Briefing Materials

Prepared for the California Agricultural Land Equity Task Force Meeting on October 30, 2023

The California Agricultural Land Equity Task Force (Task Force) was established in the Budget Act of 2022 (AB 179) to develop recommendations to equitably increase access to agricultural land for food production and traditional tribal agricultural uses. The Task Force consists of a regionally diverse group of individuals representing socially disadvantaged farmers and ranchers, land trusts, agricultural finance and real estate, and the State of California.

This briefing packet, developed by Strategic Growth Council (SGC) staff, is intended to provide Task Force members with a foundational overview of current trends and core concepts related to agricultural land equity In California. Key themes Include:

- 1) trends in land ownership and access in California,
- 2) State legislative processes, and
- 3) the policies and programs relevant to agricultural land equity in the state.

Together, these materials offer a brief, high-level summary of the historical and contemporary determinants of inequitable access to agricultural land in California, as well as recent efforts to address structural inequities. These materials are based on a review of available scholarship and gray literature and should not be viewed as a definitive description of agricultural land equity in California. Rather, this briefing packet consolidates available information to provide a contextual overview that can serve as the basis for Task Force discussions moving forward.

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Summary

California's history of inequitable access to agricultural land is well documented. Indigenous communities have endured centuries of State-backed violence and dispossession. Other groups experiencing marginalization around the intersection of race, class, gender, and other identities have faced multifold barriers to stable and secure land tenure.

Today, these historical injustices are reflected in the demographics of farmland ownership. Based on the <u>USDA's 2017 census of agriculture</u>, women producers represent 37 percent of all farmers in California. Racial and ethnic demographics in the state are as follows:

- White producers operate over 94 percent of farms and own over 97 percent of farmland.
- Hispanic, Latino, or Spanish producers operate 15.6 percent of farms and own
 12 percent of farmland.
- Asian producers operate 6.6 percent of farms and own 3.2 percent of farmland.
- American Indian or Alaska Native producers operate 3 percent of farms and own 2.5 percent of farmland.
- Black or African American producers operate 0.9 percent of farms and own
 0.5 percent of farmland.

<u>Recent survey data suggests</u> that the percentage of White, cisgender male farmers will decline relative to other demographics in the coming years. However, it remains true that Black, Indigenous, and [other] People of Color (BIPOC) farmers and ranchers <u>report greater difficulty</u> obtaining stable access to agricultural land, whether to buy or rent.

A review of recent State and Federal legislative activity suggests that increasingly, government entities are working to address these inequities in land access and ownership. Doing so requires navigating a complex landscape of agricultural and land use policies and programs spread across diverse government entities.

Patterns of land use and management in California are broadly shaped by the federal and state governments. The Federal government largely maintains regulatory

oversight of ownership structures on federally recognized California Native American tribal lands. However, much of the power to plan and implement land use decisions resides with local governments, including the county, city, and regional organizations like Councils of Governments (COGs) and local agency formation commissions (LAFCOs). These local agencies' planning and zoning decisions play a foundational role in determining which lands are available for agricultural uses and shape other factors related to land access and tenure, from resource availability to land cost.

California law prioritizes the preservation of agricultural land for agricultural uses through a variety of mechanisms, including programs like the <u>Williamson Act</u> and <u>State-mandated responsibilities of LAFCOs</u>. Recent legislation, such as the <u>Farmer Equity Act of 2017</u> and Governor Newsom's 2020 executive order establishing the <u>30x30 California</u> initiative, specifically prioritize equity as a core goal alongside the preservation of working lands. This has led to new programs such as the <u>CDFA's Racial Equity Action Plan</u> and the CNRA's <u>Tribal Nature-Based Solutions Program</u>.

However, it is only recently that the priorities of 1) agricultural land conservation and access and 2) farmer equity are addressed in a single program. In 2023, the <u>Sustainable Agricultural Lands Conservation (SALC) program</u> was revised to prioritize access among socially disadvantaged farmers and ranchers (SDFRs); the outcome of this most recent round of funding remains to be seen. Several USDA programs funded through the Inflation Reduction Act, such as the <u>Increasing Land</u>, <u>Capital</u>, and <u>Market Access Program</u>, explicitly address agricultural land access and equity issues.

Overview of the California Legislative Process

The process of government by which bills are considered and laws enacted is commonly referred to as the Legislative Process. The California State Legislature comprises two houses: the Senate and the Assembly. There are 40 Senators and 80 Assembly Members representing the people of the State of California. The Legislature has a <u>legislative calendar</u> containing important dates of activities during its two-year session.

The following 1) outlines the legislative process, 2) describes the role of a task force, and 3) highlights State entities relevant to questions of agricultural land equity.

How a Bill Becomes a Law in California

- All legislation begins as an idea or concept that comes from a variety of sources. The process begins when a Senator or Assembly Member decides to author a bill.
- 2. A Legislator sends the idea for the bill to the Legislative Counsel, where it is drafted into the actual bill. The draft of the bill is returned to the Legislator for introduction. If the author is a Senator, the bill is introduced in the Senate. If the author is an Assembly Member, the bill is introduced in the Assembly.
- 3. **First read/introduction:** A bill is introduced or read for the first time when the bill number, the author's name, and the descriptive title of the bill are read on the floor of the house. The bill is then sent to the Office of State Printing. No bill may be acted upon until 30 days have passed from the date of its introduction.
- 4. Committee hearings: The bill then goes to the Rules Committee of the house of origin, where it is assigned to the appropriate policy committee for its first hearing. Bills are assigned to policy committees according to the subject area of the bill. Bills that have a fiscal impact or a state cost are also heard in the fiscal committees: Senate Appropriations or Assembly Appropriations. Each house has several policy committees and a fiscal committee. Each committee comprises a specified number of Senators or Assembly Members and reviews the bill through the lens of the committee's particular subject area. During the committee hearing, the author presents the bill to the committee, and testimony can be heard in support of or opposition to the bill. The committee then votes by passing the bill, passing the bill as amended, or defeating the bill. Bills can be

- amended several times. Letters of support or opposition are important and should be mailed to the author and committee members before the bill is scheduled to be heard in committee. It takes a majority vote of the full committee membership for a bill to be passed by the committee. Each house maintains a schedule of legislative committee hearings. Before a bill's hearing, the committee prepares a bill analysis that explains current law, what the bill is intended to do, and some background information. Typically, the analysis also lists organizations that support or oppose the bill.
- 5. Second and third reading: Bills passed by committees are read a second time on the floor in the house of origin and then assigned to a third reading. Bill analyses are also prepared before the third reading. When a bill is read the third time, it is presented by the author, discussed by the Members, and voted on by a roll call vote. Bills that require an appropriation or that take effect immediately generally require a two-thirds majority (27 votes in the Senate and 54 votes in the Assembly) to be passed. Other bills generally require a simple majority (21 votes in the Senate and 41 votes in the Assembly). If a bill is defeated, the Member may seek reconsideration and another vote.
- 6. **Repeat process in other house:** Once the house of origin has approved the bill, it proceeds to the second house, where the procedure is repeated.
- 7. Resolution of differences: If a bill is amended in the second house, it must go back to its house of origin for concurrence, which is agreement on the amendments. If agreement cannot be reached, the bill is referred to a two-house conference committee to resolve differences. Three committee members are from the Senate, and three are from the Assembly. If a compromise is reached, the bill is returned to both houses for a vote.
- 8. Arrives at the Governor: If both houses approve a bill, it then goes to the Governor. The Governor has three choices: 1) sign the bill into law, 2) allow it to become law without their signature, or 3) veto it. A two-thirds vote in both houses can override a governor's veto. Most bills go into effect on the first day of January of the following year. Urgency measures take effect immediately after they are signed or allowed to become law without signature.
- 9. Enacted into law: Bills passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. These Chaptered Bills (also referred to as Statutes of the year they were enacted) become part of the California Codes. The California Codes are a comprehensive collection of laws grouped by subject matter. The California Constitution sets forth the

fundamental laws by which the State of California is governed. All amendments to the Constitution come about as a result of constitutional amendments presented to the people for their approval.

The above text is adapted from the California State Association of Counties' "Overview of California Legislative Process."

The Role of a Task Force

A task force operates in an advisory capacity. It creates a space to share knowledge from diverse perspectives and deliberate about a particular topic of shared concern. As summarized in this article, "task forces are work groups typically comprising experts in specified areas of knowledge or practice. Task forces are small groups of people—and resources—brought together to accomplish a specific objective, with the expectation that the group will disband when the objective has been completed. Whereas committees are typically defined in organizational bylaws, charters, or other formal documents, task forces are created on an 'as needed' basis. The impetus for the creation of a task force is often the result of some event, often unexpected or unanticipated, causing the need for an organization to acquire knowledge as to how to best respond to the event, related events, or to a similar situation. One difference between task forces and committees is the assignment of 'forces and resources.' That is, personnel and materials needed to enhance the chance for success of the task force are put to work simultaneously. Task force work products are collective and address the specific charge to the group" (Grigsby 2008, p. 4).

State Entities Relevant to Agricultural Land Equity

The <u>California Department of Food and Agriculture (CDFA)</u> is a cabinet-level agency that oversees food and agriculture programs and policies. It produces an <u>Ag Vision Plan</u> outlining strategic priorities. Its mission statement is "to serve the citizens of California by promoting and protecting a safe, healthy food supply, and enhancing local and global agricultural trade, through efficient management, innovation and sound science, with a commitment to environmental stewardship."

The <u>State of California Business</u>, <u>Consumer Services and Housing Agency (BCSH)</u> is a cabinet-level agency "responsible for fostering an equitable and inclusive California. BCSH does this by licensing and regulating over 4 million professionals, businesses, and financial services; funding and facilitating the preservation and expansion of safe, affordable housing; advancing statewide collaborative efforts to prevent and end homelessness; and guarding and enforcing California's civil rights laws."

Within BCSH, the <u>California Department of Housing and Community</u>

<u>Development (HCD)</u> "helps to provide stable, safe homes affordable to veterans, seniors, young families, farm workers, tribes, people with disabilities, and individuals and families experiencing homelessness." HCD conducts research on housing needs, creates policies, reviews city and county housing plans for compliance with state law, and produces the Statewide Housing Plan.

The <u>California Natural Resources Agency (CNRA)</u> is a cabinet-level agency that oversees 26 departments, conservancies, and commissions. Its mission is "to restore, protect, and manage the state's natural, historical, and cultural resources for current and future generations."

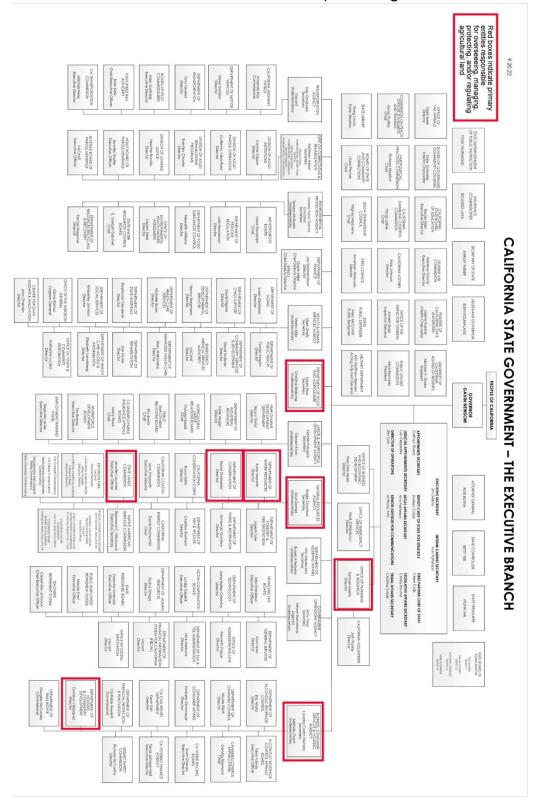
Under the CNRA, the <u>California Department of Conservation (DOC)</u> enacts policies and oversees programs related to the "intelligent, sustainable, and efficient use of California's energy, land, and mineral resources." The DOC's <u>Division of Land</u>

<u>Resource Protection</u> focuses on farmland and oversees programs such as the <u>California Farmland Conservancy Program (CFCP)</u>.

Also under the CNRA, the <u>California Department of Water Resources</u> manages California's water resources, systems, and infrastructure. Under the DWR, the <u>State Water Resources Control Board</u> develops statewide policies and regulations, administers water rights, and supports <u>Regional Water Quality Control Boards</u>.

The <u>Governor's Office of Planning and Research (OPR)</u> is "designated in statute as the state comprehensive planning agency." One of <u>OPR's primary responsibilities</u> "is working with state agencies and departments, regional planning organizations, and local jurisdictions on topics related to land use planning." OPR assists in planning and guiding legislative activity but does not directly execute nor regulate.

The organizational chart below denotes the primary government entities that are in some way responsible for overseeing, managing, protecting, and/or regulating agricultural land in California (as described in the preceding text).



Trends in California Agricultural Land Access and Ownership

Historical Foundations of Current Inequities

Research demonstrates that stable and secure land tenure <u>is vital</u> in achieving long-term prosperity for California's farmers, a robust food system, and healthy natural and working lands. Like much of the United States, however, California's history has been characterized by inequitable access to land, especially for <u>Indigenous communities</u> who have been dispossessed of their traditional territories and others experiencing marginalization around the intersection of <u>race</u>, <u>class</u>, <u>gender</u>, <u>and</u> other identities.

This dispossession continues to have long-standing impacts that <u>extend beyond</u> the loss of the land itself, including the decline of natural and cultural resources, lack of access to affordable and reliable governmental services, and forced relocation to areas with fewer or lower quality natural resources.

For over two centuries, State-backed expropriation of land (including, for example, the <u>dispossession of Indigenous lands</u>, the <u>Chinese Exclusion Act of 1882</u>, and the <u>Alien land laws of 1913 and 1920</u>), coupled with inherited wealth disparities, historically unjust lending practices, and limited access to support services, have produced <u>well-documented inequities in land access</u>. These historical processes intersect with contemporary dynamics to exacerbate existing and create new contours of inequity.

Producer Demographics

Based on the <u>USDA's 2017 census of agriculture</u>, women producers represent 37 percent of all farmers in California. Racial and ethnic demographics in the state are as follows:

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 12 percent of farmland.

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 0.5 percent of farmland.

These numbers demonstrate the underlying inequities embedded in California's agricultural system. Still, it is important to note that there are challenges with existing data collection and analysis that result in conflicting demographic estimates. For example, the CDFA's 2020 Equity Report states that women account for "less than a quarter of all farmers in the state." The Report also notes many challenges with gathering and interpreting demographic data, from the inadequate analysis of urban agriculture to the complexities of racial identities and census categories.

Despite these challenges with data collection and analysis, the results of the <u>2022</u> National Young Farmers Survey suggest that producer demographics are changing at the national level: 63.5 percent of the 4,344 survey respondents who are under the age of forty and currently farming identify as "female, nonbinary, or a gender other than cisgender male." Of these respondents, 79.86 percent identify as "White or European descent."

These numbers provide insight into the future of farming. Nationally, an estimated 70 percent of U.S. farmland will change hands in the next 20 years, and many family operations do not have a next generation skilled in or willing to continue farming.

But, for beginning farmers who have been systematically excluded from land ownership, purchasing land is a primary challenge. As noted in the <u>National Young Farmers Survey</u>, BIPOC farmers face particular barriers to finding and maintaining access to affordable agricultural land. While 59 percent of <u>all survey respondents</u> answered that finding affordable land to buy was "very or extremely challenging" for BIPOC farmers, the percentage rose to 65. Compared with 54 percent of all respondents, 75 percent of Black farmers said they currently need more access to land, whether to buy or lease.

Financialization and Consolidation

Existing data suggests that accessing farmland in California has become increasingly difficult in recent decades. Since 2018, the value of <u>farm real estate in California</u> has increased by 28.3 percent. In 2022, the average cost of California farm real estate was \$12,000 per acre, an increase of 10.1 percent from the year prior.

The cost of agricultural real estate has outpaced the growth in sales value. Between 2020 and 2021, the <u>total sales value</u> of California agriculture increased by 3.6 percent.

Scholars have demonstrated that since the financial crisis of 2007–2008, financial institutions have had an increasingly powerful role in the U.S. agri-food sector and have worked to transform agricultural land into an investment tool that is disconnected from its value in food production (a process known as <u>financialization</u>). Speculative investments in agricultural land across the United States have risen substantially, covering perhaps <u>25 percent of all acquisitions</u>. Alongside land, <u>water</u> is also the subject of intensive speculative investment that is reshaping the agricultural landscape.

At the same time, elite interests in acquiring farmland have challenged existing regulations meant to protect agrarian lands and communities. One more recent and well-publicized example has been the <u>buy-up of thousands of acres of agricultural</u> land in Solano County by tech industry executives.

Statewide, the <u>largest five percent of properties</u> — with "property" defined as all parcels owned by a given landowner — account for 50.6 percent of California cropland. The smallest 84 percent of properties account for 25 percent of cropland.

This consolidation is the result of both recent and historical processes. European occupation not only brought violence and displacement but also shifted the social relations underpinning the forms and functions of agricultural practices. California's plantation–style agriculture was <u>built on the monopolization of large Spanish land grants</u> of the mid–18th to mid–19th centuries, laying the foundation for the system of large, corporate–owned farms run on wage labor.

Land consolidation reduces the availability of smaller-sized farms suitable for typically resource-constrained beginning farmers and leads to specialization in operations and products. Ongoing land consolidation is thus likely to disproportionately impact socially disadvantaged farmers and ranchers in California, who tend to farm fewer acres but have a greater diversity of crops.

Research suggests that <u>diversifying agricultural processes strengthens the adaptive capacity of farming systems</u>. As the State begins to consider diversified farming systems as a climate-smart strategy, it is critical to recognize the foundational role of socially disadvantaged farmers and ranchers in cultivating diverse agricultural systems in California.

Overview of Land Use Policies Shaping Agricultural Land Access in California

Overview

Patterns of land use and management are broadly shaped by the federal and state governments. In particular, the federal government largely maintains regulatory oversight of ownership structures on federally recognized tribal lands. However, much of the power to plan and implement land use decisions resides with local governments, including the county, city, and regional organizations like councils of governments and local agency formation commissions.

These land use decisions play a foundational role in determining which lands are available for agricultural uses and shape other factors related to land access and tenure, from resource availability to land cost.

This brief provides a foundational understanding of the regulatory mechanisms of land use planning and decision-making that shape agricultural land access in California. These structures can either enable or prevent producers' stable access to productive agricultural land and should be read alongside the structural inequalities described in the "Overview of Land Access and Ownership Trends" to understand how racial and gender categories overlap with regulatory mechanisms to reproduce inequality.

The following discussion of land use laws and regulations is divided by level of government: 1) federal, 2) state, 3) federally recognized tribal, and 4) regional and local.

Federal Laws and Regulations Impacting Land Use in California

Text adapted from OECD's 2017 Fact Sheet on the Governance of Land Use

Despite lacking direct powers regarding land-use planning on non-federal lands, the federal government exercises considerable influence over land use. This influence includes:

- 1. Enacting environmental legislation that influences land-use decision-making.
- 2. Owning large parts of the land, especially in western states.
- 3. Owning and possibly decommissioning military lands for private development in critical urban areas.
- 4. Signing treaties and enacting laws that influence or govern land use on Native American tribal land.
- 5. Constructing and funding federal roads.
- 6. Providing fiscal incentives to state and local governments for specific projects.
- 7. Providing tax incentives to individuals, such as encouraging single-family homeownership through tax deductions on mortgage interests.
- 8. Providing limited housing support for low-income households.
- 9. Employing US constitutional principles such as due process, equal protection, and takings limitations to impose restrictions on land-use planning.
- 10. Pursuing agricultural policies using fiscal and regulatory tools influencing land use.

Regarding this final point, the USDA shapes California's agricultural land use through incentive and financial support programs like the Farm Service Agency's loan programs. Other USDA agencies, such as Rural Development, fund particular infrastructure and housing projects in rural communities. The Natural Resources
Conservation Service funds voluntary technical assistance programs focused on the conservation of agricultural lands and resources (these programs are described in greater detail in the "Grants, Loans, and Incentive Programs" brief).

State of California Laws and regulations for land use decisions

Text adapted from the Senate Governance and Finance Committee

Planning: The State mandates local planning processes and procedures that determine land use decisions. Every county and city must adopt a *general plan* with seven *mandatory elements*: land use, circulation, housing, conservation, open space, noise, and safety. The Planning and Zoning Law outlines the procedural requirements for public notices, hearings, amendments, and appeals. Unlike other states, California provides no direct and little indirect help to local planners.

The State mandates that local land use decisions must be consistent with the communities' general plans: zoning, subdivision approvals, use permits, and public works. This requirement for *vertical consistency* gives general plans meaning and purpose.

Environmental Review and Conservation: The State government plays a significant role in protecting working and natural lands in California. The <u>California</u> Environmental Quality Act (CEQA) requires public officials to document the environmental effects of their proposed decisions and then to avoid or mitigate the projects' adverse effects. CEQA includes farmland loss as a significant impact that must be avoided or mitigated.

In addition to CEQA, the preservation of agricultural land is prioritized by the State through "a complicated fabric of policies that address the retention of farmland for agriculture" (Thompson 2009, p. 20). This includes the following:

- Assembly Bill 857 (2003) establishes farmland retention as one of three state planning priorities.
- O Government Code Section 51243 establishes the Williamson Act, overseen by the DOC. The Act provides tax incentives for private landowners who contract with local governments to restrict specific parcels of land to agricultural or related open space use. The California Department of Conservation (DC) administers a map of Williamson Act-enrolled lands.

- California Civil Code Section 815 establishes definitions and procedures for conservation easements, of which agricultural conservation easements are one type. Overseen by the California Department of Conservation's Division of Land Resource Protection (DOC DLRP), agricultural conservation easements are voluntary deed restrictions that protect individual parcels of agricultural land from non-agricultural development. The program protects land for agriculture, but it also protects existing land use and ownership frameworks: individual property owners elect to enter into a conservation easement deed restriction, and "easements must be of a size and nature suitable for viable commercial agriculture" (DLRP).
- The Sustainable Communities and Climate Protection Act of 2008 (Senate Bill 375) has "helped set a long-range planning framework for meeting GHG emission reductions through regional land use strategies" (Creating Sustainable Communities and Landscapes 2018, p. 3). The framework defines agricultural regions where development should be avoided.

Even as the State has enacted policies and programs to increase housing development as a response to the housing crisis, protecting agricultural land remains a primary goal. Senate Bill 330 Housing Crisis Act of 2019, for example, prohibits a city or county from "limiting [the] number of land use approvals or permits that will be issued in the jurisdiction, unless the jurisdiction is predominately agricultural" (San Joaquin Valley Guide to Recent California Housing Laws, p. 98). Senate Bill 9 and Senate Bill 35, both of which streamline the approvals process for housing developments, require that the "project site is not located on or in...prime farmland, or farmland of statewide importance" (among other restrictions) (ibid, p. 88 and p. 91).

California Native American Tribal Land Use and Ownership Structures

A California Native American tribe is defined by the State as a tribe that has traditional territory in California and is on the contact list that is maintained by the Native American Heritage Commission (NAHC) for the purposes of Chapter 905 of the Statutes of 2004. This includes federally recognized tribes as defined by the Bureau of Indian Affairs and non-federally recognized tribes. California law provides

the means for both federally recognized and non-federally recognized tribes to protect their respective cultural resources.

As sovereign nations, <u>federally recognized</u> <u>California Native American tribes</u> individually establish and implement frameworks for land use and management. <u>This map</u> shows federally recognized tribal lands across the U.S. However, the U.S. government controls the legal structures that govern land ownership on federally recognized California Native American tribal lands.

Over the centuries, the federal government has enacted a range of laws that have worked to <u>dispossess Indigenous communities of their lands</u> and associated forms of <u>wealth and well-being</u>. These forms of dispossession are <u>particularly complex in California</u>, where acts of genocide and displacement were <u>core to the State's founding</u>. As <u>described by the Bureau of Indian Affairs Pacific Regional Office</u>, California Native American tribes have faced unique barriers to land access, ranging from the refusal by the U.S. Senate to ratify 18 treaties in 1851–52 (and the treaties' concealment until 1905), to the partial elimination of the Rancheria System in 1958.

Today, federally recognized California Native American tribal lands are characterized by a range of ownership structures. <u>"A Primer on the Types of Land in Federal Indian Reservations for Groundwater Sustainability Agencies"</u> by the California Department of Water Resources provides a brief overview of the forms of tribal land ownership in California, including <u>trust allotments</u> and <u>fee lands</u>. For more detailed descriptions of the patchwork of ownership statuses found across federally recognized tribal lands, see this <u>2021 report to Congress</u>.

Regional and Local Land Use Regulatory Bodies that Shape Agricultural Land Availability and Access

Local Agency Formation Commissions (LAFCos) in each county have authority over boundaries, as authorized by the State. Local boundary decisions are important because they determine which local officials will control land use, collect revenues, build public works, and use eminent domain. LAFCOs were first established as a response to uncoordinated and inefficient growth in the post–WWII period, and their regulatory power was affirmed in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act).

LAFCO objectives include:

- 1) Discourage urban sprawl.
- 2) Encourage orderly governmental boundaries.
- 3) Preserve open space and prime agricultural land.

They achieve these goals by maintaining authority over boundary changes and adoption of local policies, among <u>other local processes</u>.

A 2018 <u>white paper</u> by the California Association of LAFCOs and American Farmland Trust generated a "hierarchy" of ways that LAFCOs could work toward the preservation of agricultural land: 1) avoid impacts, 2) minimize impacts, and 3) mitigate impacts.

<u>County Resource Conservation Districts (RCDs)</u>, established by Public Resources Code Division 9, are governed by an independent, locally appointed or elected board of directors charged with linking federal, state, and local programs, implementing conservation projects on public and private lands, and educating constituencies about resource conservation.

RCDs can take an active role in creating and preserving agricultural land, as in the case of the <u>Sunol AgPark</u>, run by the Alameda County RCD.

The formation of <u>Groundwater Sustainability Agencies (GSAs)</u> is required for high- and medium-priority basins and subbasins by the <u>Sustainable Groundwater Management Act (SMGA)</u>. A GSA can be a single local agency or a combination of local agencies using a joint powers agreement, a memorandum of agreement, or other legal agreement.

Although GSAs do not directly control land use zoning, their planning and regulatory authority concerning water management play a critical role in the values and uses of agricultural lands.

<u>Counties</u> and <u>Cities</u>: The California <u>municipal codes for counties</u>, <u>cities</u>, and towns are the local and regional ordinances that govern land use. These zones change across municipalities, <u>requiring a localized view</u> of land use regulations. This <u>Zoning Guide</u> gives a useful overview of local zoning mechanisms and strategies, but note that it does not address the history of bias in local planning and the use of zoning to create and maintain structural inequalities.

Recent State Legislation Addressing Farmer and/or Land Equity

Two recent legislative actions, the Farmer Equity Act (2017) and 30x30 California (2020), directly address issues of farmer and/or land equity. This brief summarizes

- preceding bills that define and prioritize "disadvantaged communities,"
- 2) the Farmer Equity Act, and
- 3) 30x30 California.

The last page provides a timeline of related legislative activity starting with the Farmer Equity Act in 2017.

Bills Addressing Disadvantaged Communities

Bills passed by the California Legislature have increasingly directed planning and climate programs to define and prioritize disadvantaged communities (DACs). These include:

- Senate Bill 535 (2012) "directs State and local agencies to make investments that benefit California's disadvantaged communities. It also directs the California Environmental Protection Agency (CalEPA) to identify disadvantaged communities for the purposes of these investments based on geographic, socio-economic, public health, and environmental hazard criteria" (Creating Sustainable Communities and Landscapes 2018, p. 26). CalEPA's CalEnviroScreen is the resulting map that defines and tracks DACs.
- Assembly Bill 1550 (2016) "increased the percent of funds for projects located in disadvantaged communities from 10 to 25 percent and added a focus on investments in low-income communities and households" (ibid.).
- Senate Bill 1000 (2016) requires cities and counties "to adopt an Environmental Justice element, or integrate EJ-related policies, objectives, and goals throughout other elements of their General Plan. The bill also includes a process for communities to become meaningfully involved in the decision-making processes that govern land use planning in their neighborhoods" (California Environmental Justice Alliance). A report released by the Berkeley Food Institute in Sept. 2023 evaluates how SB 1000 has been used to further food justice initiatives in cities across California.

The Farmer Equity Act (AB 1348)

In 2017, the California legislature passed <u>Assembly Bill 1348</u>, the Farmer Equity Act. The Act formally recognizes the ongoing barriers faced by BIPOC farmers and women farmers in accessing land and other resources necessary to conduct farming in California and directs the CDFA to address racism in agriculture through actions across the department. The Act's primary focus is on the inclusion of socially disadvantaged farmers and ranchers (SDFRs) in the development, adoption, implementation, and enforcement of food and agriculture laws, regulations, and policies and programs under the purview of the CDFA. To this end, the Act also establishes a Farm Equity Advisory position within the department's executive office to support CDFA's efforts to include SDFRs in its policies and programs. The CDFA released its <u>Racial Equity Action Plan</u> in September 2023.

The Act adds a formal definition of Socially Disadvantaged Farmers and Ranchers to the California Food and Agriculture Code. Under the Act, a "socially disadvantaged group" means a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as group members without regard to their individual qualities. These groups include African Americans, Native Indians, Alaskan Natives, Hispanics, Asian Americans, Native Hawaiians, and Pacific Islanders.

This definition has spawned greater legislative activity related to SDFRs, with <u>explicit references</u> in 15, 11, and 8 bills in the 2019–2020, 2021–2022, and 2022–2023 legislative sessions, respectively. More broadly, the Act has established a platform by which various State actors and agencies can build toward a more equitable agricultural sector.

30 x 30 California (N-82-20)

In October 2020, Governor Newsom signed <u>Executive Order N-82-20</u>, known as <u>30x30 California</u>, establishing a state goal of conserving 30 percent of California's lands and coastal waters by 2030. To assist with the implementation of N-82-80, the <u>Natural and Working Lands Climate Smart Strategy</u> was released in 2022. The Strategy lists existing legislation and outlines plans for advancing "climate smart" policies and programs.

The Strategy lists "equity" as a core priority and details seven ways that the State will work toward environmental justice:

- 1) protecting vulnerable communities,
- 2) addressing California's historical wrongs toward California Native Americans,
- 3) preserving and protecting traditional cultural resources and landscapes,
- 4) dismantling structural racism,
- 5) expanding economic opportunity,
- 6) increasing access to nature, and
- 7) empowering communities.

The <u>Tribal Nature-Based Solutions Program</u> was established as part of this commitment. The program fund projects that "focus on the following three categories:

- Planning for multi-benefit nature-based solutions projects,
- 2) implementation of multi-benefit nature-based solutions projects, and
- 3) ancestral land return for the purpose of advancing multi-benefit nature-based solutions projects."

The timeline below is a partial list of State policies, programs, and actions addressing farmer and/or land equity since the passage of the Farmer Equity Act in 2017.

Timeline: State Policies, Programs, & Actions Addressing Farmer and/or Land Equity		
2017	October: Passage of the Farmer Equity Act of 2017 (AB 1348)	
2018	September: Farm Equity Adsvisor hired by CDFA	
2019	Throughout 2019 onward: CDFA grant and incentive programs prioritize SDFRs, e.g. in March CDFA opens additional S3 million in Limited Request for Proposals funding under the Specialty Crop Block Grant Program targeting SDFRs and undeserved communities	
	June: Release of the CDFA Farmer Equity Report	
2020	September: Gov. Newsom issues Executive Order N-15-19 recognizing past injustices and calling for co-management and return of ancestral lands to California tribes October: Gov. Newsom issues Executive	
	Order N-82-20, known as 30x30 California	
2021	April: CDFA launches California Underserved and Small Producer Grant Program (CUSP)	
	April: Natural and Working Lands Climate Smart Strategy released	
2022	June: CDFA launches Beginning Farmer and Farmworker Training and Workforce Development Grant	
	July: California Budget Act of 2022 (AB- 179) establishes California Agricultural Land Equity Task Force, overseen by SGC	
	June: Round 9 of SGC's Sustainable Agricultural Lands (SALC) program prioritizes SDFRs	
2023	August: CDFA Urban Agriculture Grant Program released	
LULU	September: CDFA Racial Equity Action Plan (REAP) released	
	October: First meeting of the California Agricultural Land Equity Task Force	

Grants, Loans, and Financial Incentive Programs Prioritizing Agricultural Land Access

Government-run and administered grant, loan, and financial incentive programs are intended to complement and enact policies to advance government priorities. The following list of programs includes those that directly engage with issues of agricultural land access through 1) the State of California and 2) the U.S. Government.

Notably, some programs prioritize grants to SDFRs that are *not* on this list because they do not directly fund land access (e.g., the Healthy Soils Program). Then, there are programs on this list focused on agricultural land conservation but that do not prioritize equity (e.g., the Williamson Act).

A review of government programs suggests that it is only recently that these two priorities (land access and equity) are addressed within a single program, especially at the State level. One example is SALC, which was revised in 2023 to prioritize access among SDFRs; the outcome of this most recent round of funding remains to be seen. USDA programs funded through the Inflation Reduction Act, such as the Increasing Land, Capital, and Market Access Program, are more likely to explicitly address agricultural land access and equity issues.

State of California Programs

Note: <u>Assembly Bill 1550</u> (2016) increased the percentage of Greenhouse Gas Reduction Fund monies for projects located in disadvantaged communities from 10 to 25 percent and added a focus on investments in low-income communities and households.

<u>CDFA's Beginning Farmer and Farmworker Training and Workforce Development</u> <u>Program</u>

Awards made in 2021 (\$5 million) and 2022 (\$5 million). Some of the <u>awarded projects</u> focus on professional services related to land access. The primary goal is "to ensure that resources are dedicated to strengthening support for socially disadvantaged and/or beginning farmers and ranchers in the first ten years of business, and for farmworkers who can improve job security with additional skills training."

DOC's Agricultural Land Mitigation Program

"The Agricultural Land Mitigation Program (ALMP) provides grant funding for the purchase of agricultural conservation easements on farmland (must be predominantly Prime, of Statewide Importance, of Local Importance, or Unique Importance) within Fresno, Madera, Merced, Kern, Kings, or Tulare counties...Grants will be awarded to cover up to 100 percent of the value of the agricultural conservation easement."

DOC's California Farmland Conservancy Program

"Awarded grants will permanently protect approximately 1,000 acres in the counties of Kings, Lassen, and Mariposa. Funding was also awarded for four land improvement projects in Amador, Plumas, Shasta, and San Luis Obispo counties. Land improvement grants are exclusive to and for the benefit of already-protected agricultural lands." List of 2023 funded projects.

CDFA's Office of Farm to Fork Urban Agriculture Grant Program

"A one-time only, competitive grant that will fund programs and projects that enhance the viability of urban agriculture in urban areas across the state of CA." Two tracks: 1) Systems Builder Community Based Block Grant and 2) Urban Agriculture Practitioner Grant. \$11,670,000 to be awarded. Does not fund land acquisition, but awards can be used for related costs such as legal fees and technical assistance. Priority is given to projects serving priority populations.

DOC and SGC's Sustainable Agricultural Lands Conservation Program (SALC)

"Supports agricultural land conservation, economic growth, and sustainable development" through three types of grants: 1) Land Use Planning, 2) Agricultural Conservation Acquisition, and 3) Capacity and Project Development. In response to feedback from listening sessions, the <u>SALC Round 9 guidelines</u> (2023) were modified to establish capacity grants, and reserve 20% of funding and provide up to 100% project funding (no matching requirement) for priority populations.

CNRA's Tribal Nature-Based Solutions Program

"Approximately \$101 million is available for tribal multi-benefit nature-based solutions projects." The goal of this "competitive grant program [is] to support California Native American tribes located within the State in advancing multi-benefit nature-based solutions projects." Eligible projects must focus on the following three

categories: 1) Planning, 2) Implementation, or 3) Ancestral land return. <u>Grant guidelines</u> published on July 31, 2023.

DOC's Williamson Act Program

"The Williamson Act, also known as the California Land Conservation Act of 1965, enables local governments to enter into contracts with private landowners for the purpose of restricting specific parcels of land to agricultural or related open space use. In return, landowners receive property tax assessments which are much lower than normal because they are based upon farming and open space uses as opposed to full market value." The program has been praised for allowing farmers to hold onto their land. The 2021-22 Status Report on the Williamson Act notes that "ninety percent of the state's counties enrolled and 12.2 million acres of land in protection with just over one quarter of those being prime farmland," but also notes an uptick in the number of lands coming out of protection of the Act.

Federal Programs

<u>USDA's Discrimination Financial Assistance Program</u>

2.2 billion dollars authorized by Section 22007 of the Inflation Reduction Act of 2022 (IRA). Intended for "individuals who experienced discrimination, prior to January 1, 2021, by USDA in its Farm Loan Programs, which are currently administrated by the Farm Service Agency (FSA), and/or who are currently debtors with assigned or assumed USDA farm loan debt that was the subject of USDA discrimination that occurred prior to January 1, 2021." Farmers' Legal Action Group produced a <u>Brief Guide</u> to the program.

<u>USDA FSA's Conservation Reserve Program Transition Incentive Program</u>

CRP TIP "provides landowners or operators with two additional annual rental payments on land enrolled in expiring Conservation Reserve Program (CRP) contracts, on the condition they sell or rent [with at least a five year contract] this land to a beginning farmer or rancher or to a socially disadvantaged group...New land owners or renters must return the land to production using sustainable grazing or farming methods." The <u>Fact Sheet</u> and <u>FY22 notice of funding opportunity presentation</u> provide additional information.

USDA FSA's Increasing Land, Capital, and Market Access Program

Enacted under the Inflation Reduction Act. Assists "underserved producers" by "increasing access to farm ownership opportunities, increasing access and improving results for those with heirs' property or fractionated land, increasing access to markets and capital that affect the ability to access land, and increasing land ownership, land succession, and agricultural business planning." Funded projects announced in June 2023. The Increasing Land Access, Security, and Opportunities (LASO) Act, currently under review as part of the 2023 Farm Bill, would extend and expand the program.

USDA FSA's Land Contract Guarantee Program

"This loan program connects experienced and beginning farmers to one another, and reduces the financial risk for retiring farmers who self-finance the sale of their land to a beginning or socially disadvantaged farmer by providing a federal guarantee." Since its nationwide launch in 2012, FSA has provided two loan guarantees: one in Wisconsin and one in Oregon.

USDA FSA's Loans for Beginning Farmers and Ranchers

"Each year Congress targets a percentage of farm ownership and farm operating loan funds to beginning farmers...A beginning farmer is an individual or entity who:

- Has not operated a farm for more than 10 years;
- Substantially participates in the operation;
- For farm ownership loans, the applicant cannot own a farm greater than 30 percent of the average size farm in the county, at time of application;
- If the applicant is an entity, all members must be related by blood or marriage, and all entity members must be eligible beginning farmers."

The <u>Fact Sheet about loans for beginning farmers and ranchers</u> and the <u>USDA Farm</u> <u>Loan Information Chart</u> provide additional information.

USDA FSA's Native American Tribal Loans

Two types: 1) Indian Tribal Land Acquisition Program, which provides funding to "become owners of additional property within the reservation to advance and increase current operations, provide financial prospects for Native American Communities, increase agricultural productivity, and save farmland for future generations"; and 2) Highly Fractionated Indian Land Loan Program, which funds

land consolidation to "alleviate the problems caused by fractionated interests on tribal lands."

USDA's Heirs' Property Relending Program

Intended to address the problem of heirs' property, which is "a legal term that refers to family land inherited without a will or legal documentation of ownership." USDA provides loans to eligible lenders and heirs apply directly to lenders for financial support to resolve title issues and obtain legal title.

USDA's Inflation Reduction Act Assistance for Distressed Borrowers

"Section 22006 of the IRA provided \$3.1 billion for USDA to provide relief for distressed borrowers with certain Farm Service Agency (FSA) direct and guaranteed loans and to expedite assistance for those whose agricultural operations are at financial risk." Includes cash-flow based assistance and extraordinary measures assistance.

<u>USDA NIFA's Beginning Farmer and Rancher Development Program</u>

Prioritizes "technical assistance to help beginning farmers or ranchers acquire land from retiring farmers and ranchers." SHAC produced a <u>report evaluating the program</u> from 2009–2015. More information about <u>USDA's support for beginning farmers and ranchers</u> is available on the USDA's website.

USDA NRCS' Agricultural Conservation Easement Program

The ACEP program "provides financial assistance to eligible partners for purchasing Agricultural Land Easements that protect the agricultural use and conservation values of eligible land." Provides up to 50 percent fair market value of the agricultural land easement, and up to 75 percent of the fair market value of easements that will protect grasslands (rangeland, pastureland and shrubland) of special environmental significance. Fact sheet https://example.com/here/basel/rangeland/

USDA's Urban Agriculture and Innovation Production Grants

"UAIP supports the development of urban agriculture and innovative production activities by funding Planning Projects (PP) and Implementation Projects (IP)." Projects "should target a single or multiple areas in the United States where access to fresh foods is limited or unavailable and should include two or more partner organizations to achieve project goals within the target area(s)." Implementation Projects allow for costs associated with land access to "expand operations of community gardens or nonprofit farms."

Additional Resources

Government Resources

- o <u>Assembly Calendar</u> and <u>Senate Calendar</u>
- California Branches of Government
- o <u>CA DOC's Important Farmland Categories</u>
- CDFA Farmer Equity Homepage
- CDFA Farmer Resources Portal
- o California Legislative Districts
- o California State Controller's Local Government resources
- CDFA Boards and Commissions
- o County Structure and Powers
- Digital Atlas of California Native Americans
- o Executive Branch Organizational Chart
- o Food and Agriculture Code (F. A. C.) of the California State Constitution
- Glossary of Legislative Terms
- Governor's Office of Planning and Research (OPR)'s "A Citizen's Guide to Planning"
- <u>Legislative Calendar</u>
- o State of California Agency Search
- o Strategic Growth Council's Racial Equity Resource Hub

Further Information

- o An Introduction to Zoning Codes
- Guide to the California State Budget Process
- o Inside the California Capitol: How Your State Government Works
- Institute for Local Government's <u>"Understanding the Basics of Land Use and Planning: Guide to Local Planning"</u>
- Nine Facts about State and Local Policy
- o Overview of Purchase of Development Rights with case studies
- PlannersWeb provides an overview of planning basics
- UCSC University Library's Government Info: California, State, and Local resources

Urban Institute research bibliography: <u>"Cracking the Zoning Code:</u>
 <u>Understanding local land-use regulations and how they can advance affordability and equity"</u>

Toolkits and Databases

- o American Farmland Trust's Farmland Information Center
- Berkeley Food Institute's "Environmental and Food Justice in City Planning: Our SB 1000 Database"
- o CA DOC's Farmland Mapping & Monitoring Program
- o California General Plan Database Mapping Tool
- o California Communities Environmental Health Screening Tool
- o Catalogue of CDFA Grant Programs
- Community Alliance with Family Farmers (CAFF)'s Farmer Funding
 Opportunities Database
- California FarmLink's Land Portal
- o Land for Good's <u>Build a Lease Tool</u> and <u>Acquiring your Farm Online Tutorial</u>
- o National Young Farmers Coalition's Finding Farmland Calculator
- o <u>UC ANR's CalLands mapping tool</u>
- Vermont Law School Center for Agriculture and Food Systems' Farmland
 Legal Access Toolkit