

COASTAL CONSERVANCY

Staff Recommendation
March 29, 2012

BAY AREA AGRICULTURAL SUSTAINABILITY PLAN

Project No.12-006-01
Project Manager: Deborah Hirst/Amy Hutzel

RECOMMENDED ACTION: Authorization to disburse up to \$100,000 to the American Farmland Trust to complete the *Bay Area Agricultural Sustainability Plan* to foster local, sustainable agriculture.

LOCATION: All nine San Francisco Bay Area counties (San Francisco, San Mateo, Santa Clara, Alameda, Contra Costa, Solano, Napa, Sonoma, Marin).

PROGRAM CATEGORY: San Francisco Bay Area Conservancy

EXHIBITS

Exhibit 1: [Bay Area Food Landscapes Map](#)

Exhibit 2: [San Francisco Foodshed Map](#)

Exhibit 3: [Table of Connector Organizations](#)

Exhibit 4: [Project Letters](#)

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31160-31165 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes disbursement of an amount not to exceed one hundred thousand dollars (\$100,000) to the American Farmland Trust to complete the *Bay Area Agricultural Sustainability Plan* to foster local, sustainable agriculture, subject to the condition that prior to the disbursement of any Conservancy funds the American Farmland Trust shall submit for the review and written approval of the Conservancy’s Executive Officer a detailed work program, budget and schedule; and the names and qualifications of any contractors and subcontractors that it intends to employ.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the current Project Selection Criteria and Guidelines.
 2. The *Bay Area Sustainable Agriculture* project is consistent with the purposes and criteria set forth in Division 21 of the Public Resources Code regarding the Conservancy's mandate to address the resource and recreation goals of the San Francisco Bay Area, and with the authority of the Conservancy under Chapter 4.5 regarding the award of grants to non-profit organizations for these purposes.
 3. American Farmland Trust is a nonprofit organization existing under Section 501(c)(3) of the United States Internal Revenue Code, whose purposes are consistent with Division 21 of the California Public Resources Code.”
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PROJECT SUMMARY:

Staff requests authorization to disburse up to one hundred thousand dollars (\$100,000) to the American Farmland Trust (AFT) to complete the *Bay Area Agricultural Sustainability Plan* project including a feasibility study and develop a business plan template for an agricultural economic development entity to foster local, sustainable agriculture.

Through the proposed *Bay Area Sustainable Agriculture Plan* project, AFT will analyze options for the structure and function of an agricultural economic development and conservation finance commission or alternate entity for the Bay Area. Based on this feasibility study and further discussion with a committee of advisors, AFT will develop a business plan template including a strategy for the implementation of a Bay Area agricultural economic development entity and its anticipated activities. With the goal of strengthening local sustainable agriculture, the new entity will be designed to attract capital investment in the expansion of sustainable agricultural production in the Bay Area, the development of regional markets and the improvement of infrastructure to connect expanded supply and demand within the Bay Area.

Functioning both as open space and as a source of food production, agricultural land makes up 40% of the Bay Area landscape. The economic viability of agriculture is essential to Bay Area farmers and ranchers and to all with a stake in maintaining the public benefit of our working lands. The proposed project seeks to capitalize on Bay Area agriculture's competitive advantage as the local food producer for the region.

Through the proposed project AFT will first conduct a feasibility study to assess potential models for a new entity to build sustainable agriculture, such as the Hudson Valley Agribusiness Development Corporation, the Bay Area Transit Oriented Affordable Housing (TOAH) fund and the Ontario's Friends of the Greenbelt Foundation. The study will identify and evaluate potential functions of the agricultural economic development commission/entity. These may include attracting funds for agricultural operations, raising funds for improvement of local distribution infrastructure, providing technical assistance for agriculture and value-add enterprises (such as business planning, marketing and project development support), assisting development of growing markets such as agri-tourism or carbon trading, expanding existing local/regional markets, creating new markets for target producers such as new Community Supported Agriculture (CSA) models or specific procurement contracts, connecting producers with new markets, and establishing marketing and public communication campaigns. AFT will cultivate a

committee of advisors for review and development of the feasibility study. Second, through the proposed project, AFT will develop a business plan template and strategy for implementation of the new entity, including its means of funding and coordination with area local food community partner organizations. It is anticipated that the implementation of the Business Plan will come as a second phase of the *Bay Area Sustainable Agriculture Plan*.

The Bay Area Open Space Council, Greenbelt Alliance, and Association of Bay Area Governments (ABAG)'s report, *Golden Lands, Golden Opportunity: Preserving Vital Bay Area Lands for All Californians* (2009), identified the need for coordinated action to create access, fund conservation and adopt strong polices to safeguard the public benefit of Bay Area lands. Specifically recognizing farms and ranches for the production of fresh, local, affordable food, the report draws attention to open space partners' shared interest in the vitality of farmers, ranchers and our working landscapes. Development pressure, globalization of food commerce, loss of local infrastructure for agricultural processing and other factors challenge the viability of local farm and ranch operations in the Bay Area. *Think Globally, Eat Locally: San Francisco Foodshed Assessment*, a report completed by AFT and Sustainable Agricultural Education (SAGE), found an 18% loss of prime agricultural land in the past decade in a 100-mile radius making up San Francisco's "foodshed" (Exhibit 2). The report states that new development is consuming farmland at the rate of an acre for every 9.7 residents in the foodshed area, and that 800,000 more acres of farmland may be lost by 2050 if urbanization at this rate continues. At the same time, agricultural production is creating \$10 billion/year in this 10 million acre study area (of that, \$1.8 billion/year is produced within the counties surrounding San Francisco Bay). The potential for farmers and ranchers to increase the fraction of this billion-dollar production being distributed and utilized locally is great. Direct to consumer food production in the San Francisco foodshed increased 9 percent a year from 1997 and 2002 while trends show national organic sales grew 18 percent annually between 1998 and 2006.

AFT, SAGE and Greenbelt Alliance came together to pursue these issues in the Bay Area Agricultural Sustainability Project (the Project) and produced *Sustaining Our Agricultural Bounty Report* assessing the current state of farming and ranching county-by-county in the Bay Area in March 2011. Discussing the findings of the report with a meeting of 60 regional leaders, the need for a strategy for sustainable agriculture in the Bay Area emerged. Whereas a dynamic range of local food related organizations and public sector partners exist (Exhibit 3) and insightful reports have focused on the need for change to strengthen viability of agriculture, the region lacks a single entity to strategically promote and finance initiatives to scale up sustainable agriculture for the Bay Area region as a whole. The proposed project will enable AFT to study the feasibility of a regional economic development and conservation financing commission (or other appropriate entity) and develop a business plan template to establish an entity to meet this need in the Bay Area.

Founded in 1980, AFT is a federal 501(c)(3) nonprofit organization working nationally to protect farm and ranch land, promote environmentally sound farming practices and ensure an economically sustainable future for farmers and ranchers. AFT, SAGE and Greenbelt Alliance, working collaboratively on the Bay Area Agricultural Sustainability Project, envision "...a working landscape that continues to enrich the region for many generations to come as an irreplaceable environmental, cultural, and historic resource that supplies healthy food to the region's residents and visitors, while supporting farm and ranch families who are pillars of the metropolitan community." AFT, working with its partner organizations and advisors, is highly

qualified to develop an innovative strategy for transforming sustainable agriculture in the Bay Area.

Project History: AFT and SAGE determined that the volume and diversity of regional agriculture in the Bay Area was sufficient to feed the City of San Francisco in their 2008 report *Think Globally, Eat Locally: San Francisco Foodshed Assessment*. As a result of this report, former San Francisco Mayor Gavin Newsom established an Urban-Rural Roundtable to more fully explore the potential for the area’s agricultural land and producers to meet the region’s growing demand for local food. AFT, SAGE and Greenbelt Alliance began to collaborate on these issues in the Bay Area Agricultural Sustainability Project and produced a white paper, *Sustaining Our Agricultural Bounty* in March 2011. The report’s key finding was the need to develop a regional agricultural strategy to address: the high cost of farmland and competition with rural estates; the balance of urban, agriculture and wildlife water needs; inadequate regional food distribution system infrastructure and processing facilities; and a need for financing in these areas. The Project convened a meeting of 60 regional leaders in 2011 to discuss the white paper and the recommendation for a comprehensive strategy for sustainable agriculture in the Bay Area. From this effort, a steering committee was formed to pursue the concept of forming an agricultural economic development commission.

PROJECT FINANCING:

Conservancy	\$100,000
American Farmland Trust	\$6,000
Greenbelt Alliance	<u>\$7,280</u>
Total Project Cost	\$113,280

The Conservancy’s contribution for the proposed project of \$100,000 is expected to come from the Conservancy’s FY10 appropriation of the “Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006” (Proposition 84). (Public Resources Code section 75001, et seq.) This funding source may be used for projects that protect coastal waters and watersheds and are consistent with Chapter 4.5 (the San Francisco Bay Area Program) of the Conservancy’s enabling legislation. (Public Resources Code Section 75060(c).) In addition, Proposition 84 funds may be used to finance planning necessary for the successful design, selection, and implementation of such projects. (Public Resources Code Section 75072.) This authorization is consistent with the funding source because the project will serve to protect coastal watershed lands of the state for future generations by developing economic capacity to ensure the long-term viability of the agricultural land uses of the San Francisco Bay Area.

The project is also an appropriate funding priority because it includes a commitment of \$13,280 in matching funds.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

The Conservancy is authorized under Section 31111 of the Public Resources Code to fund and undertake plans and feasibility studies, and to award grants to nonprofit organizations for these purposes, in order to implement Division 21. The proposed grant to AFT would assist the nonprofit organization in analyzing feasible financial mechanisms for ensuring the long-term viability of San Francisco Bay Area agricultural lands which serve important open space and habitat functions.

This project would be undertaken pursuant to Chapter 4.5 of the Conservancy's enabling legislation, Public Resources Code Sections 31160-31165, to address resource and recreational goals in the San Francisco Bay Area. Under Section 31162(b), the Conservancy may undertake projects and award grants to protect, restore, and enhance natural habitats and connecting corridors, watersheds, scenic areas, and other open-space resources of regional significance. The proposed authorization will assist the Conservancy and its project partners in meeting these goals by providing a mechanism to ensure the continued economic viability of Bay Area agricultural open space lands. Under Section 31162(d), the project would assist in protecting agricultural open space resources and promoting agri-tourism accessible to the Bay Area's urban populations. Consistent with Section 31163(a), the Conservancy will be cooperating with others to identify long-term resource goals for the San Francisco Bay Area. Consistent with Section 31163(b), the project would support public/private partnerships in the San Francisco Bay Area and provide for involvement in and support for the San Francisco Bay Area Conservancy Program.

This project is appropriate for prioritization under the selection criteria set forth in Section 31163(c) in that: (1) it will assist in implementation of agricultural conservation goals supported in adopted local and regional plans, including natural infrastructure policies being incorporated into the Bay Area's Sustainable Communities Strategy per SB375 (Chapters 728, Statutes of 2008), (2) it is multijurisdictional, serving all nine Bay Area counties, (3) it can be implemented in a timely way because AFT and its collaborators are ready to begin work immediately upon receipt of funding, (4) it provides economic benefits to the region that could be lost if not implemented, and (5) it includes over 10% in matching funds from the participating organizations.

CONSISTENCY WITH CONSERVANCY'S 2007 STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 7, Objective B** of the Conservancy's 2007 Strategic Plan, the proposed project will serve to help in fostering the long-term viability of coastal working lands by developing an investment plan to sustain local agriculture.

Consistent with **Goal 12, Objective C** of the Conservancy's 2007 Strategic Plan, the proposed project will contribute to the long-term viability of farmland and rangelands.

**CONSISTENCY WITH CONSERVANCY'S
PROJECT SELECTION CRITERIA & GUIDELINES:**

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines, last updated on November 10, 2011, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The project is supported by a range of leaders and organizations including Greenbelt Alliance, Bay Area Open Space Council, Sustainable Agriculture Education, Farm Link and the San Francisco Planning & Urban Research Association (SPUR), and constituents of the agricultural, ranching and local food communities. Project letters are attached as Exhibit 3.
4. **Location:** The nine Bay Area counties.
5. **Need:** The momentum generated by AFT with Bay Area leaders is critical to the proposed project's success and the timing for this opportunity may be lost without the Conservancy's support.
6. **Greater-than-local interest:** The proposed project is designed to benefit local and regional agricultural producers and consumers by promoting Bay Area agricultural sustainability.
7. **Sea level rise vulnerability:** The proposed project would not be directly impacted by sea level rise.

Additional Criteria

8. **Urgency:** The project will provide an innovative plan to strengthen regional agriculture and defend against development pressure on crop and ranch lands in the Bay Area.
9. **Resolution of more than one issue:** The project will promote economic development for farmers and ranchers as well as contribute to the protection of coastal watershed resources by keeping agricultural lands from urban development.
10. **Leverage:** See the "Project Financing" section above.
11. **Conflict resolution:** The project will promote sustainable agriculture, balancing the expansion of local and regional commercial agricultural development with protecting working lands' open space values and competing users' resource needs.
12. **Innovation:** The project will design an innovative model for regional promotion of agricultural sustainability through investment capital, niche marketing and use of techniques to develop new markets for locally produced agriculture.
13. **Readiness:** AFT is prepared to begin immediately, should the project be approved.

14. **Cooperation:** The project relies on collaboration between AFT, SAGE and Greenbelt Alliance and an advisory committee made up of leaders in multiple fields.
15. **Vulnerability from climate change impacts other than sea level rise:** The project involves planning for the sustainability of agriculture in the Bay Area and will include considerations for adaptation and diversity of agricultural production in relation to climate change.

COMPLIANCE WITH CEQA:

As a planning activity for possible future actions that have not been approved, adopted, or funded, this project is exempt from California Environmental Quality Act (CEQA) review under 14 California Code of Regulations Section 15262. Similarly, the project is exempt from CEQA review under Section 15306, which exempts basic data collection, research, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. Upon authorization, staff will file a Notice of Exemption.