficient funding, particularly for planning and capacity building in areas of the state where farmland loss is the greatest and program participation lags.

Set Ambitious Goals for Agricultural Land Protection and Require Local Smart Growth Policies

California's 2022 Scoping Plan sets a goal of conserving only 5,500 acres of annual cropland through conservation easements, and it does not include rangeland conservation goals at all. This is far less than the estimated 40,000 acres of cropland and rangeland land lost each year, and as such, the state should set more ambitious goals for agricultural land conservation going forward. We recommend at least doubling the annual cropland protection goal to 11,000 acres/year and adding goals of 14,000 acres/year for perennial agriculture and 35,000 acres/year for rangeland.¹⁰³ It should also strengthen its Sustainable Communities Strategy by requiring agricultural land protection policies and tying state funding to local compliance with regional SCSs.

Establish Requirements for Local Action on Farmland Conservation

As a complement to voluntary incentive programs like SALC and other sources of funding for agricultural easements, the state should consider ways to require local governments to adopt agricultural mitigation ordinances when approving developments that take agricultural land out of production. One possible method for doing this would be to identify and codify requirements that arguably already exist under the California Environmental Quality Act (CEQA) and in legal precedent. Several local jurisdictions have adopted farmland mitigation programs, including the cities of Davis, Stockton, and Brentwood and Yolo and San Joaquin counties.¹⁰⁴ To be most effective, agricultural land mitigation policies should require a high ratio of agricultural land to be conserved relative to the amount being developed. All California cities and counties are required to have a general plan that serves as a blueprint for the jurisdiction, and the state should further require an agricultural element as part of their general plan. Also, all California counties are required to have Local Agency Formation Commissions (LAFCOs) that oversee regional land use planning, and the state should ensure that they have sufficient resources and training to implement agricultural land conservation.

¹⁰¹ Oregon's Department of Land Conservation and Development. [Oregon's statewide land use planning goals](#).

¹⁰² [Washington's Growth Management Act](#). MRSC.org.

¹⁰³ These targets were included in recommendations made by CalCAN and a coalition of advocates to the California Natural Resources Agency in response to its call for public comment on target setting as required by AB 1757. See this [CalCAN blog](#) for more details.

¹⁰⁴ Meserve, O. (2011). [Overview of legal restraints on agricultural land mitigation programs](#).



Set Up State Financing for Land Purchases for Beginning Farmers and Ranchers

California's Housing Finance Agency (CalHFA) operates programs to assist first-time homeowners with purchasing a house or condominium, but no similar program exists for those looking to purchase agricultural land. The state should consider setting up a similar lending program, and it should also work to implement the recommendations of the Agricultural Land Equity Task Force when those are complete. Additionally, the state should consider how public lands owned by the state and local governments could better support secure land tenure for farmers and ranchers. According to the Climate Smart Land Management Strategy, 0.4 percent of California's agricultural land is owned by the state and an additional 0.4 percent is owned by local agencies. In 2019, Governor Newsom issued an Executive Order¹⁰⁵ requiring the state to inventory unused land in order to find suitable sites for affordable housing. The state should take similar action with agricultural land or undeveloped land it owns and connect new, beginning farmers and socially disadvantaged farmers and ranchers with opportunities to farm. Additionally, decision-makers may want to consider how the SALC Program can better incentivize the "buy-protect-sell" or "buy-protect-lease" model to better connect beginning farmers and farmers of color with land for agricultural production.

Create "Just Cause" Tenancy Termination Protections and Give Farmers the Right of First Refusal

Many climate-resilient farming and ranching practices require deployment for several years before benefits can be realized. Additionally, some practices that involve putting in permanent or semipermanent fixtures like hedgerows are prohibited in lease terms. This presents a barrier to producers who operate on one-year leases that may or may not be renewed each year. That uncertainty prevents farmers from accessing certain incentive programs like the Healthy Soils Program, which requires climate-resilient practices such as composting and cover cropping for at least three years on the same fields. To address this, the state should consider requiring a "just cause" basis for terminating agricultural leases. Additionally, some California cities and counties have "tenant opportunity to purchase" policies that allow renters the first right of refusal to buy the home or apartment complex they're renting when it is going to be sold. A similar policy could be adopted to allow farmers and ranchers the opportunity to purchase the land they farm when it is sold.



¹⁰⁵ Executive Order [N-06-19](#).

