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## FARMLAND POLICY IN CALIFORNIA'S CENTRAL VALLEY: STATE, COUNTY, AND CITY ROLES

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In a state that leads the nation both in agricultural production and numbers of new residents added annually, urbanization steadily nibbles away at farmland resources. The problem of farmland conversion is especially pronounced in the Central Valley, California's premier agricultural region. Central Valley farming contributes more than \$22 billion a year in commodity value, and additional billions in associated activities, to the state's diverse economy.

Continued large-scale farm production here is critical to the future of California agriculture. In the several decades after World War II, when rapid urbanization in the Los Angeles and San Francisco Bay regions eliminated several hundred thousand acres of cropland in these rich coastal areas, most of the lost farm production was relocated to the Central Valley. Should urbanization similarly affect the valley in the future, no other region in the state has the soil and other resource conditions to pick up the resulting slack.

At issue is the effectiveness of state and local government policies in limiting the conversion of agricultural soils to urban uses. Farmland protection is an explicit goal at both state and local levels. But as presently implemented, it competes with other goals and pressures that favor urban development—among them housing demand, landowner profit desires, building industry jobs, water supply, and local government revenue enhancement.

This examination of variations in farmland protection efforts among Central Valley counties and cities, with a focus on the interplay of state/local and county/city roles, forms the basis for suggesting changes in California policy. Although the state establishes the policy framework in this arena as it does for land use matters generally, local governments have the discretion to determine the details of development and resource preservation. Consequently, the priority given to farmland protection varies greatly from one community to another, resulting in uneven preservation results that dilute the effectiveness of state policy.

The roles of major governmental actors may be characterized in this way:

- State government affirms the desirability of farmland protection, but takes little direct action. Its major actions in this area are to empower local governments with planning, regulatory, and fiscal tools for controlling land use.
- County governments, to varying degrees, are the principal defenders of this resource.

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- City governments, motivated by the imperative to grow, generally see surrounding farmland as the raw material for their expansion—which, in fact, is the major source of farmland conversions.

- County/city interactions in land use and fiscal matters, some cooperative and others conflictual, affect the pace and direction of farmland conversion. They are partially controlled by the municipal boundary determinations of Local Agency Formation Commissions (LAFCOs) in each county.

The material for examining these roles comes from a study of farmland policy and programs in seven Central Valley counties.<sup>1</sup> All are major agricultural counties that since 1980 have experienced considerable population growth. Included in this sample are the state's (and the nation's) three top counties in value of farm production: Fresno, Tulare, and Kern. The other sample counties are Stanislaus, San Joaquin, Yolo, and Sutter.

Much of this analysis is based on more than 140 open-ended interviews conducted in 1993 with county and city elected officials, administrators, and planners; farm industry leaders; development industry representatives; and other local leaders in the seven counties.<sup>2</sup> Since that time we have continued to track policy developments in the sample communities through newspaper accounts and additional interviews, and have examined planning documents and other materials.

### CENTRAL VALLEY TRENDS

California's top agricultural region is 400 miles long, from Bakersfield in the south to Redding in the north, bordered by the Sierra foothills to the east and the coastal hills to the west. It has 69% of the state's cropland and generates about 58% of total farm market value. The 18-county Central Valley also contains booming metropolitan areas—notably centered on Sacramento, Fresno, Bakersfield, Stockton, and Modesto. It is one of California's most rapidly growing regions, adding 1.8 million residents in the 15 years between 1980 and 1995, a gain of almost 50% (see Table 1). All of California, by contrast, grew by only 36.6% during the same period.

How does such urbanization affect the Central Valley's farmland base? Our conservative estimate is that about 12,000 acres of farmland in the 18 counties were converted per year in the 10 years between 1984 and 1994. More than 70% of this average annual total represented cropland acres,

as distinct from land used for grazing. These estimates are based on an extrapolation of incomplete county-level data reported biennially since the 1984–86 period by the state's Farmland Mapping and Monitoring Program.<sup>3</sup> Conversion estimates from other sources tend to be higher, ranging up to 50,000 acres or more of Central Valley farmland yearly.

Conversion levels even at the higher estimates do not seem to constitute a major immediate threat to the viability of Central Valley agriculture. Fifty thousand acres per year is only 0.3 of 1% of the total agricultural land base (including both crop and grazing acres) of 15 million acres in the valley in 1987; the estimated annual decrease of cropland at this level is only about 0.6 of 1% of the total of 7 million acres in 1987. As a resourceful industry keyed to technological advances and management efficiencies, Central Valley agriculture can effectively cope with such levels of farmland loss for a period of time. Indeed, the recent trend has been to produce more and higher-value commodities on a decreasing number of acres. While total cropland in the region declined from all sources by about 500,000 acres between 1978 and 1992, the market value of agricultural commodities during that period increased by \$4.7 billion, almost doubling.

Continuation of current or accelerated conversion trends into the long term, however, points to a different scenario. In a 1995 report,<sup>4</sup> the American Farmland Trust projected that 1.4 million acres of cropland (approximately 30,000 a year) would be converted to urban uses by 2040 in a 10-county area including most of the prime farmland of the valley. That would diminish the current cropland base by about one-fifth. Current estimates of annual conversion rates, furthermore, do not capture the full picture and impacts of farmland loss for these reasons:

- Information on the number of acres directly consumed by urbanization does not include the negative effects on continuing farm operations of approaching residential land uses, often called the “edge” problem.

- Statewide trends other than urbanization, notably the decreased supply of irrigation water in the 1990s, also take land out of agricultural production.

- Regionwide information hides the effects of conversion trends in particular localities and on the production of particular commodities.

- The conversion of farmland to urban uses also affects nonagricultural conditions, such as public-sector costs, traffic, and air quality.



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Here is an original version of  
my piece, for duplication and  
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Thanks,

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**Table 1: Population Increases in Sample Central Valley Counties, Cities, and Unincorporated Areas, 1980-1995<sup>1</sup>**

County	Total Population Increase (% change)	Increase in City Areas (% change)	Increase/Decrease in Unincorporated Areas (% change)	Increase in City Areas as % of Total Increase
Fresno	250,200 (+48.6%)	267,100 (+82.6%)	- 16,900 <sup>2</sup> (-8.9%)	100%
Kern	224,600 (+55.7%)	165,200 (+91.9%)	59,400 (+26.6%)	73.5%
San Joaquin	183,400 (+52.8%)	166,400 (+70.8%)	17,000 (+15.1%)	90.7%
Stanislaus	154,100 (+57.9%)	142,900 (+82.7%)	11,100 (+11.9%)	92.7%
Sutter	22,600 (+43.2%)	17,800 (+81.6%)	4,800 (+15.7%)	78.7%
Tulare	109,500 (+44.6%)	87,400 (+70.4%)	22,100 (+18.2%)	79.8%
Yolo	40,300 (+35.5%)	62,800 (+90.3%)	- 22,500 <sup>2</sup> (-51.3%)	100%
<b>7-County Totals</b>	<b>984,700 (+50.7%)</b>	<b>909,600 (+80.7%)</b>	<b>75,100 (+9.2%)</b>	<b>92.3%</b>
<b>18-County Central Valley</b>	<b>1,802,000 (+49.8%)</b>	<b>1,405,000 (+72.6%)</b>	<b>397,000 (+23.6%)</b>	<b>77.9%</b>

<sup>1</sup> Based on estimated populations for 1995, California Department of Finance.

<sup>2</sup> Population loss due to city annexations and one incorporation (West Sacramento in Yolo County).

How do local leaders see the conversion issue? Almost three-quarters of the 140 local government and community leaders we interviewed in 1993 agreed that it was a "problem." A little more than a third said it was serious enough, or soon would be, to warrant policy attention.

#### THE STATE FRAMEWORK

California state government establishes the framework for farmland policy in two ways: (1) by declaring, through legislation, that farmland protection is a statewide priority; and (2) by empowering local governments to carry out the bulk of such protection. This is a highly decentralized framework, in keeping with California tradition that prizes community discretion rather than state control in planning and land use matters, but provides for some state government oversight and also contains the potential for a stronger state role and other policy changes.

Policies favoring farmland protection are scattered throughout the state codes. The only established program that directly involves state government in an administrative or

fiscal capacity is the Williamson Act (the California Land Conservation Act of 1965). For 30 years this act has given farmland owners a break on property taxes in return for restricting development on their land, under voluntary 10-year renewable contracts. The Williamson Act is really a state/local program, since landowners contract with counties and cities also acting voluntarily, while the state Department of Conservation exercises general oversight and annually provides partial compensation to the local governments for their property tax losses. A second state program, legislated in 1995, is too new to have a track record, but has the potential for substantially stemming conversions in particular locales. This is the Agricultural Land Stewardship Program, intended to provide state support to conservation easement activities of local governments and land trusts.

The state has a less direct but potentially more influential role in its delegation of certain powers and requirements to counties and cities. The most important are these planning, regulatory, and market tools that local governments can apply with discretion to farmland protection:



- Agricultural zoning
- General plan policies
- Urban limit lines, greenbelts, buffers and other boundaries for preserving open space
- Right-to-farm ordinances
- Environmental review (CEQA) and mitigation of proposed development
- Farmland preservation as an objective in LAFCO review of city boundary changes
- Conservation easements

Included in this list are both state-mandated processes and optional powers. In some respects, the impact of these local tools in limiting farmland conversion is offset by the effects of an entirely different set of state-imposed rules—constraints over the revenue authority of local governments. As shown below, the competition between local governments for land and taxes—intensified in California over the past two decades because of statewide restrictions on the property tax and other local revenue sources—diminishes the attention many communities give to farmland protection.

## COUNTY POLICIES

The seven sample Central Valley counties draw in different ways from the state's menu of land use tools. Superficially, there are some common programs. All seven counties have agricultural zoning, all but one participate in the Williamson Act, and all but one have right-to-farm ordinances. But these commonalities mask differences in overall approach and specific policy applications (see Table 2). Even the processes mandated for all California cities and counties, such as required general plan elements and CEQA review of proposed development, allow considerable local discretion in content and implementation.

### Locational Policies

From a broad policy perspective, the key distinction is how the county governments deal in their unincorporated areas with development pressures. Relatively inexpensive land prices and a lucrative housing market for country living make the agricultural and other rural lands under the jurisdiction of Central Valley counties very attractive to developers and homebuyers.

Four counties in the sample address the problem by applying relatively firm locational limits to proposed

development. Fresno, Stanislaus, Tulare, and Yolo counties try to direct new growth to their cities, away from agricultural areas. This is a deliberate strategy that substitutes municipal expansion for significant urbanization in county-controlled areas. As well as serving the goals of farmland protection, this strategy fits in with a compact, urban-centered planning orientation that melds with air quality and transportation goals and with the efforts of some county governments to avoid the burden of serving urban populations.

Directing growth to the cities does not by itself hold the line on farmland conversion, since expanding cities also consume farm acres through annexations and urban development. As compared to county-approved development, however, city expansion makes it more likely that new growth will proceed in a compact fashion, building out from existing urban areas and converting fewer acres in relation to houses constructed and residents added.

In contrast, Kern, San Joaquin, and Sutter counties do not direct growth to their cities as a deliberate policy, and are relatively tolerant of development in unincorporated areas. Locational strategies are not completely absent in these counties, since all three (along with Stanislaus) in the early 1990s agreed to the development of new towns in remote parts of their unincorporated areas. (Approval of some of these projects was later reversed.) Building these large and self-contained communities was justified in part to divert growth from better agricultural soils, although several of the new towns would consume significant amounts of cropland and their approval was not directly linked to growth restrictions elsewhere.

Even the counties with city-directed policies do not entirely disallow development in unincorporated areas. Distinctions are made between the more "productive" prime or irrigated cropland and other agricultural lands, primarily grazing and dryland crop acres. Tulare County, for example, encourages new development in its foothills, where Class IV or poorer soils are prevalent. As an economic development measure, Yolo and other counties also favor moderate development in their small, unincorporated population centers that have the public sewer and water capacity to handle more residents.

In support of their city-directed policies, Fresno, Stanislaus, Yolo, and Tulare counties have referral agreements with their cities. Such agreements allow a city to control de-



**Table 2: Farmland Policy Emphases in Seven Central Valley Counties****Fresno County**

Direct urban development to cities. Limit rural residential development to parcels outside nonprime agricultural areas.

**Kern County**

As a resource to be protected, farmland is given approximately equal weight to oil and minerals. Allow development in unincorporated areas to provide a range of housing options. Emphasis on landowners' property rights.

**San Joaquin County**

Jobs and housing outweigh farmland protection as planning goals; a diminished economic role for local agriculture is projected for the future. Allow rural residential development. Increased interest now in farmland protection.

**Stanislaus County**

Direct urban development to cities and to remote areas away from productive soils on valley floor. Allow development in areas with public infrastructure north of Modesto. Limit development in unincorporated areas elsewhere.

**Sutter County**

Allow development, including large lot residences, in unincorporated areas. Emphasis on landowners' property rights. Increased interest now in farmland protection.

**Tulare County**

Farmland protection is the principal land use priority. Direct urban development to cities and to less productive soils in foothills. Limit rural residential development in unincorporated valley areas.

**Yolo County**

Farmland protection and open-space preservation is the principal land use priority. Direct urban development to cities; allow some development in unincorporated communities with economic development prospects. Limit severely rural residential development elsewhere and primarily to farm family members and employees.

*Source:* Analysis of interviews, county government actions, and general plans.

velopment proposals that come to county government but are located in the unincorporated fringes near the city's borders. For Fresno, Stanislaus, and Yolo county governments, the referral policies are given teeth by revenue-sharing arrangements with their cities—an intermingling of land use with fiscal considerations. In effect, the three counties forego the opportunity to approve development in certain areas, thus reducing possible competition with city growth plans, in return for receiving some of the revenue benefits of city expansion.

A city-directed policy is incompatible with or compromised by one that allows or encourages a significant amount of residential development in a county's agricultural areas. The unincorporated portions of counties in the Central Valley are the targets of intense pressure to approve new

residences on large parcels, including ranchettes, rural subdivisions, and farm homesites. Planners and growers typically dislike these projects in agricultural areas because they fragment land use patterns and reduce the efficiency of nearby commercial farming operations, while housing fewer persons than large-scale new towns or city expansions.

According to interviews and newspaper accounts, Tulare and Yolo were the most restrictive of our seven sample counties in reviewing rural residential proposals in the early 1990s. Kern, Sutter, Fresno, and San Joaquin counties were more willing to accommodate such projects. San Joaquin County moved to a more restrictive set of policies in this area, in connection with its 1992 general plan update, that included tougher water and sewer requirements for large-lot home proposals.



### General Plans and Other Policies

General plan language corresponds somewhat to the policy differences regarding the direction of growth and rural residential development. While the general plans of all seven counties pay homage to the preservation of farmland, this goal is offset by others: pursuing growth for its economic benefits; providing housing options for residents of unincorporated areas; and emphasizing landowners' property rights in relation to development opportunities. Among the seven, the Tulare and Yolo plans are the most clear and unequivocal about farmland protection as a top priority.

Farmland policies differ from county to county in other ways as well. Agricultural zoning ordinances and local Williamson Act programs, for example, vary in allowable uses and minimum lot sizes. Some counties tolerate large acreage uses that primarily service urban populations, such as landfills, wastewater treatment plants, golf courses, churches, and cemeteries, while others are more restrictive.

There also are unique farmland-related programs in several counties, notably Tulare's Rural Valley Lands Plan and the Stanislaus agricultural element. The Tulare policy, in place for more than 20 years, contains a point system or quantitative method for evaluating the agricultural merit of parcels that are proposed for rezoning from agricultural to urban use. Each rezoning application in the western or valley part of the county is weighed according to 13 different parcel characteristics—including soil capability, size, surrounding uses, access to urban services—that cumulatively determine approval, rejection, or discretionary action according to quantitative thresholds.<sup>5</sup>

Stanislaus is the only county in the sample with a separate and optional agricultural element in its general plan. Adopted in 1992, the Stanislaus element is a comprehensive document that covers three major topics: enhancing the economic viability of local farming, preserving agricultural lands, and protecting the natural resources (air, water, soil) that sustain the industry. Although much briefer and less comprehensive than the Stanislaus version and not labeled as an element, the new section on agriculture in Sutter County's 1996 general plan update makes it more difficult to approve family homesites on farm parcels.

We should also note the virtual absence in these and other Central Valley counties of a major farmland protection technique that is becoming more popular in California: conservation easements on farmland. The Agricultural Land

Stewardship Act of 1995 established an easement program in state government, but with minimal funding initially. Although some interest in this approach was expressed in our 1993 interviews and has grown since that time, only one county-level program was active in the Central Valley in 1996. In that year the fledgling Yolo County Land Trust acquired perpetual easements on three farm parcels as a result of development mitigations in the city of Davis. In San Francisco's North Bay region, in contrast, all four counties (Marin, Napa, Solano, Sonoma) have substantial easement programs. Most are operated by nonprofit land trusts, but an open-space district approved by Sonoma County voters in 1990 uses a quarter-cent sales tax to purchase farmland easements. Counties and other agencies in the North Bay generally are more aggressive than Central Valley governments in protecting farmland, largely because of its appeal as a form of open space for the region's urban populations.<sup>6</sup>

### Political Roots

What explains these interregional policy differences and the variations among the sample Central Valley counties in the priority given farmland protection and the use of particular tools?

Local policies obviously are rooted in community circumstances, including the personal sentiments and agendas of elected policy makers, the mobilization and influence of organized interests, and public support or denial of particular policies at certain times through the ballot box and other means. The relatively strong farmland and open space programs now present in the four North Bay counties originated in the advocacy of broad-based coalitions, composed largely of city dwellers and conservationists. In the decades after World War II, North Bay residents began to use the ballot box both to legislate programs through the initiative process and elect county supervisors favorable to the open space cause.<sup>7</sup> In the Central Valley, by comparison, organized citizen support (including among environmentalists) for farmland protection has been spotty, the ballot box has been employed far less often to make growth policy, and the value of farmland is seen more as an economic commodity than an open space amenity. Instead, the most influential element in whether or not valley county governments adopt strong farmland protection measures has been the degree of unified support among organized agricultural interests, especially local farm bureaus.



## CITY POLICIES

As important as they are to the protection of farmland, county government policies in the Central Valley have less impact on the volume of farmland conversions than city growth actions. Cities accommodate most of the population increases and approve most building permits in the region, and their annexations consume more farmland than the agricultural rezonings passed by counties. About 65% of the valley's population increase of 1.8 million in 1980 through 1995 took place within cities. Not one of the 56 cities in the seven sample counties recorded a decrease during this period. Indeed, the growth rates for many were phenomenal; 10 of the 56 cities more than doubled their populations during those years.

From city hall, the view of farmland is mixed. Central Valley cities are surrounded by productive farmland. Their origins and histories are intertwined with the development of large-scale agriculture, and many of their local economies—especially in smaller communities—are dominated by this industry. Yet the land base of local agriculture is also the one required by city expansion. To satisfy their growth imperatives, Central Valley cities believe they have little choice but to convert productive farmland into residential, commercial, and other urban uses. How much and at what rate are the key questions.

### The Pro-Growth Orientation

Most cities in the sample counties, and cities generally throughout the region, are clear about their pro-growth orientations. Sustained population increase and development is the path to economic prosperity, more jobs, expanded local amenities and services, and a stronger municipal revenue base. This was the dominant theme expressed in general plans and by the municipal officials we interviewed in 24 communities in the seven sample counties. A partial exception were the "growth management" ordinances or policies that nine of the cities had in place in 1993, although several were intended primarily to even out the rate of new residential building from year to year to better phase in infrastructure improvements, and not to reduce overall growth. Citizen pressures to limit growth because of quality-of-life concerns were also a motivation for adopting such policies.

The city officials we interviewed were not insensitive to the value of surrounding farmland for their communities, seeing its importance for local economies and appreciating

the scenic backdrop this open space provided. But as a policy priority, farmland protection generally took a back seat to pro-growth objectives. A review of general plans for 20 cities reveals ambiguous language—such as the need to "minimize" farmland conversions and to prevent "encroachments" from urban sources—and few references to specific preservation techniques. Indeed, a common emphasis is the transitional nature of farmland on city fringes. While "premature" conversions are to be avoided, municipal consumption of substantial agricultural acres is inevitable according to the normal pace of expanding development.

In addition to their general plans, the cities draw from the same large menu of state-provided land use and planning powers available to county governments. What differs is the greater emphasis cities give to techniques for shaping urban growth and city form, and their lesser attention to explicit farmland protection measures. Still, when asked what specific policies their cities had concerning farmland, municipal officials in our 1993 interviews referred to one or more of the following measures:

- Right-to-farm ordinances
- Agricultural zoning
- Williamson Act contracts
- Locational limits on growth
- Urban limit lines
- Agricultural buffers
- Conservation easements
- Urban design and density
- Municipal infill

The references in some cases were to general plan intentions that were not operational. For example, no city actually had a conservation easement program in 1993. Some of the measures cited also focused less on limiting future farmland conversions than on easing the transition from agricultural to urban land uses and reducing the tension between farms and residential neighbors. Right-to-farm ordinances, agricultural zoning, Williamson Act contracts, and agricultural buffers generally were of this nature.

A few cities, however, had operational programs that promised more long-term protection to surrounding farmland, representing two general approaches. In one approach, dealing with the locational aspects of a city's growth pattern, conservation is enhanced by steering urban expansion away from the better agricultural soils on cities' peripheries. This strategy can be fortified by establishing long-term urban



growth boundaries; conservation easements on agricultural parcels can help to maintain such boundaries. The second approach concentrates on the efficiency with which rural land is converted to urban uses. In looking inward to the design of urban development, cities can minimize the amount of farmland that is converted to urban uses by promoting higher densities in new projects and infill development in older neighborhoods with vacant land. Table 3 identifies several Central Valley cities with such programs.

### Obstacles

For most cities in the region, geographic, political, and economic obstacles make it difficult to adopt such farmland protection strategies. For example, some have few locational options because they are completely surrounded by prime agricultural land, although it is possible to make fine distinctions about relative degrees of soil quality and the relative value of specific crops. In other cases, urban development moves toward good farmland because it is blocked in other directions by natural and manmade barriers, such as rivers, floodplains, irrigation canals, county boundaries, and other cities' spheres of influence. Furthermore, proposals to establish urban limit lines or other firm growth boundaries on city peripheries are inherently contentious because they tend to generate economic winners and losers among landowners.

Other obstacles stand in the way of Central Valley cities trying to carry out the second kind of strategy: achieving higher densities in their new development. Recognizing the connection between low density and high losses of farmland, many of the city officials we interviewed favored well-designed residential projects with small lots, but said the traditional emphasis in valley communities on large single-family lots is hard to break. Homebuyers want large parcels; developers are unwilling to buck this trend; residents of established neighborhoods are strongly opposed to small-lot projects; and many Central Valley inhabitants believe high residential densities damage their valued small-town atmosphere and quality of life.

### Policy Variations

Political and other community conditions explain differences among Central Valley cities in their approaches to growth. Turlock and Woodland, for example, give high priority to farmland protection. Their policies combine

external and internal strategies for this purpose, using growth-confining boundaries and firm farm-residential edges along with attention to the density and design of new development. The external strategy helps to direct growth inward, leading to more efficient use of land in the development process through high density and infill.

City council support for growth control that emphasizes farmland protection has been consistent in both cities, evolving out of a broad public interest in retaining the surrounding farmland and clear-cut agricultural-urban edges as community borders. Surveys of residents' opinions and the election of sympathetic council members affirmed these positions. Ballot propositions were not the instigators of growth management policies in either city, unlike the experience in other sample communities such as Lodi and Modesto. Woodland voters did participate in a referendum in 1996 on the city's recent general plan update, but the central issue concerned more the direction of new growth than the relative priority given to farmland protection.

### COUNTY/CITY INTERACTIONS

In making decisions about urban growth and farmland protection, Central Valley local governments are not entirely independent actors. What one city or county does to facilitate growth or protect farmland easily affects the other, since formal boundaries do not constrain the flow of population and the effects of development.

This relationship has elements of both cooperation and conflict. While counties and their cities cooperate on a variety of service delivery and planning matters, they are sharply divided over urban development and its revenue implications. County/city boundary wars in the Central Valley and elsewhere have intensified in the last two decades as a direct result of property tax and other revenue limits imposed on California local governments by Proposition 13 in 1978 and later actions. Aggressive competition between cities and between cities and counties is now common for income-producing development, especially commercial projects that generate large sales tax revenues. This trend is popularly known as the "fiscalization of land use"—the tendency of local governments to make development decisions primarily according to their revenue implications. In this environment, farmland protection and other aspects of land use become secondary considerations. Municipal annexations, especially those intended to generate commer-



**Table 3: Central Valley Cities with Deliberate Farmland Protection Policies and Programs**

City/County	Policies and Programs
<b>Davis</b> Yolo County	Development mitigation program that in 1995 created conservation easements on several farmland parcels.
<b>Fresno</b> Fresno County	Restriction on westward development where the best soils are located; program to encourage infill development.
<b>Modesto</b> Stanislaus County	High residential densities; Village 1 project that features small lots and mixed-use development.
<b>Turlock</b> Stanislaus County	Annexation limitation program and well-designed residential projects with small lots.
<b>Visalia</b> Tulare County	Growth phasing program.
<b>Woodland</b> Yolo County	Urban limit line in place since 1979 that restricts expansion to the area's best soils; relatively high densities in new development.

Source: Interviews, newspaper accounts, city records.

cial development, are a major territorial sore point between cities and counties.

#### LAFCOs

Frequently in the middle of these disputes is a third type of local government actor in each county: the Local Agency Formation Commissions that were created in the 1960s to bring about more orderly growth patterns in California's urbanizing communities. LAFCOs act somewhat as referees of the boundary wars between cities and counties in judging city proposals to annex or increase their spheres of influence as future areas of growth and proposals to incorporate new cities. The commissions are supposed to give a high priority to farmland preservation. According to the 1985 Cortese-Knox Act under which they currently operate, LAFCOs should guide development away from prime agricultural lands and encourage development within cities before approving municipal annexations that lead to conversion. But there are other, sometime conflicting, goals in the legislation, including an emphasis on "planned, orderly, efficient development" that refers primarily to the availability of public services.

LAFCOs often supplement the state law with their own

policies and guidelines. Among Central Valley commissions, the written policies for the most part deal with the ability of cities to provide services to areas slated for annexation and the congruence of amended spheres of influence with city and county general plans. Farmland preservation is not mentioned at all or is referred to only generally, as in the need to "discourage" urban growth proposals that would result in significant conversion. The Yolo County LAFCO went beyond this general approach in its Agricultural Conservation Policy in 1994. In addition to including strong language about maintaining a vital agriculture, the policy lists specific implementation measures such as prohibiting annexations of land under Williamson Act contract, seeking less prime land for annexations, and asking for the mitigation of farmland loss.

Even without formal policies, LAFCOs can serve the interest of farmland protection in how they apply their discretion to city annexation and sphere of influence proposals. In the early 1990s, for example, most of the commissions in the seven sample counties denied or delayed annexations and sphere changes or reduced the amount of territory involved. Such revisions to city proposals were based mostly on LAFCO judgments about city service delivery capabilities



or the availability of an adequate supply of vacant land within a city's existing boundaries, although they also may have helped to reduce the rate of farmland conversion. Revisions in several sphere proposals by the Stanislaus LAFCO during this period were more explicitly based on farmland considerations, since they diverted future growth away from the best agricultural soils on city fringes.

However, our interviewees generally considered LAFCO efforts to conserve farmland to be absent, ineffectual, or inconsistent, in part because of the belief that their membership composition prevented the commissions from providing a truly independent review of city growth plans. The county supervisors and city representatives who dominate the five-member bodies would be inclined to support the fiscal needs of their respective sides when county/city disputes are at issue. Recent membership controversies on LAFCOs in at least two of the sample counties, Stanislaus and San Joaquin, for a time held up decisions by these commissions.

#### **Annexation Disputes**

The major boundary dispute between Central Valley cities and counties concerns the fiscal consequences of municipal annexations. In this post-Proposition 13 era of revenue scarcity, county governments tend to see annexations as revenue bonanzas for cities, but disasters for their own budgets. Under California's fiscal rules for local governments, a city ordinarily gains most or all of the revenue benefits produced by development that results from an annexation, while the county government must continue to provide certain services (welfare, health functions, criminal justice, etc.) to the growing population of the annexed area.

The resentment is particularly strong for counties that avoid development in their unincorporated areas in order to protect farmland, especially when annexation-induced commercial development generates large city sales tax receipts.

The same state fiscal rules, however, also give county governments some crucial leverage in the requirement that the affected city and its county government agree on the revised property tax split before a LAFCO can process an annexation. A county can thus hold up a proposed annexation while demanding a beneficial split of the property tax or even a share in other city revenues. To do so, a county would have to cancel unilaterally the master property tax agreement

it may have with its cities—a technique for establishing a standard property tax split for annexations that California cities and counties have used since 1980.

Five of the seven Central Valley counties in our sample have used this strategy to varying degrees since the late 1980s to try to get cities to share some of their other revenues, as well as agree to larger property tax splits related to annexation. Negotiations on these matters have taken place largely outside of the formal LAFCO process. Most comprehensive of all were the agreements Fresno County signed in 1990 with 14 of its 15 cities that gave the county varying percentages of city sales tax receipts, portions of redevelopment funds, revised property tax splits, and other revenue considerations in individual agreements. The agreements were negotiated separately by each city after the county government withdrew from its master property tax agreements in 1987, blocking all annexations for the next three years. The cities, desperate to extend their borders to maintain the pace of development during a period of very rapid growth, reluctantly came to the bargaining table in 1989. Stanislaus and Yolo counties reached less extensive revenue-sharing agreements with some of their cities in the early 1990s. Individual agreements covered sales taxes, motel/hotel taxes, and county collection of fees on new construction in incorporated areas (all cities in Stanislaus County).

In return for the revenue concessions, each county including Fresno dropped its opposition to proposed annexations and agreed not to act independently to approve urban development in municipal fringe areas. In effect, the Fresno, Stanislaus, and Yolo county governments reaffirmed and strengthened their previous policies of protecting farmland by directing new growth to the cities. Most recently, San Joaquin and Kern counties also have used the annexation leverage to gain revenue benefits from their cities, but without linkage to growth policies.

#### **Tension and Cooperation**

Besides the annexation disputes, there are other sources of tension between Central Valley counties and cities over urban development plans and actions that bear at least indirectly on farmland protection. As reported in our interviews, county and city officials often had conflicting views of the merits of the development actions of each others' jurisdictions. A number of county interviewees saw



city expansion plans as encompassing excessive amounts of land, and thought cities did not sufficiently promote high-density development. For their part, city officials criticized counties for past approval of piecemeal development near municipal boundaries that made it difficult for cities to expand into these areas, and for actions that did not conform to stated farmland protection policies. Examples include the City of Tracy's opposition to San Joaquin County's approval of a nearby new town development and competition between the City of Patterson and Stanislaus County for development along Interstate 5.

There is also plentiful evidence of city/county cooperation on a number of fronts, including planning for future growth. Perhaps the most established example of joint planning among the sample jurisdictions is the practice in Tulare County of agreeing to urban area and urban development boundaries (affirmed in both county and city general plans) around each city that serve as long-term mechanisms for phasing growth. Another example of formal cooperation is the Metropolitan Bakersfield 2010 Plan, adopted in 1990 by Kern County and its largest city, that established common development standards in the unincorporated areas of the Bakersfield urbanized area, but without allocating future growth areas to either jurisdiction.

Formal agreements in other cases calling for city/county cooperation do not necessarily stifle intergovernmental conflict. One example is the Joint Resolution on Metropolitan Planning in Fresno County. Since 1984 the county government and the two adjacent cities of Fresno and Clovis have been parties to this agreement that requires consultation and approval by all three governments of a sphere of influence amendment proposed by either city. Despite this overall pact, in the early 1990s the three jurisdictions frequently were at odds over boundary and growth matters. Until they were resolved in August 1997, six lawsuits concerning land use, revenue, and service delivery matters were sore points between the City of Fresno and the county.

#### **THE STATE/LOCAL BALANCE: FARMLAND POLICY RECOMMENDATIONS**

Central Valley county and city governments vary widely in how much priority they give to farmland protection, highlighting California's decentralized approach to the management of urban growth. Local control over issues that affect the future of individual communities is prized in this

approach. The role of state government is to provide a broad framework with many policy possibilities and specific tools, leaving to counties and cities the important details of the rate and location of development and therefore the specific impact on farmland. Policy regarding farmland conversion thus is driven by the unique political environments of individual counties and cities. The result is a less consistent and effective effort to minimize farmland loss to urbanization throughout the valley and elsewhere in California than would be likely under the more centralized control of a state government that applies a firm hand statewide on behalf of farmland protection.

Substantially greater centralization in this policy arena is not likely in California for the foreseeable future, as neither elected leaders nor citizens appear ready to realign the state/local balance of control in land use and growth matters. In responding to a question about the desirability of more aggressive state government efforts on behalf of farmland protection, most of the local leaders we interviewed in the seven sample counties argued for continued local control. They did express some tepid support, however, for clearer statewide planning standards and more regional cooperation among local governments.

Other promising policy options that are generally consistent with current political realities, and that are often discussed by farm and environmental groups as well as planners, could push California local governments to do more to protect farmland. The options include higher densities in new urban development, incentives to landowners for land preservation, and greater city/county cooperation in fiscal and land use matters.

Policy changes to advance these approaches include:

- State legislation to require LAFCOs to examine more closely current municipal land use efficiencies when reviewing city annexation and sphere proposals, and to condition LAFCO approval on maximizing infill opportunities.
- A much more active role for state government in providing information and technical assistance to cities and counties, especially in helping to show local officials and residents the effects of past and proposed development on farmland. Possible actions include linking the state's Farmland Mapping and Monitoring Program to local databases, helping local governments to apply GIS (Geographic Information Systems) technology to planning decisions, and developing common methodologies to present farmland



conversion and other development scenarios in visual form.

- Much more funding for California's new Agricultural Land Stewardship Program, a statewide effort to expand the use of conservation easements on strategic agricultural acres by assisting local governments and land trusts to acquire easements from willing landowners. The ALSP should target select areas in the Central Valley, a region in which this conservation technique is not widely used.

- More city/county cooperation on land use and fiscal matters, including the spread of growth referral and revenue sharing agreements to other Central Valley counties. State legislation should require or provide incentives for intergovernmental negotiations in specific cases besides annexations, especially for larger commercial developments that have multijurisdictional growth and revenue implications.

- Above all, wholesale reform of the local government fiscal system to reduce the tendency for local governments to ignore farmland conversion considerations when pursuing sales tax-generating development. Jurisdictions that protect farmland at the risk of losing growth-related revenues should not be punished fiscally. State action, possibly requiring constitutional revision, is needed to decouple the revenue from the land use aspects of development and to give cities and counties more discretion over revenue sources.

Portions of this agenda can be implemented directly by local governments, without waiting for state action. The critical ingredients are political will and community support.

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#### NOTES

<sup>1</sup> Other products of the research are planned. For information, contact the author.

<sup>2</sup> Along with the author, Mary Handel and John Drew Froeliger conducted the field interviews in the sample counties.

<sup>3</sup> Although the FMMP began its mapping activities in 1984, information on land use changes for some Central Valley counties became available only in later years. The mapping program also employs a methodology that probably underestimates the true extent of conversions, because of inability to track land that moves indirectly from agricultural to urban use through a transitional stage ("other" land use category), and a loose definition of "urban" use (minimum of six residential units per 10-acre mapping area).

<sup>4</sup> *Alternative for Future Urban Growth in California's Central Valley: The Bottom Line for Agriculture and Taxpayers*. American Farmland Trust, Davis, California, October 1995.

<sup>5</sup> Technically, this Tulare County arrangement is California's most complete example of the Land Evaluation and Site Assessment model. The nationwide LESA approach to using a quantitative assessment for protecting resource lands was created by the Soil Conservation Service (now the National Resources Conservation Service) of the U.S. Department of Agriculture.

<sup>6</sup> Alvin D. Sokolow, A Different Brand of Farmland Politics: The Prolific Central Valley, in *California Farmland and Urban Pressures*, Albert Medvitz and Alvin D. Sokolow, eds. Agricultural Issues Center, UC Davis, publication pending.

<sup>7</sup> Mary Handel and Alvin D. Sokolow, *Farmland and Open Space Preservation in Four North Bay Counties*, Research Paper 1, Agricultural Issues Center, UC Davis, 1995.

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