

Date: January 26, 2022

Subject: Item 8 | Sustainable Agricultural Land Conservation: Policy Direction

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Summary:

The Sustainable Agricultural Lands Program (SALC) is part of [California Climate Investments](#), a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment — particularly in disadvantaged and low-income communities.

The SALC program is updating its guidelines and scoring mechanisms before the 8th round of solicitation for grants is announced in March/April of 2022. Staff are currently identifying key priorities and policy issues for the program's future work.

The SALC Program's statutorily directed priority is to fund planning and acquisition projects that protect the state's most important agricultural lands from development while supporting infill development and greenhouse gas (GHG) reduction. SALC is also one of the state's most significant funding mechanisms for protecting lands that additionally deliver conservation, water, social, cultural and other benefits. The role of this program is increasingly important within the context of achieving our state's housing, equity, conservation, and climate goals. To date, the SALC program has invested \$294 million to support 142 easement and two fee acquisition projects that will result in the conservation of 143,000 acres and benefits including the reduction of 21.6 million Metric Tons of CO₂.

SALC staff is seeking feedback from the Council regarding the modification of two primary areas of focus:

- 1. Multiple Benefit Achievement:** The SALC program currently prioritizes achievement of multiple benefits for each individual project, rather than assessing and managing for maximal benefit at an investment portfolio scale. **Should SALC guidelines be modified to instead use more flexible scoring to enable a project to be valued on the quality of individual or fewer benefits within the context of high cumulative multiple benefit investment goals?**



- 2. Changing Development Risks:** Risk of development is a primary eligibility criterion for the SALC program. Currently, development risk is evaluated based on linear distance to municipal spheres of influence or concentrated rural development. This may not account for evolving drivers of development like broadband access or telecommuting. **Should the SALC guidelines be modified to instead allow for the consideration of more factors than linear distance when evaluating development risk?**

Background:

Multiple Benefits: The SALC program has statutory requirement to protect agricultural lands at risk of conversion and support the state's infill housing goals. In addition, a central priority to achieve multiple benefits from its investments. This enables the program to be a mechanism to deliver projects that help best serve the regions the investments are in and achieve state conservation, water, climate and equity policy priorities in initiatives such as the Water Resilience Portfolio, Natural and Working Lands Climate Smart Strategy, Pathways to 30X30, and the State's Adaptation Strategy. The program accomplishes this by first applying competitive scoring criteria that gives each proposal itemized points for each category of benefits achieved. Then, the program evaluates high scoring projects together to consider whether the entire investment portfolio meets program policy priorities and geographic diversity.

This approach ensures that multiple benefits will be achieved on a project-by-project basis. However, this approach also limits the ability of the program to maximize the quality of benefits achieved across the entire annual investment portfolio since projects that have fewer, but higher quality benefits, may not score enough points to make it to consideration.

Example: "Project A" would protect very high quality prime irrigated agricultural lands in proximity to development but does not provide other benefits such as habitat. In contrast, "Project B" would protect lesser quality agricultural soils and has lower development risk than Project A but achieves multiple habitat, equity, and water supply benefits.

Under the current program, even though Project A scores high on the statutory requirements of agricultural land value and supporting infill, it may lose out to Project B because there are more scoring opportunities for each individual benefit. As a result, the scoring process would screen out a high value agricultural asset, lowering the overall quality of the multiple benefits achieved by the investment portfolio. Also, the project proponent for Project A may be dissuaded from investing time and costs to apply if they think it won't be competitive.

Changing Development Risk: The SALC program formulated its current development risk criteria and methodologies to measure vehicle miles traveled based the land use principles that development follows growth of spheres of influence and clustered rural development. To do this, the program applies a linear distance metric of two miles to



sphere of influence, or five miles to rural development. This approach is part of a strong “edge” development strategy that seeks to constrain development within existing development patterns while supporting large, intact landscapes that provide natural and working land assets to the state.

Recently, however, the widespread acceptance of telecommuting has allowed for a much more dispersed workforce, creating more complex development pressure on rural lands further from spheres of influence or other rural development. Program staff fear that an increase in dispersed rural development will create the anchor points for larger future development patterns, resulting in a progressive trend of lands shifting away from agricultural production towards higher density rural residential use. The program’s current linear-distance based metric may not adequately account for these changes so staff are working to better understand the drivers of these new development patterns which could include factors such as drive time/distance, broadband access, and proximity to recreation areas.

Example: “Project A” would protect a rangeland property in the Sierra foothills between Oakhurst and Mariposa that is in close proximity to the HWY 49 corridor connecting to major population centers like Fresno. However, the project doesn’t have topography that would support broader development patterns and it lacks potential road access to the highway to support development. “Project B” would protect a rangeland property located near Penn Valley and other smaller population areas in Nevada County. The property has good access to major roads as well as broadband connectivity.

Under current program guidelines, neither property would qualify for the program since they are not within the 2/5-mile linear distance eligibility metric. If the department were able to evaluate additional development risk factors, Project A would likely continue to be ineligible for the program because it has less realistic development opportunity based on topography and road access. Project B, on the other hand, would likely qualify because it has broadband access as well as connection to roads serving nearby population centers.