

AGP16: Agricultural Land Conservation Programs.

- a. Encourage and support efforts by non-profit and other conservation organizations to protect agricultural lands and maintain agricultural production.**
- b. Consider establishing a limited county program to acquire conservation easements or development rights from willing land owners. Such programs should encourage maximum flexibility for agricultural operations.**

Discussion: There are a number of organizations active in farmland protection programs. Private non-profit conservation organizations include the San Luis Obispo Land Conservancy, The Nature Conservancy, and the American Farmland Trust.

The San Luis Obispo Land Conservancy provides assistance to land owners interested in protecting agricultural, aesthetic and ecological values on their land. They offer counseling and assistance in establishing conservation easements, transfer of development credits, estate donation, and other conservation programs.

The American Farmland Trust (AFT) is a national organization dedicated to the conservation of productive farmland. AFT increases public awareness of agricultural issues, provides technical assistance to government agencies and private organizations, and engages in individual farmland conservation real estate transactions.

The Coastal Conservancy is a state agency also actively engaged in farmland preservation programs in California coastal counties. The Coastal Conservancy has been active in San Luis Obispo County, working on projects with incorporated cities, as well as in the unincorporated areas of the county.

In 1998, the county was successful in securing a grant from the Agricultural Land Stewardship Program (see discussion in chapter 1) to assist in the investigation of the potential impacts of antiquated subdivisions on areas of intensifying agriculture. The grant funding will enable the compilation of a database of the antiquated subdivisions in areas of the county where agricultural intensification is occurring, especially vineyards, so as to assess the potential impact to agriculture if the underlying lots are developed with non-agricultural uses. When completed, that evaluation should help provide further direction to the goals and policies of this general plan element, as well as to the Land Use Element. The county should continue to actively pursue participation in this grant program as future funds become available to address agricultural issues.

The following acquisition strategies are examples of some of the measures that could be carried out by conservation organizations or by the county. In all cases they should be accomplished between willing buyers and sellers. **In those limited instances where the County may be an active participant, the primary focus of these strategies should be on purchase of easements and development rights, rather than the outright purchase of agricultural lands.** While any of the potential programs could have costs and operational concerns, there may be some limited application in appropriate circumstances, although public purchase may be the most problematic due to limited public funds.

The following strategies are not an all-inclusive list and other creative methods will need to be developed and implemented over time.

Purchase of Development Rights and Conservation Easements. The purchase of development rights (PDR) from a willing seller retires development potential through deed restrictions, leaving land owners all other rights of ownership except the right to sell homesites or to establish other types of development, for which the rights have voluntarily been extinguished. Land owners may receive income and estate tax benefits, in addition to

protecting local agricultural areas from conversion to other uses. However, there could also be tax penalties due to capital gains tax.

Land owners can also choose to enter into conservation easements to protect agricultural land. A "Bargain Sale Conservation Easement" allows the land owner to receive cash income, but provides a way to offset increased capital gains tax.

See Appendix J for a further discussion of these programs.

Purchase and Resale or Lease with Restrictions. This strategy involves purchasing land and placing restrictions on its use and development. The land is then resold at a reduced market price that reflects the land use restrictions. The end result is equivalent to purchase of development rights. This concept may be more appropriate for entities other than the County to enter into.

Fee Simple Purchase and Lease-Back. This strategy protects farmland through outright purchase. Both real property and estate tax problems can be solved for farmers who sell their land to a public agency or conservation organization. Fee simple purchase can be very costly. This strategy should be considered the lowest priority by the County and may be most appropriate for other conservation organizations to pursue.

Long-term Conservation Lease. Where agricultural lands also contain open space resources that are worthy of protection, such as riparian habitat, scenic qualities, etc., but the land owner is not interested in selling the property or the development rights, an alternate approach may be to enter into long-term conservation leases. Similar to the provisions of a Williamson Act contract, such a lease could offer protection of the resources for an extended period of time, while also offering the property owner a revenue stream that will enable maintenance of the agricultural activities. The lease could be held by a conservation organization, with the term of the lease automatically renewed annually for another year similar to a Williamson Act contract. This, and other creative methods of resource conservation, should be explored more fully.

Implementation:

1. The Department of Planning and Building, in cooperation with the county Agriculture Department and U.C. Cooperative Extension, should assist agricultural and conservation organizations in developing and implementing programs to conserve agricultural land. The agencies should prepare a public information brochure for distribution to the agricultural community making them aware of the advantages of participating in such programs.

Timeframe: 12 months from plan adoption.

2. In cooperation and coordination with conservation organizations and other jurisdictions, the county should explore the possibility of establishing a program to protect agricultural lands by purchasing development rights and conservation easements from willing sellers, by offering long-term conservation easements, or through other innovative programs.

Timeframe: To be determined by Board of Supervisors after plan adoption.

3. The County should actively pursue grant funds under provisions of the Agricultural Land Stewardship Program Act of 1995, to assist with the implementation measures contained in this Agriculture and Open Space Element.

Timeframe: Ongoing after plan adoption.