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Submitted electronically to: ahsc_ag@sgc.ca.gov

**Re: Comments on SALCP Preliminary Draft Program Guidelines
(released September 22, 2014)**

Dear Chairman Alex and Director McCoy,

As members of the Working Landscapes Action Team of the California Economic Summit, and representatives of USDA CA Rural Development, the Sierra Business Council and founder of the Local Government Commission, which support sustainable agriculture and agricultural land conservation in California, we thank you for the opportunity to comment on the preliminary draft of the Grant Guidelines & Applications for the new California Sustainable Agricultural Lands Conservation Program (SALCP).

We appreciate and support SALCP's focus on the tool of agricultural conservation and avoided conversion as part of the state's effort to reduce greenhouse gas emissions. We offer comments related to a more thorough consideration of the economic and social co-benefits of agricultural (farm and rangeland) conservation and concerns about the use of CalEnviroScreen 2.0 as the mechanism for identifying and awarding extra scoring points for disadvantaged communities. We intend for these comments to strengthen the program and provide important GHG reduction and co-benefits to more areas of the state.

Section 1: Introduction and Program Summary

SUB-SECTION	COMMENT	PAGE #
Introduction	Include a statement clarifying that ranch/grazing lands are included under the umbrella term “agricultural” land throughout, to account for the carbon sequestration and co-benefits of conserving grasslands.	2
	While we appreciate the fact that the guidelines offer applicants flexibility by not strictly defining terms, such as “highly productive,” “critically threatened,” or “strategically located,” it would help potential applicants to have some understanding of how relative productivity, threat and location will be assessed or evaluated.	2
	We believe “productivity” should <u>not</u> be limited strictly to crop production or soil type. For example, productivity at any given time is governed by many variables, such as crop/cover type, water availability, etc. Even marginal soils can be “highly productive” if used to grow the right crop. And agricultural (farm and ranch) land can be “highly productive” for ancillary uses, such as habitat or groundwater recharge, which should be considered as well.	2
	To be most effective, we recommend the program explicitly include data collection, the use of spatial models and training on how to use those models as eligible projects/costs for planning grant and easement funding in this and future years.	2
	We realize that land management incentives are not included as a program element in this first year; however, to set the stage more fully for future years we ask that you include “establishing ecosystem services markets” as an implementation mechanism for the third program area.	2
Co-benefits	<p>AB 32 calls for emission reduction efforts that maximize economic, environmental and public health co-benefits [§38501(h), §38562(b)(6), §38570(b)(3)]. As a result, the co-benefits list should be augmented to reflect a broader range of economic, environmental and social co-benefits, including addition of the following:</p> <ul style="list-style-type: none"> - Retention of local jobs and agricultural revenues in the community - Reduction in spending on municipal services for new, dispersed development - Public health improvements - Recycling of wastewater - Maintenance of and increase in local food production resulting in greater food security and local economic benefit and reduced VMT for delivery - Ecosystem services, such as improved air and water quality, wildlife habitat, pollination, natural food web adaptation. 	3

Disadvantaged Communities	<p>While we understand the need to focus scarce resources on the state’s most disadvantaged communities, we are concerned about the use of the CalEPA CalEnviroScreen tool as the mechanism for identifying those communities for eligibility and scoring bonuses. Based on research by the Rural County Representatives of California (RCRC), only three of the Sierra Nevada’s 22 counties even contain eligible census tracts (54 eligible tracts total). For comparison, Los Angeles County alone contains 854 eligible tracts (47% of the total number identified by the EnviroScreen tool). One reason for such a result may be that analysis criteria skew against rural areas, such as, for example:</p> <ul style="list-style-type: none"> - <u>Pollution burden</u>, where wildfire emissions don’t count toward non-attainment statistics, and where – in some cases – rural areas lack monitoring stations to track criteria air pollutants; - <u>Low birth-weight births and asthma ER visits</u>, where rural incidences are not counted or are misrepresented geographically because at-risk mothers from rural areas might travel to and give birth in urban areas that have more advanced neo-natal services, and rural families might take their asthmatic children to local clinics, instead of ERs, when there is not a hospital nearby. <p>To ensure that SALC program benefits are applied to the most in-need communities in <u>all</u> parts of the state, as intended by AB 32, we recommend:</p> <ul style="list-style-type: none"> - amending existing scoring criteria to account for missing data in rural regions, and - including a provision, such as a rural set-aside or other mechanism, to achieve more equitable geographic distribution of DAC funding. 	4
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Section 2: Sustainable Agricultural Land Strategy Grants

SUB-SECTION	COMMENT	PAGE #
Application Funding/Eligible Projects	<p>To ensure that investment decisions are made based on strong science, we recommend that the planning element of the SALC program include funding to cities, counties and partner organizations for data acquisition and modeling, as has been done under the Sustainable Communities Strategy program, and for use of such data and modeling to show priority.</p>	6
General Information Regarding Sustainable Ag Land Strategies	<p>As the guidelines point out, the SALC program must account for different strategies in different locations – one size does not fit all. For example, Sierra agricultural and ranching lands remain under pressure for conversion to other uses, especially in the fast-growing foothills region and high-elevation meadows that adjoin urbanizing areas. Sierra Valley is just such a place. Even though it is not immediately adjacent to urban development at this time, it is in line for rural residential development as Truckee and Reno expand. Strategic investments made now, before land prices go up, constitute a good bargain for meeting the GHG emission reduction and co-benefit goals</p>	7

	of working landscapes conservation.	
	Consider providing some guidance for applicants regarding what is meant by a Sustainable Agricultural Land Strategy Plan, such as: <ul style="list-style-type: none"> - A “Sustainable Agricultural Land Strategy Plan” describes land use policies, land management practices, and other mechanisms a city, county, or region will use to prevent the conversion of agricultural land to non-agricultural uses and reduce its GHG emissions associated with urban conversion and urban/suburban sprawl development into adjacent agricultural lands. 	7
Eligibility and Selection Criteria – Priority Considerations	Include <u>city</u> conservation plans in the first Priority Consideration for SALCP strategy grants, in order to ensure integration with the overall goals of the AHSCP and promote intergovernmental cooperation.	9
Grant Application Review Process	Last bullet - Please see comments above regarding use of CalEPA’s CalEnviroScreen as the tool for identifying DAC locations/benefits and the accompanying extra scoring points.	11
Application Questions – DAC Impacts	#3 & #4 - Please see comments above regarding use of CalEPA’s CalEnviroScreen as the tool for identifying DAC locations/benefits and the accompanying extra scoring points.	13
What to Submit – Supporting Documentation	#7 - Please see comments above regarding use of CalEPA’s CalEnviroScreen as the tool for identifying DAC locations/benefits and the accompanying extra scoring points.	15

Section 3: Agricultural Conservation Easement Grants

SUB-SECTION	COMMENT	PAGE #
Ineligible Projects	2 nd bullet - As mentioned above we believe rangeland easements should be eligible to receive funding as a means of prohibiting conversion to urban/rural residential uses or other types of agriculture, such as row crops or vines, that can negatively affect carbon sequestration potential or minimize co-benefits. Also, matching funds for such projects often come from wildlife habitat funding sources, such as Wildlife Conservation Board. Without a restriction on conversion to other agricultural uses, these matching sources will become inaccessible. To ensure rangeland eligibility we suggest striking or modifying the second bullet that makes restriction of agricultural husbandry practices ineligible.	17
Eligibility Criteria – Description and Code Citations	6 th bullet – Please see comment above regarding eligibility of rangeland easements and the need to strike or modify the bullet in this list that makes restriction of agricultural husbandry practices ineligible.	22
Selection Criteria	5 th bullet – The criterion requiring a project to be within 2 miles of a city Sphere of Influence is too narrow. As described above, there may be instances where strategically placed easements in rural foothill or high-	23

	elevation valley areas can control urban/rural residential development that would work against AB 32's intended goals. Perhaps "proximity" requirements could be tailored by different geographic areas, such as only requiring proximity to other protected lands (bullet #12) in the case of more rural areas, to allow for broader eligibility and better geographic distribution of funding.	
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Section 4: Land Management Incentives

SUB-SECTION	COMMENT	PAGE #
Ineligible Projects	2 nd bullet - As mentioned above we believe rangeland easements should be eligible to receive funding as a means of prohibiting conversion to urban/rural residential uses or other types of agriculture, such as row crops or vines, that can negatively affect carbon sequestration potential or minimize co-benefits. Also, matching funds for such projects often come from wildlife habitat funding sources, such as Wildlife Conservation Board. Without a restriction on conversion to other agricultural uses, these matching sources will become inaccessible. To ensure rangeland eligibility we suggest striking or modifying the second bullet that makes restriction of agricultural husbandry practices ineligible.	17

The signatories to this letter have additional thoughts about how to achieve a more economically robust determination of land value based on "what if" planning scenarios looking at different rural land use patterns. While this may be more appropriate for the third program element, to be phased in after this inaugural year, we present our recommendations here as food for thought.

Land use decisions are economic decisions, so a better understanding of the economics of agriculture and food, land management and stewardship, and ecosystem services is key to informing better decisions about conservation strategies and markets for products and services provided by open land. USDA Rural Development recommends that the SGC grants for agricultural preservation be broadened to explicitly include supporting an economically robust rural and agricultural economy, which by definition includes recognition of the role of prime farmland.

The productive value of land for agricultural and forestry purposes is based on a constantly changing mix of economic, agronomic and climate-weather variables. From a farming perspective, California's Mediterranean climate allows for choice among more than 400 crops that contribute to the state's \$44 billion plus farm gate. The key to value of farm land is the mix of variables.

The value of California farm, ranch and forest lands is understated by traditional general plan approaches that focus on property tax revenue generated by property parcels. The Rural-Urban Connections Strategy (RUCS) model developed by the Sacramento Area Council of Governments (SACOG) is a suite of econometric and land use models, which estimates in real-time the economic and environmental value of uses of land. This model allows for scenario "what if" planning for

different rural land use patterns by changing variables assessed, such as cropping patterns, crop inputs, market demand, transportation, and urbanization. It captures the true economic value of land use by showing the value chain impacts, which include jobs and regional economic contributions. It also shows the alternative environmental impacts of different uses of land.

This model was custom designed by SACOG for use in the Sacramento region, but can be applied throughout California. It offers a true systems approach to assessing the impact of land use (value of farm/ranch/timber land) and for regional economic and infrastructure planning. RUCS's ability to run alternative scenarios in real-time offers California communities an effective tool to assess the impact of land use and development, particularly as it relates to the agriculture and food sectors of the California economy.

The toolkit is being improved with ecosystem services data to also provide metrics on how those values are improved or reduced given various land use decisions. The scenario planning capacity of RUCS is an invaluable tool for communities to use in designing and implementing their general plans and economic development strategies. The suite of tools can also be used by state agencies to assist with statewide initiatives and facilitate planning and monitoring with local jurisdictions and even private entities. The utility of this model offers savings in time and consultant fees.

An important consideration of RUCS is its adoptability for many uses including community environmental footprint, community health, and drought impact on jobs. A key asset of this model is that it offers real time scenario planning. As an open source software product, the RUCS toolkit offers the ability to be customized for specific local community needs and to incorporate new variables and community goals. SACOG has invested its resources in development of the RUCS model and is willing to make this model available for use by all California communities through open source software. This is an opportunity for California to obtain an econometric planning tool with broad uses from farm land preservation to land stewardship and management to assessing impact of various land use scenarios.

We urge the SGC to fund completion of taking the RUCS model Open Source, which includes identification, acquisition and inputting of the local/regional data. This first step is crucial to making the tool available to all California communities. Furthermore, we recommend funding community capacity-building through training in the use of RUCS, along with updating of the local database to support RUCS.

Finally, we recommend that the state of California house support for the RUCS database at the California Technology Agency, and that CTA be responsible for continuous updating of the RUCS model.

The RUCS model offers the single best tool for California communities and agriculture stakeholders to use to enable better informed discussion making on land use planning and business economic development in regions throughout the state. This will have a disproportionate benefit to rural communities that lack the same level of technical resource available to urban areas. RUCS resources are helping Sacramento area decision makers develop strategies that support and enhance agriculture and food industries, its natural resources and the region's sustainability and quality of life. The same

planning and implementation can be achieved throughout the State of California by investing in the RUCS platform and the data and training needed to disseminate this toolkit to the rest of the state.

Thank you again for the opportunity to comment. We are happy to provide any additional information or resources. Please let us know if you have any questions.

Sincerely,

Members of the Working Landscapes Action Team of the California Economic Summit

(Note: The signatories to this letter have signed as individuals and members of the Economic Summit. Their professional affiliations are included for informational purposes only.)



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