AGRICULTURAL ENHANCEMENT REPORT

The focus of this report is the enhancement of Butte County's valuable agricultural resources. In this report, the term 'agricultural enhancement' encompasses protection of the physical land, as well as the economic viability of agriculture as a productive industry. There are four major agricultural enhancement programs or techniques currently used in Butte County: Williamson Act contracts, agricultural protection zoning, urban growth boundaries and agricultural buffers; each is reviewed in this report. Each technique is evaluated for the degree to which the program achieves its goals, and modifications recommended which could further support the role of this technique in preserving Butte County's agricultural resources. The last section of this report presents and discusses a number of additional agricultural enhancement techniques that the County might consider undertaking.

A. Existing Conditions

Butte County possesses high quality agricultural lands and soils. The County regards farmland preservation as a high priority and applies a substantial set of techniques to encourage long-term farmland preservation. This section describes an overview of agricultural production within the county and recent trends in conversion of agricultural lands to non-agricultural uses.

1. Agricultural Lands

Agriculture is the largest productive industry in Butte County. In 2005, the total agricultural production in the county approached $440 million.[1] In terms of land area, agriculture represents the largest overall land use within the county. Over 24 percent of the county is zoned for agriculture, with an additional 25 percent of the county zoned for grazing. Butte County has over 245,000 acres dedicated to irrigated farmland, almost 262,000 acres is grazing

[1] Butte County Department of Development Services, *Getting Real with Rural (Butte County)*, http://www.buttecounty.net/dds/rural/LandUse.asp, accessed April 10, 2007.

land and approximately 4,000 acres is non-irrigated farmland.[2] These agricultural lands are concentrated on the western side of the county, where alluvial deposits from the Sacramento River have settled into productive farmlands. Figure 18-1 shows the extent of Butte County's agricultural lands, as mapped by the State of California Farmland Mapping and Monitoring Program.

2. Farmland Conversion Trends

According to the Farmland Mapping and Monitoring Program, between 2002 and 2004, Butte County gained approximately 3,300 acres of farmland but lost approximately 7,700 acres of agricultural land to other uses. Compared to neighboring Glenn County, Butte County lost almost twice as much farmland during the period 2002-2004; 1.6 percent compared to 0.9 percent.

In Butte County, the majority of irrigated farmland lost to urban land occurred in the Chico and Nord areas. In Chico, the Durham Golf course, the Husa Ranch Estates and the Sterling Oaks development were expanded onto agricultural land. In Nord, the addition to the Rose Wood Estates subdivision converted approximately 80 acres of agricultural land to urban lands.[4] Land converted from grazing to urban land was mostly located in the northeast portion of the county. Conversion from "other" land (referring to areas incompatible with either agriculture or livestock grazing, such as brush, timber and wetlands, government lands, strip mines, gravel pits, small bodies of water, road systems for freeway interchanges outside of urban lands, etc.)[3] to urban uses occurred throughout the county due to increased housing density and the addition of new homes and industry.[4] Most of the lands converted from agriculture to urban uses are within city Spheres of Influence (SOI), and can be described as being on the urban fringe. Being

[2] California Department of Conservation, *2002-2004 Land Use Conversion*, 2004, Table A-45.

[3] California Department of Conservation, *Important Farmland Mapping Categories and Soil Taxonomy Terms,* http://www.consrv.ca.gov/DLRP/fmmp/overview/prime_farmland_fmmp.htm, accessed April 10, 2007.

[4] Butte County Comprehensive Plan, *Agricultural Element*, May 9, 1995.

so close to pre-existing city limits, development pressure is high, and they are at greater risk for conversion to non-agricultural uses.

B. Existing Agricultural Enhancement Techniques

The purpose of the various agricultural enhancement techniques used by the County is to protect farmland from urbanization, and to sustain agriculture as an economically viable industry. When a system of agricultural enhancement techniques is effective, the acreage of land converted to alternate uses is minimized. The following section describes and assesses the efficacy of agricultural enhancement techniques currently used by Butte County.

1. The Williamson Act

The California Land Conservation Act, better known as the Williamson Act, is Butte County's primary agricultural enhancement technique. The Williamson Act preserves agricultural and open space lands through property tax incentives and voluntary restrictive use contracts administered by the State, together with the County. Private landowners voluntarily restrict their land to agricultural and compatible open space uses under minimum 10-year rolling term contracts, with counties and cities also acting voluntarily. In return, restricted parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value.[5] Lands under Williamson Act contracts are shown in Figure 18-2.

Only land located within a locally designated "Agricultural Preserve" is eligible for a Williamson Act contract, but not all land within an Agricultural Preserve must be under contract.[6] By State law, an Agricultural Preserve must be designated by the local government, must consist of no fewer than

[5] California Department of Conservation, *California Land Conservation (Williamson) Act Status Report*, August, 2002, page 1.

[6] California State Government Code Section 51230-51239.

100 acres and may be made up of land in one or more ownerships. Landowners with fewer than 100 acres may combine with neighbors to form preserves, provided the properties are contiguous. Smaller preserves may be established under certain circumstances.[7]

Butte County adopted the Williamson Act in 1967, two years after the Act was passed by the State. Initiation into a Williamson Act contract is coordinated voluntarily by individual farmers and without oversight from the county. In 1967, the Butte County Board of Supervisors established ten agricultural preserve areas that cover the entirety of the county. Therefore, all lands in Butte County satisfy the agricultural preserve requirement.[8] From 2004 to 2005, the county's total acreage reported to be enrolled in the Williamson Act remained steady. Of the 651,000 acres of agricultural and grazing lands in the county,[9] approximately 215,000 acres are enrolled in Williamson Act contracts.[10] Therefore, the Williamson Act currently preserves 33 percent of the county's cultivable land in agriculture, or compatible open space uses.

To discontinue a Williamson Act contract is to put land into "non-renewal" status. For Butte County, the number of acres in nonrenewal increased be-

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[7] Department of Conservation, Division of Land Resource Protection, *Williamson Act Questions and Answers Fact Sheet*. http://www.consrv.ca.gov/DLRP/lca/index.htm, accessed January 2, 2007.

[8] Butte County Board of Supervisors, Exhibit "A" of Resolution 07-021, Butte *County Administrative Procedures and Uniform Rules for Implementing the California Land Conservation (Williamson) Act*, January 23, 2007.

[9] Farmland Mapping and Monitoring Program, *Butte County Draft 2004 Land Use Summary*, http://www.consrv.ca.gov/DLRP/fmmp/ county_info_results.asp, accessed February 26, 2007.

[10] California Department of Conservation, *Important Farmland Mapping Categories and Soil Taxonomy Terms*,http://www.consrv.ca.gov/DLRP/fmmp/overview/prime_farmland_fmmp.htm, accessed April 10, 2007.

tween 2004 and 2005. In 2004, a total of 367 acres were put into nonrenewal status. This number increased to 928 acres the following year.[11]

The State Department of Conservation conducts annual audits for general compliance with the Williamson Act program in each of the participating counties. Butte County was last audited in 2004. The County has taken action on the items mentioned in the audit. One of key changes was to update the Board of Supervisors Resolution 00-49, which establishes the purpose, lead county department, administrative procedures and uniform rules including compatible uses for agricultural preserves. The Butte County Board of Supervisors approved the new resolution on January 23, 2007.[12]

An extension of the Williamson Act, called the Farmland Security Zone (FSZ) Program, permits farmers and ranchers to garner an additional 35 percent property tax reduction by keeping their land in agriculture for a minimal initial term of 20 years. This program passed through the State legislature in 1998 and has gained popularity in many counties, but has yet to be adopted in Butte County.

Butte County largely depends on the Williamson Act as its main regulatory tool to preserve agricultural lands in the face of development pressures. In 2005, 20 percent of the county's agricultural lands were enrolled in Williamson Act contracts. [13] The program is popular throughout the state, since it is

[11] California Department of Conservation, 2006, *The California Land Conservation (Williamson) Act, Status Report 2006.*

[12] Butte County Department of Development Services, Williamson Act Homepage, *2007-01-23 New Williamson Act Rules Adopted for Butte County*. http://www.buttecounty.net/dds/wa/2007-01-23_wa_rules.pdf. Accessed March 1, 2007.

[13] The California Land Conservation (Williamson) Act, Status Report 2006. California Department of Conservation.

voluntary and imposes no requirements on landowners other than prohibiting urban development during the duration of contracts.[14]

The Williamson Act program has protected over half of California's prime farmland;[15] however, the program also has some weaknesses as an agricultural enhancement tool, and Butte County faces these same problems. Most obviously, it is purely a voluntary program and therefore relies on willingness of landowners to participate. More important, the financial benefits of participation may not be sufficient for landowners to participate, particularly since property tax increases are already limited under California's Proposition 13. It is debatable whether the Williamson Act is effective in limiting growth around cities, since landowners on the urban edge often use the law's 10-year non-renewal provisions and/or cancellation provisions to withdraw from the program and sell land for more lucrative development.

For landowners on the urban fringe of growing cities, there is higher economic incentive to entertain development opportunities than to enroll their property into a Williamson Act contract. This problem is particularly significant in Chico, where development pressure is high for parcels on the west side of the Greenline. The County could further agricultural enhancement and use of the Williamson Act by encouraging farmers to enter into more contracts for lands adjacent to city limits. The County could also benefit economically because the State reimbursements for Williamson Act property tax losses within 3 miles of a city limit are $8 per acre, versus only $5 per acre for land that is more than 3 miles away.

2. Agricultural Protection Zoning

The Butte County Comprehensive Zoning Ordinance (BCZO) administers the zoning regulations for the unincorporated areas of Butte County. Agricultural Protection Zoning (APZ) is included in this ordinance and is en-

[14] Alvin D. Sokolow and Mica Bennett, *Conserving Agricultural Land Through Compensation*, December 2004, page 30 to 31.

[15] American Farmland Trust, "Agricultural Districts: A Tool for Protecting Local Agriculture," *Landworks Connection* (newsletter), Summer 2002, page 2.

forced by the County's Department of Development Services. The BCZO identifies two specific zoning types that designate agriculture as the desired land use: agricultural and agricultural-residential zones. The current ordinance was adopted in January of 1995 and will be updated as part of the General Plan 2030 process. Chapter 1 of the Background Report document provides an in-depth discussion of the BCZO. The full text of the Zoning Ordinance is also available on-line on the County's website.

APZ increases the likelihood that parcels designated for agriculture will remain in agricultural production. One way that APZ accomplishes this is by establishing a minimum acreage for parcels designated for agriculture, allowing for its viable agricultural-commercial use. Implementing a minimum acreage prevents parcels from subdivision, whereby smaller farm parcels suffer from reduced economies of scale and increased contact with incompatible land uses. According to the American Farmland Trust, "a minimum lot size of 20 acres, combined with other restrictions, may be sufficient to reduce development pressures in areas where land is very expensive and farming operations are relatively intensive."[16] In addition to regulating lot sizes, APZ also defines permissible uses, housing densities, design guidelines and restrictions on ancillary commercial agriculture activities, all with the intent of preserving APZ parcels in agricultural uses.

As mentioned before, the BCZO differentiates between agricultural and agricultural-residential zones. Agricultural zones are A-5, A-10, A-20, A-40 and A-160; they provide for agricultural uses with minimum lot areas of 5, 10, 20, 40 and 160 acres, respectively. In addition, the agricultural zones permit only one single-family dwelling per parcel. Agricultural zones are restricted to agricultural uses and housing facilities for agricultural employees.

The agricultural-residential zones are AR, AR-½, AR-1, AR-2½, AR-5, AR-10, AR-MH and A-SR; they permit residential uses at varying lot sizes and densities. As with the agricultural zones, the suffix of the zoning district

[16] American Farmland Trust, *Agricultural Protection Zoning Fact Sheet,* September 1998.

indicates the minimum permissible lot acreage. Single-family dwellings and agricultural activities are permitted uses in these zones. Duplexes and multi-family dwellings are conditionally permitted uses, except in the AR-MH (Agricultural-Residential--Mobile Home) and A-SR (Agricultural-Suburban Residential) zones. Secondary dwelling units are also permitted as-of-right, in accordance with State housing law. The second unit allowance is intended to provide additional housing opportunities by encouraging property owners to development smaller granny flats or other small accessory dwelling units in conjunction with an existing single family home.

APZ is generally established where environmental factors such as soil conditions and water availability, are most amenable to farming. The soils in Butte County range from Class I to VIII, with Class I defined as "very good cultivable land." Butte County's Orchard and Field Crops General Plan designation identifies the majority of prime agricultural soils occurring in the western portion of the county. Soil classes on the west side of Butte County range from I to IV. High water availability in this region is supplied by the Sacramento River, which runs along the western boundary of the county. Because environmental conditions vary within Butte County, APZ allows for the most cultivable land to be reserved for agricultural purposes.

Rural ranchettes, or hobby farms, challenge the BCZO's goals for agricultural protection. Rural ranchettes are relatively large plots of cultivable land that are taken out of agriculture for large lot residential development. These parcels have recently become popularized by retirees and ex-urbanites who are attracted to Butte County's large rural lots available at comparatively inexpensive prices. Butte County is subject to this type of development because of nuances in the zoning regulations. Two zoning designations in particular, A-5 and AR-5, allow for residential development on agricultural land. At 5 acres, the size of these parcels is ambiguous in terms of suitable land use. For example, 5 acres could be used for a small commercial agriculture operation, or it could also be used for a larger residential property.

To address the first goal of the General Plan's Agricultural Element, which is to "maintain parcel sizes that ensure the long-term preservation, conservation and continuity of those general plan areas identified as Orchard and Field Crops and Grazing and Open Lands,"[17] the County may want to consider changing the minimum lot size allowed in agricultural zones. Minimum lot sizes in agricultural areas can help to ensure that land is retained in parcel sizes that are viable for agriculture and undesirable for urbanization or ranchette development. As previously noted, American Farmland Trust suggests that lot sizes should be no smaller than 20 acres to support agricultural use;[18] however, even parcel sizes as large as 20 acres can be attractive for ranchettes instead of viable agriculture. Some have suggested that the AR designation, in its entirety, may be inappropriate, in that it suggests that parcels so zoned are appropriate locations for residential development, including multifamily development, when zoning for those lands should reflect, more closely, the intent that they remain in agricultural use.

An alternative to increasing the minimum lot size would be to require a conditional use permit for all residential construction in an agricultural zone, thus making it a discretionary act subject to County control. The County's two agricultural zoning districts permit, by right, one single-family dwelling unit per parcel. Secondary units are permitted by right. However, no guidance is provided about these units; there is no requirement that the second unit be attached to the primary dwelling unit or located in proximity to it (as would most frequently be the case in urban areas when second units are developed on smaller parcels), or secondary in terms of size relative to the primary unit. This in effect allows for a doubling of residential development intensity in agricultural zones allowing single-family residential uses, potentially further reducing their agricultural viability. Making all residential development, including second units, subject to discretionary review would enable County staff to consider the location, size and other aspects of a proposal, and to impose conditions of approval to support continued production

[17] Butte County Comprehensive Plan, *Agricultural Element*, May 9, 1995.

[18] American Farmland Trust, *Agricultural Protection Zoning Fact Sheet,* September 1998, page 1.

farming on the property and maximize compatibility with on-site and surrounding agricultural uses. Such a requirement could be used in conjunction with other techniques such as mandatory conservation easements, a Williamson Act contract, or an agricultural production and stewardship plan.

3. Urban Growth Boundaries

Urban growth boundaries (UGBs) separate urbanized areas from non-urbanized areas by identifying the locations in which urbanization can occur. They are implemented to control outward expansion of development, encourage increased densities within the urban core and establish protected greenbelts of agriculture or open space around the perimeter of an urban area.

UGBs create a clearly defined agricultural-rural interface, establish certainty for cities and county governments, and landholders, and minimize the need for other resource intensive land preservation mechanisms. When their modification requires voter approval, they are particularly potent as a means to halt urbanization. They can also limit land supply, thereby increasing housing prices.[19]

UGBs can function at the city level, the county level or as a coordinated effort between both jurisdictions. The Chico Area Greenline is an example of a UGB that is coordinated by both the City of Chico and Butte County. The Greenline policy is outlined in the County's 1979 Land Use Element. The Greenline is at Chico's western city limit, dividing prime agricultural farmlands to the west of Chico from urban land in the east. It serves to restrict development on the prime farmlands west of Chico and preserves this area for agricultural production. As Chico grows, development is intended to be pushed east of the Greenline and onto non-prime farmlands.

The Butte County Agricultural Element identifies continued support for the Chico Greenline policy. As an individual policy, it achieves its goal of directing development to the east side of Chico. However, future agricultural en-

[19] The Center for Rural and Regional Innovation – Queensland, *The Protection of Production on Agricultural Lands,* May 2005, page 48.

hancement is limited by the fact that the policy is not permanent; the Greenline is subject to review by the Butte County Board of Supervisors every five years. Because of this, developers speculatively driven up the land value of parcels on the agricultural side of the Greenline, thus discouraging landowners from enrolling in Williamson Act contracts.

As a strategy for agricultural enhancement, the County may want to work with the cities so that each of the four cities adopt urban growth boundaries and associated policies that support the County's farmland preservation objectives. Urban growth boundary agreements established in other counties such as Yolo County, could serve as a model for agreements between the County and its cities regarding limits to urbanization. The County may also want to clearly define urban boundaries for each of its unincorporated communities and to clarify their role in shaping growth.

A notable strategy in Yolo County has been an agreement by the cities of Davis and Woodland and the County to protect an 11,000-acre area between the two cities from annexation and/or urbanization.[20] This agreement between the three government bodies is a strong method of creating an UGB, since it would require approval from all three governments to change it. Such a model might be appropriate for implementation in Butte County.

The Chico Area Greenline, as defined by the Land Use Element, does not require voter approval to be changed. If the County desires to make these boundaries more permanent, then a requirement for voter approval of the boundaries could be considered. A potential downside of requiring voter approval for changes to the urban boundaries of the county's unincorporated communities is that it would effectively transfer this major land use decision from the elected Board of Supervisors to the voting electorate. Such votes can often be swayed by small "bites" of highly distilled information or politically

[20] Smart Growth Online website, http://www.smartgrowth.org/news/article.asp?art=3108&state=52&res=1024, accessed on March 7, 2007.

polarized opinion, rather than detailed analysis and understanding of project impacts and benefits.

4. Agricultural Buffers

Agricultural buffers are physical separations between residential and agricultural uses of land.[21] Typically, they are strips or corridors of vegetated land intended to ameliorate impacts from agricultural operations upon urbanized areas, and vice-versa.[22] They may contain grassy or treed areas, providing a more natural environment than much of the intensively farmed land surrounding them.[23] They can also be used for recreation by urban residents.

Buffers can be used to minimize or avoid urban/agricultural land use conflicts, and to physically mark an UGB (like the Greenline). They can help reduce actual or perceived impacts on neighboring residents (e.g. noise, odor, spray) and on agricultural operations (e.g. theft, trespass).[24] They also provide environmental benefits such as improved water quality, reduced phosphorus and nitrogen runoff, habitat creation, and increased biodiversity, as well as social benefits such as improved aesthetic quality of the landscape and increased recreational opportunities.[25]

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[21] Great Valley Center, *Can City and Farm Coexist? The Agricultural Buffer Experience in California*, Modesto, CA, March 2002, page 1.

[22] William C. Sullivan, Olin M. Anderson and Sarah Taylor Lovell, "Agricultural buffers at the rural-urban fringe: an examination of approval by farmers, residents, and academics in the Midwestern United States," *Landscape and Urban Planning,* Volume 69, 2004, page 299.

[23] William C. Sullivan, Olin M. Anderson and Sarah Taylor Lovell, "Agricultural buffers at the rural-urban fringe: an examination of approval by farmers, residents, and academics in the Midwestern United States," *Landscape and Urban Planning,* Volume 69, 2004, page 301.

[24] City of Brentwood Agricultural Buffers website, http://www.ci.brentwood.ca.us/boards/aarg/enterprise/agricultural_buffers.cfm, accessed on May 18, 2006.

[25] William C. Sullivan, Olin M. Anderson and Sarah Taylor Lovell, "Agricultural buffers at the rural-urban fringe: an examination of approval by farmers, resi-

A system of agricultural buffers was recently implemented into the BCZO. In February 2007, the County adopted Ordinance No. 3953, also known as Program 2.2, which was first described in the 1995 Agricultural Element. Under this program, the zoning ordinance was amended to require 300-foot agricultural buffers for all new residential development in Butte County. This mandatory buffer is required for all projects that are adjacent to land uses designated by the General Plan as "Orchard and Field Crop" or "Grazing and Open Lands." The program clearly establishes that it is the responsibility of the developer to create the buffer on the urbanized side of community boundaries or spheres of influence in the unincorporated areas of the county. Over 460,000 acres of land would be affected by implementing this new program. Program 2.2 was implemented in March, 2007. In addition to separating incompatible uses, the ordinance also clearly defines a distinction between agricultural lands that the County wants to maintain for the long-term, and those for which city/community area expansion may be appropriate.

In order for Program 2.2 to be effective in limiting off-site impacts, a large tract of land must be available to provide an agricultural buffer.[26] Buffer lands also require a management entity to maintain them, and to effectively deal with issues of trespass, vandalism, litter, theft or dogs. If not properly maintained and operated, buffer open space can appear as "unused" land, since it is generally not developed for either urban uses or agriculture. Although the developer will be responsible for creating the buffer, it must be recognized that it is still agricultural land that is being taken out of production. The County is in the process of developing buffer guidelines that will provide for additional methods to implement agricultural buffers for unique situations.

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dents, and academics in the Midwestern United States," *Landscape and Urban Planning*, Volume 69, 2004, page 301.

[26] *CRCOG Best Practices Manual*, Chapter 2, page 2.

C. Other Agricultural Enhancement Techniques

The following is a list of additional agricultural enhancement techniques. They are not currently employed by Butte County, but are suggestions for techniques that could be employed in the future.

- Taxation and Fee Mechanisms
- Increased Residential Densities
- Transfer of Development Rights
- Lower Service Standards in Rural Areas
- House Location Requirements on Agricultural Land
- Zoning for Agricultural Development
- Agricultural Marketing and Agricultural Tourism
- Agricultural Production and Stewardship Plans
- Right-to-Farm Ordinance and Agricultural Use Notice
- Rural Oath

1. Taxation and Fee Mechanisms

Taxation is an increasingly common method of preserving open space in California's cities and counties. The agricultural enhancement programs described above cost money, and governments need to find ways to fund these programs. While it can be difficult to create the political consensus needed to impose a tax, the resulting revenue stream can be key to successful agricultural enhancement. In addition to taxes, development impact fees collected on new building permits could also fund enhancement efforts, without the need for voter approval. The following are common methods of taxation:

- **Sales Tax.** Some jurisdictions have adopted or sponsored public votes on incremental sales tax increases for open space protection. This method has the benefit of bringing in funds from both residents and visitors who shop in the jurisdiction. It can also be somewhat easier to pass with voters than real estate-based taxes. A ¼-cent open space and agricultural protection sales tax was recently reauthorized by Sonoma County voters, and may be a model for Butte County.

- **Property and Real Estate Taxes.** Communities can also implement an ad valorem property tax, a flat rate parcel tax, or a real estate transfer tax as a means to fund agricultural enhancement.
- **Special Benefit Districts.** In some cases, special benefit districts have been formed in residential areas that are identified as having specific benefits or access to open space above and beyond those of the average city resident. Residents in these areas may approve a special tax for their district that will specifically finance open space protection and maintenance.
- **Development Impact Fees.** Development impact fees collected on new building permits could also fund enhancement efforts, and could be adopted without voter approval.

The County could consider these taxation mechanisms and work with the four cities to adopt such measures to fund agricultural enhancement efforts and more broadly share the costs of agricultural and open space protection. Taxes could also be targeted to specific enhancement programs, or to specific types or locations of development as a disincentive for undesirable growth patterns.

2. Increased Residential Densities

Farmers in some areas of Butte County have reported that they are unable to maintain their agricultural uses because high land values, low farming revenues, tax laws and financing necessities force them into development. These farmers have suggested that increases in residential densities in some areas might help them to realize profits from sales of limited amounts of agricultural land, thereby allowing agriculture in other areas to continue.

There may be a limited role for greater residential densities in some agricultural areas, possibly within certain targeted locations and within a context of protective conservation easements, agricultural production and stewardship plans, Williamson Act contracts and clustering. This could allow farmers to live on their land and allow long-time farm families to build houses on their properties for family members. It may also allow for financing, without collateralizing the whole farm. Having people on the land can also result in bet-

ter stewardship and innovation, transitions to new generations of farmers, and can build a constituency for farmland preservation.

3. Transfer of Development Rights

Transfer of development rights (TDR) programs are voluntary, incentive-based, market-driven programs that allow landowners to transfer the right to develop one parcel of land to a different parcel of land. In the context of farmland preservation, TDR is used to shift development from agricultural areas to designated growth zones closer to municipal services or to allow for clustering of development in specific areas that are least appropriate for agriculture. Targeted preservation lands are established (through zoning overlays) as "sending areas" from which land owners sell the development rights of their property to private developers for use in designated "receiving areas" (infill areas designated for development or density increases). Buying the development rights generally allows the owner to build at a higher density than ordinarily permitted by the base zoning.[27]

TDR programs are best suited to areas such as Butte County where large blocks of land remain in farm use. They have been most effective at preserving farmland in areas where there has been a public entity actively purchasing rights or where TDR receiving areas have strong real estate pressures that create a natural market for development rights.[28] Ideally, a TDR program is designed so that purchasing the development credits is the most profitable way to develop property in the receiving zone.[29]

Most TDR transactions are between a private landowner and developer. However, local governments generally establish TDR programs by local zoning ordinances. Marin County, San Mateo County, San Luis Obispo County, the Tahoe Regional Planning Agency and the City of Livermore are among

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[27] American Farmland Trust, *Transfer of Development Rights Fact Sheet*, January 2001, page 1.

[28] *CRCOG Best Practices Manual*, Chapter 2, page 3.

[29] Institute for Local Self Government, *Farmland Protection Action Guide: 24 Strategies for California*, 2002, page 46.

the jurisdictions that have enacted ordinances that allowed for TDR.[30] The Santa Monica Mountain Conservancy has also facilitated more than 500 TDR transactions.[31]

4. Lower Service Standards in Rural Areas

Public service standards are often lower in rural areas and small towns than in larger cities and towns. For example, there may be no municipal garbage pick-up service, response times in rural areas for police or sheriffs deputies, fire trucks and emergency medical personnel may be longer, and schools and stores may be located far from homes. As new residents move into rural areas, these differences may not be clear to them, and they will sometimes demand that government agencies improve services to try to match more urban standards. This, in turn, can raise operating costs and ultimately promote urbanization.

Given this situation, Butte County could set service standards tailored to the needs of rural areas and small towns, to make clear that the County will not attempt to meet urban service standards in these areas. This would be intended to protect the natural qualities of rural areas and guard against pressures to urbanize.

5. House Location Requirements on Agricultural Lands

When single-family homes are built on agricultural land, the house location can be a major determinant of the on-going agricultural viability of the remainder of the parcel. If a house is centered on a large parcel, it may be difficult to maintain agricultural use on the parcel, but a house at the corner of a parcel may allow continued agricultural operations on the remainder of the site. For these reasons, the County could consider regulations that guide house locations in agricultural zones. Houses would be required, for example, to adhere to specific setbacks from front and side lot lines.

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[30] American Farmland Trust, *Transfer of Development Rights Fact Sheet*, January 2001, page 3.

[31] Institute for Local Self Government, *Farmland Protection Action Guide: 24 Strategies for California*, 2002, page 47.

6. Zoning for Agricultural Development

To minimize conversion of farmland to non-agricultural uses within agricultural areas, more restrictive limitations on use may be appropriate. However, there may be some areas where more restrictive zoning would be counterproductive. In such areas, it may be that zoning should actually be made less restrictive in order to improve agricultural viability.

For lands where the County wants to accommodate smaller farms and agricultural industrial and marketing facilities, encourage agricultural tourism, and allow for needed farm worker housing, the County may want to consider more permissive use regulations, such as specifying a broader mix of uses, or allowing more uses by right or by administrative approval. Such uses could be encouraged through conservation easements, agricultural production and stewardship plans, performance standards, clustering incentives, Williamson Act contracts and buffers.

Areas in close proximity to cities and unincorporated communities may be an appropriate location for smaller farms and a broader mix of supportive agricultural industrial, marketing and tourism uses. Urban populations provide a ready market for farm products, and offer opportunities for more profitable direct marketing and agricultural tourism. These agricultural activities also enhance the quality of life for urban dwellers with ready access to agricultural open space, fresh food, a farm landscape and character, and food security. The smaller farms and supportive uses can also function as buffers, providing transitions between urban areas and the larger commodity farms that generally have greater "nuisance" impacts.

7. Agricultural Marketing and Agricultural Tourism

In order to preserve agricultural operations, many jurisdictions have found that it is not enough to protect farmland from development. Steps must also be taken to ensure the economic viability of agriculture, which can be particularly difficult where land values are comparatively high and crop prices are comparatively low. To address this need, many communities have estab-

lished agricultural marketing programs to support local agriculture. Such programs include product branding, promotion of local products, and marketing of agricultural products directly to consumers. These programs can rely on traditional forms of crop production. They can also rely on "agricultural tourism" or "entertainment agriculture," which includes overnight farm stays, "working" vacations, u-pick gardens, wineries, hayrides and petting zoos. These programs can be used as tools to generate additional farm income, especially during down times in the annual farming cycle.[32]

Several examples of these efforts already exist. Yolo County's "Capay Valley Grown" program formed in 2003 as a partnership among 23 farm and ranch partners who wanted to increase the marketability of their products. The group uses a "Capay Valley Grown" label to distinguish products grown and made in the region and a branding strategy to get the brand into the marketplace.[33]

8. Agricultural Production and Stewardship Plans

Development of dwellings in agricultural zones can be made contingent upon the preparation and implementation of an Agricultural Production and Stewardship Plan that details how the property will be kept in commercial agricultural use. Such a plan would to show how the property would be planted with crops, orchards or vineyards, and would specify agricultural infrastructure and facilities, including a production water source, irrigation, fences and farm worker housing. It would also outline stewardship practices to be employed. The plan could be reviewed by the County Agricultural Commissioner to verify that it would sustain farming practices and maximize agricultural compatibility. It could be used in conjunction with clustering incentives, and a requirement for a conservation easement and a Williamson Act contract.

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[32] Peter Z. Acuff, *Novel Farmland Preservation Techniques* (Research Report), July 19, 2002 http://www.geocities.com/zebacuff/farmpres.html, accessed May 23, 2006.

[33] Capay Valley Grown website, http://www.capayvalleyvision.org/cvg_aboutus.html, accessed on May 23, 2006.

Marin County's new General Plan is proposing to require the preparation of such plans as a condition of development approval. A similar requirement could be put in place in Butte County.

9. Right-to-Farm Ordinance and Agricultural Use Notice

Right-to-Farm (RTF) ordinances are adopted at the city or county level to establish agriculture as a local priority and to protect farmers from nuisance lawsuits, which could cripple or shut down farms. Most RTF ordinances require that homebuyers who move to parcels adjacent to or near working farms and ranches be notified about the possible negative effects of agricultural activities.[34] RTF ordinances can specify agriculture buffer requirements and best-management techniques for land owners. They can also be used to reduce conflicts between agriculture and urbanized areas and minimize takings claims. RTF ordinances are generally viewed mainly as an effective informational and disclosure tool rather than as a technique that can independently and successfully preserve farmland. However, the ordinances can assist in preserving farmland by helping to minimize complaints from the neighbors of farms.

10. Rural Oath

Some rural communities have instituted a "rural oath" for their residents. This voluntary pledge is made by residents in a rural area, acknowledging that they are living in a rural area and that they accept both the potential nuisances of nearby agricultural uses and the lower levels of service that are often associated with rural life. In this way, a rural oath can serve as a reminder to residents and to institutionalize the agricultural use notice and the lower service standards that are described in the previous section. Butte County may want to consider the creation of a similar rural oath program, which could then be instituted in conjunction with agricultural use notices.

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[34] Matthew Wacker, Alvin D. Sokolow and Rachel Elkins, "County right-to-farm ordinances in California: An assessment of impact and effectiveness," *Agricultural Issues Center Issues Brief*, UC Davis, Number 15, May 2001, page 1.