

LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490
(909) 388-0480 • Fax (909) 388-0481
lafco@lafco.sbcounty.gov
www.sbclafco.org

DATE: JULY 8, 2020
FROM: SAMUEL MARTINEZ, Executive Officer
MICHAEL TUERPE, Senior Analyst
TO: LOCAL AGENCY FORMATION COMMISSION

SUBJECT: Agenda Item #12: Sustainable Agricultural Lands Conservation (SALC)
Program Planning Grant Application

RECOMMENDATION:

Staff recommends that the Commission:

1. Authorize the Executive Officer to submit the SALC Program Planning Grant to the CA Department of Conservation.
2. Adopt Resolution No. 3311 approving the submittal of the SALC Program Planning Grant application to the CA Department of Conservation.
3. Direct staff to return to the Commission with a Memorandum of Understanding with the Inland Empire Resource Conservation District regarding roles and responsibilities.

BACKGROUND

Establishing an agricultural conservation easement program and developing a local mitigation program that classifies agricultural lands that can be targeted for agricultural preservation will have beneficial sustainability implications by preserving agriculture and sustaining some of the remaining agriculture industry in San Bernardino County. The DOC has shown support of IERCD and LAFCO's planning grant proposal and selected the project to receive technical support from its consultant team.

This submission is a planning grant, which would support the development of local and regional land use policies and economic development strategies to protect critical agricultural land. The program funds strategies related to establishing and implementing goals, policies, and objectives to support the economic viability of the local agricultural sector. It also supports planning processes to identify and designate priority lands for conservation and development.

May 2020 Commission Hearing

At the May 2020 hearing, members of the Commission expressed legitimate concerns regarding the application – summarized as: (1) is it LAFCO's role, (2) will this impede development, and (3) what is LAFCO's risk?

Is this LAFCO's Role?

LAFCO's involvement with agricultural lands stem from two statutes. First, Government Code Section 56301 outlines the purposes of a Commission as:

*“Among the purposes of a commission are discouraging urban sprawl, preserving open-space and **prime agricultural lands**, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances... (Emphasis added)*

Second, in the LAFCO process, development of prime farmland from annexation results in farmland loss. In these cases, CEQA identifies farmland loss as a “significant impact” and requires avoidance or mitigation. Often, the required mitigation is done elsewhere in the state, namely the Central Valley.

Understanding the two items identified above, one of the key issues that the Commission identified in January 2019 was the lack of an existing local agency in the region that currently has an established agricultural conservation program that can provide for protection of agricultural lands in the area while not impeding development.

Will this Impede Development?

The Sustainable Agricultural Lands Conservation (SALC) Program is a component of the Strategic Growth Council's Affordable Housing and Sustainable Communities Program (AHSC).¹ As previously identified, mandatory CEQA mitigation is taking place outside this County. Using cap and trade funds, the SALC Program is a landowner voluntary program whose Planning Grant would be used by local agencies to plan for the right balance between local growth and local agriculture. The actual grant being submitted will not directly impede development since it is limited to planning. Moreover, the result of the planning process will address development needs as well as agricultural needs. Further, this grant provides additional resources that will flow into our economy.

What is LAFCO's Risk?

Being a planning grant, the risk is limited to planning. The subsequent Acquisition Grant, for which LAFCO would not be the applicant, would carry tangible risk due to implementation. However, that is the purpose of the Planning Grant - to vet and model

¹ The AHSC vision is to make easier for Californians to drive less by making sure housing, jobs, and key destinations are accessible by walking, biking, and transit. The SALC Program is a component of AHSC and is administered by the California Department of Conservation (DOC).

the viability of such policies and programs. Further, if successful, this could be a guide for additional grants.

According to the grant guidelines, the Commission's resolution must:

- Certify that the Commission will have sufficient funds to meet the match requirement.

The grant request can be up to \$250,000. The application must include a minimum ten percent (10%) match funding with at least five percent (5%) of the requested grant amount a cash match and the balance may be in-kind. IERCD is able to cover the 5% cash match (up to \$12,500) and the remaining 5% (up to \$12,500) will come from in-kind services, including staff time from LAFCO, IERCD and/or certain stakeholders. This will be included in the MOU with IERCD that the Commission will consider at a subsequent hearing.

- Provide acknowledgement that the Applicant understands and accepts that they must cover the costs to complete work related to the development and execution of the planning project until reimbursement by the State.

Planning grants will reimburse grantees and participating stakeholders for all direct costs, including staff costs incurred during the grant performance period and related to the project. The Commission would bear this risk. However, IERCD indicates that it can wait for its cost recovery until the State issues the funds. This will be included in the MOU with IERCD that the Commission will consider at a subsequent hearing. Combining IERCD and LAFCO costs, 75% of the direct costs could wait until the State issues the funds.

At the May hearing, the Commission approved the submission of the SALC Program Planning Grant pre-proposal to the DOC with direction for staff to return at the July hearing for formal approval of application submission. The DOC reviewed and provided comments on the pre-proposal, both strategic and technical. LAFCO and IERCD staffs reviewed the DOC's suggestions and have incorporated them as appropriate.

PROPOSAL SUBMISSION

This agenda item recommends that the Commission approve the submission of the SALC Program Planning Grant application to the CA Department of Conservation. Attached to this staff report are application (Attachment #1), work plan (#2), budget (#3), letters of support (#4) and draft resolution (#5). According to the grant guidelines, the Commission's resolution must include the following:

1. Approve the filing of an application for the proposed project;
2. Certify that the Applicant understands the assurances and certification in the application;
3. Certify that the Applicant will have sufficient funds to meet the match requirement;

4. Certify that the Applicant will work towards the California's Planning Priorities;
5. Authorize entrance into a grant agreement with the Department for the project and agree to accept the template included in the Guidelines;
6. Authorize a designated individual, or designee, as agent to accept the award of grant funding and to, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for development of the plan; and,
7. Provide acknowledgement that the Applicant understands and accepts that they must cover the costs to complete work related to the development and execution of the planning project until reimbursement by the State.

NEXT STEPS:

Should the DOC award the grant, then the project intends to provide the following deliverables:

1. Mapping and identification of priority mitigation lands to develop a strategically connected corridor of preserved agricultural land in the Valley as opposed to disconnected pockets. Land priority will focus on highest value agricultural land with the best soils, most abundant water resources, proximity to other conserved lands, and other evaluation and ranking criteria.
2. Analysis of agricultural policies for city and county jurisdictions to determine if policies include mitigation requirements or otherwise address agricultural preservation. Model policies will be identified and efforts will be made to work with the County and cities to update or adopt policies that would allow for agricultural mitigation. A primary goal is to encourage or update policies that would ensure that the required mitigations of strategically preserve lands within the individual localities, or within the County, where the conversion of agricultural lands occur instead of the current practice of mitigating on lands located in other parts of the State.
3. Develop IERCD's capacity to manage agricultural easements by developing mitigation program guidelines, legal documents, program protocol, and fee structure to ensure a sustainable mitigation program that can meet its objectives.
4. Inform, educate, and gain interest among municipalities and agricultural organizations about the agricultural conservation program and incorporate proposed regional mitigation program into SCAG's Sustainable Communities Strategy (SCS) as a regional program available to help reduce greenhouse gas emissions.

Following this planning grant, IERCD would assume the lead and apply for the acquisition grant (Agricultural Conservation Acquisition Grant). Agricultural conservation easements are

deed restrictions that landowners voluntarily place on their property to preserve the land's agricultural uses.

CONCLUSION:

As outlined in Government Code Section 56301, "Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands..." Adopting agricultural preservation policies and coordination with other jurisdictions to do the same in order to protect agricultural lands from conversion to urban or rural residential development promotes smart growth, ensures open space remains available, and supports a healthy agricultural economy.

Therefore, LAFCO staff recommends that the Commission take the actions on page 1 of this staff report.

Staff will be happy to answer any questions of the Commission prior to or at the hearing.

Attachments:

1. [SALC Program Planning Grant](#)
2. [Work Plan](#)
3. [Budget Summary](#)
4. [Letters of Support](#)
5. [Draft Resolution No. 3311](#)