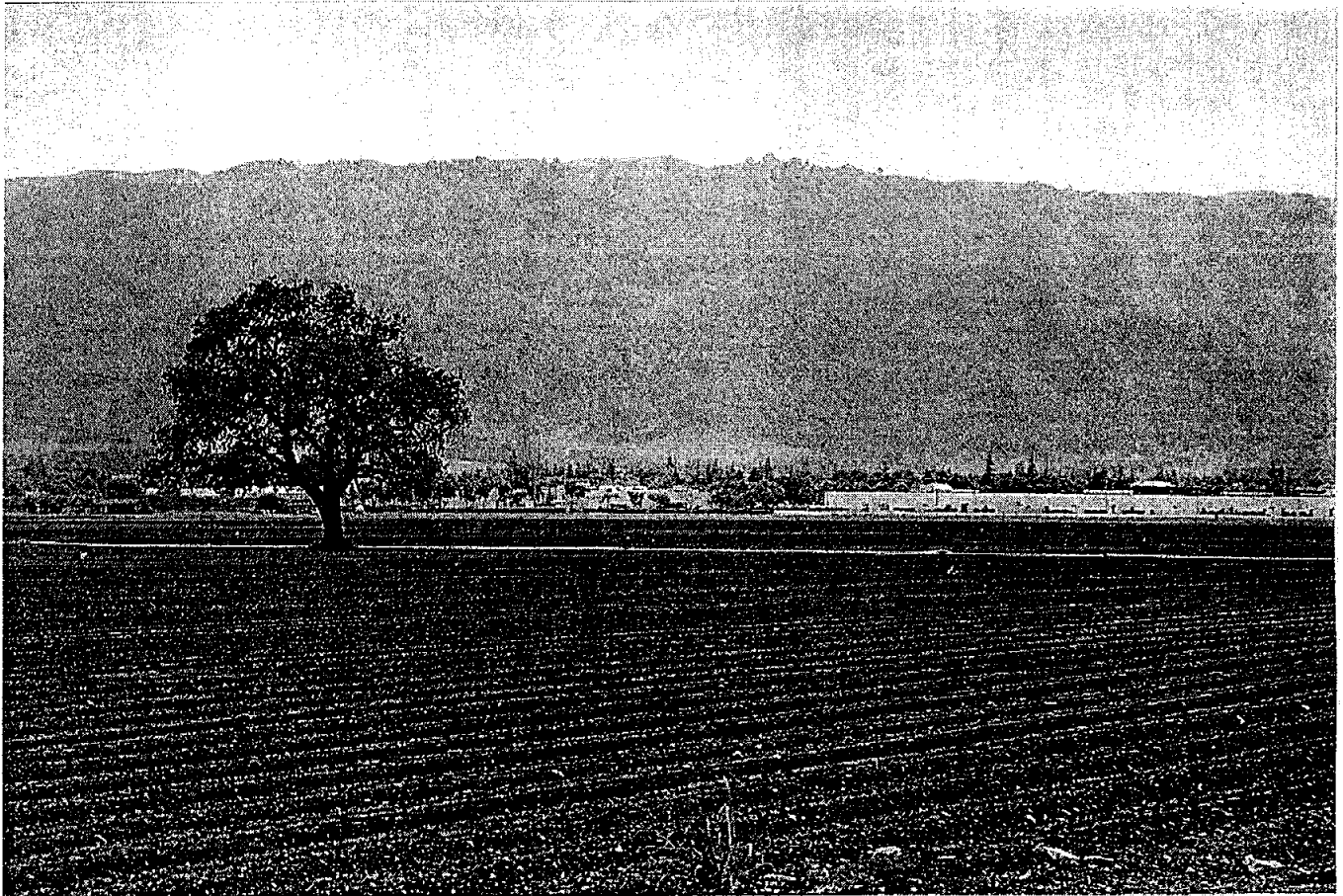

Strategies to Balance Planned Growth and Agricultural Viability

in the areas south and east of Gilroy



Recommendations from the South County Agricultural Task Force

A joint project of the City of Gilroy, Santa Clara County and the Local Agency Formation Commission

April 1996

INTRODUCTION

Purpose of the South County Agricultural Study

The purpose of the South County agricultural study was to identify ways to insure the long term maintenance of agriculture as a viable land use in the area south and east of Gilroy. This area is designated in the County General Plan for "Large Scale Agriculture" and has long been identified as an "agricultural preserve."

The study, which was initiated in 1994, was undertaken in response to concerns about the impacts of incremental urbanization in this area. The study was jointly sponsored by the Local Agency Formation Commission (LAFCO), Gilroy and the County. (LAFCO is the state-mandated local agency responsible for preventing urban sprawl and preserving agricultural lands. Its authority includes control over modifications to city urban service areas, among other things.)

Preparation of Report by Consultant

The first step in the joint project was to hire a consultant to prepare a report identifying an array of options to help insure the long term preservation of agriculture. The consultant's report, *Study of the South County Agricultural Preserve*, was completed in early 1995.

(Note: The consultant's report included information concerning not only the Large Scale Agricultural area, but also additional lands that are designated "Agriculture – Medium Scale" in the County's General Plan. This proposal, however, is concerned only with those lands within the Large Scale Agriculture area.)

Establishment of Task Force

In July 1995, a 7-member Task Force was created for the purpose of reviewing the consultant's report and recommending to LAFCO, Gilroy, and the County which of the report's various agricultural preservation alternatives should be implemented.

Task Force Progress

After meeting monthly for approximately six months, the Task Force had difficulty reaching a consensus concerning which alternatives to recommend.

The Task Force Chair, Supervisor Michael Honda, then asked staff to develop a proposal that could receive broad support from Task Force members and participating agencies, taking into account the various opinions and concerns expressed during the Task Force's previous meetings.

Re-Evaluation of Joint Project's Focus and Assumptions

LAFCO, Gilroy, and County staff met to re-evaluate the joint project, in light of the Chair's direction. It reached several conclusions that provide the basis for this proposal:

1. Although the primary focus of the South County agriculture study is on agricultural preservation, this joint project must acknowledge and take into account the City of Gilroy's concerns about its potential future growth needs.
2. If the recommendations of the Task Force are to be adopted and effectively implemented by the participating agencies, the recommendations must be balanced. The Task Force's proposal must take into account the interests of each of these agencies, as well as the interests of the agricultural and open space communities.
3. The Task Force's proposal must recognize that agriculture is a business, which – like all other businesses – faces strong competition from other parts of California and other parts of the world. To maintain local agriculture's economic viability, local governments must be sensitive to the needs of agriculture and recognize the role that local governments can play in supporting agriculture.
4. Successful, long term maintenance of agriculture as a viable land use will not be accomplished simply by adopting this proposal. The success of this proposal depends on the presence of a long term, ongoing, cooperative working relationship that actively involves the agricultural community, Gilroy, the County, LAFCO, and others.

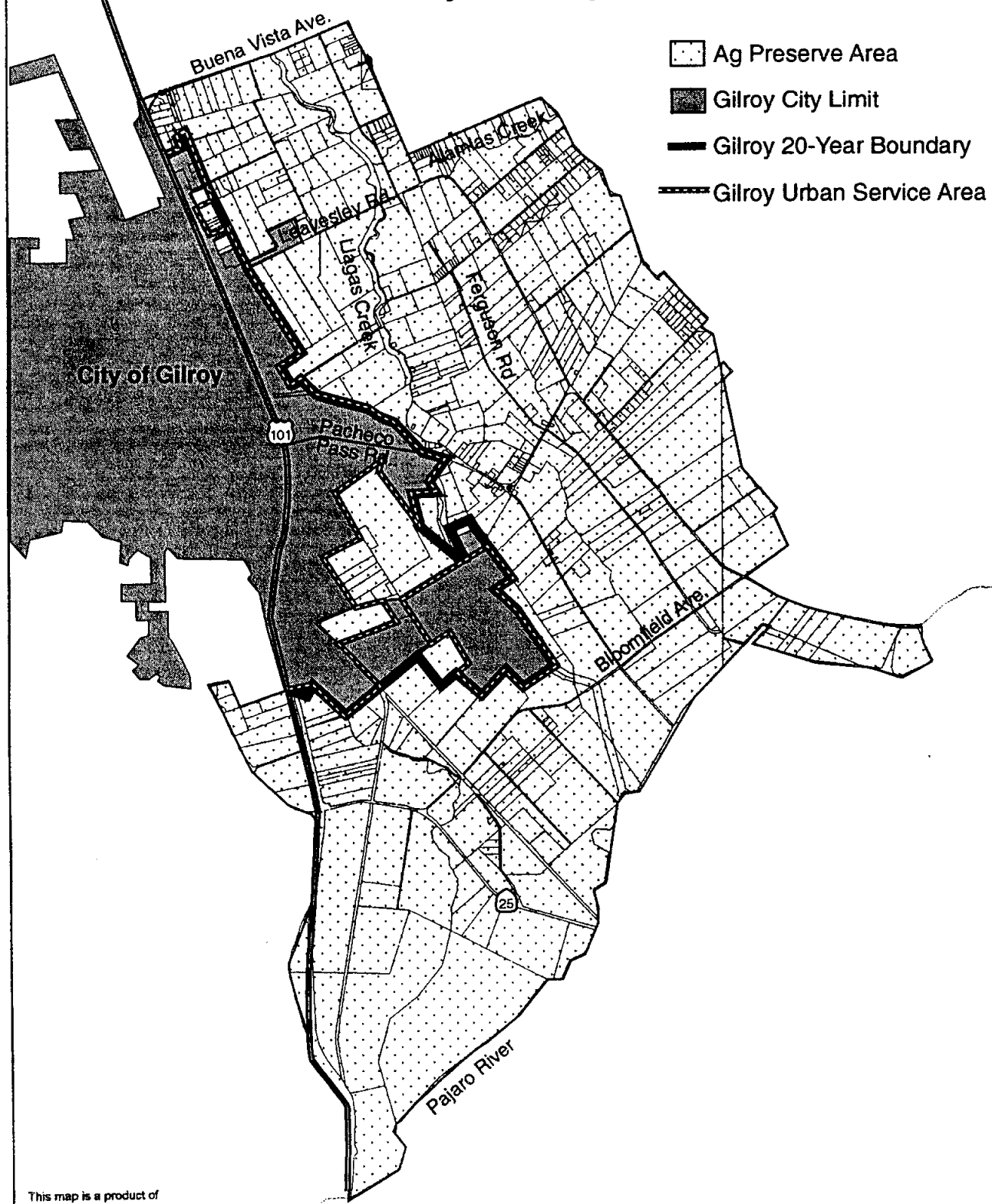
Overview of Proposed Strategies

This proposal: "Strategies to Balance Planned Growth and Agricultural Viability" contains four basic elements:

- Strategy 1: Plan for Responsible, Sustainable Development
- Strategy 2: Support Agricultural Viability
- Strategy 3: Promote City/County Cooperation
- Strategy 4: Monitor Implementation

All four must be adopted and implemented together if the goals of this joint project are to be achieved.

Gilroy Development Boundaries



This map is a product of Santa Clara County, Office of Planning

This map is a digital representation of data collected from various sources. The County assumes no responsibility for data accuracy.

Strategy 1: PLAN FOR RESPONSIBLE, SUSTAINABLE DEVELOPMENT

As mentioned previously, the purpose of the joint project was to identify ways to insure the long term viability of agriculture in the study area. The Task Force has also recognized the need for Gilroy to plan for its own growth. This strategy, described in more detail below, attempts to respond to that need (taking into consideration the region wide interests of all stakeholders in the area).

Planning for Future Growth

It is important for Gilroy to determine its own destiny with respect to its future growth and economic development, taking into account region wide interests. Gilroy, like most California cities, faces the challenge of balancing limited revenues with increasing costs related to servicing new neighborhoods while replacing aging urban infrastructure in older neighborhoods. Gilroy must have the opportunity to evaluate its own growth needs and plan for sustainable, responsible growth while continuing to provide for the needs of existing residents and business owners. The recommended actions, listed below, provide that opportunity by building upon and strengthening Gilroy's current growth management tools and preserving future options for development.

Gilroy's History of Gradual, Concentric Growth

Gilroy historically has grown in a practical and sustainable fashion with most new development occurring close to existing services and developments. This has kept Gilroy's infrastructure costs low relative to other communities in the area.

Development Constraints within the Large-Scale Agricultural Area

The fact that most of Gilroy's growth has occurred west of Highway 101 has not been by chance. As a practical matter, the lands east and south of Gilroy (within the Large Scale Agricultural area) are subject to development constraints that generally make them unsuitable for urban development.

Most of the lands immediately east of Gilroy lie within the flood plains of Llagas Creek and various other creeks and rivers in the area. These areas would be inundated by a 100-year flood event. (See map titled "Areas Subject to Flooding" pg 5.) The Llagas flood control project currently being constructed is not expected to be completed for another ten years and even when it is completed, it will not protect most of the Large Scale Agricultural area from a 100-year flood event.

Upgrading the level of flood protection provided to this area above and beyond what is currently planned will be extremely costly. Even if funding could be found, enhanced flood control facilities could not realistically be expected to be in place within the next 20-30 years. (The current Llagas project will have taken approximately 40 years to complete, from the time it was originally proposed)

The potential for providing flood protection within the area on a site-by-site basis is also complicated since "flood proofing" individual sites often requires the use of large areas for the temporary detention of flood waters and any flood control improvements must take into consideration the impacts of diverting flood waters to other properties downstream.

Any future plans for possible urban expansion into this area will have to take into account these development constraints and the potential long term costs to the City and its taxpayers of attempting to overcome them.

Action Proposals for Strategy 1:

PLAN FOR RESPONSIBLE, SUSTAINABLE DEVELOPMENT

1A: Reaffirm Gilroy's Existing 20-Year Growth Boundary to Serve as a Long Term Urban Growth Boundary East of Highway 101

The City of Gilroy's General Plan has included a 20 year growth boundary since the early 1980's. (See map titled "Gilroy Development Boundaries" pg2.) This boundary is one tool that the City of Gilroy uses to plan the timing and location of new development in a responsible and sustainable way. This strategy is not suggesting that the City adopt a new growth boundary but that it build on the existing one already in place.

Action 1A.1: Re-affirm the existing 20 year boundary in Gilroy's General Plan as the City's long term urban growth boundary east of Highway 101.

Implementor: City of Gilroy.

1B: Review and/or Revise the Long Term Growth Boundary in Conjunction with Comprehensive Reviews of the City's General Plan

The 20 year area boundary has served as a general guide for development, but because it can be amended every year, it is largely considered a flexible line. In order for the 20 year boundary to function as an effective long term planning tool, the City should clarify that it is not an easily amended line, but a long term growth boundary that is not subject to piecemeal amendments.

The 20 year boundary should not be considered "permanent", but rather, it should be considered a long term boundary that can be amended in the context of a comprehensive look at the City's growth needs. This strategy will allow Gilroy to define its own growth boundaries, clearly identifying areas suitable for development, while preserving future growth options. Furthermore this strategy will give the City more control over the timing of such growth.

Action 1B.1: Adopt a General Plan policy clarifying the function of the 20 year boundary.

Action 1B.2: Adopt a General Plan policy indicating that the 20 year boundary is to be amended only in conjunction with a comprehensive citywide revision of the City's General Plan . (In other words, it is not to be subject to piecemeal, incremental amendment.)

Implementor: City of Gilroy.

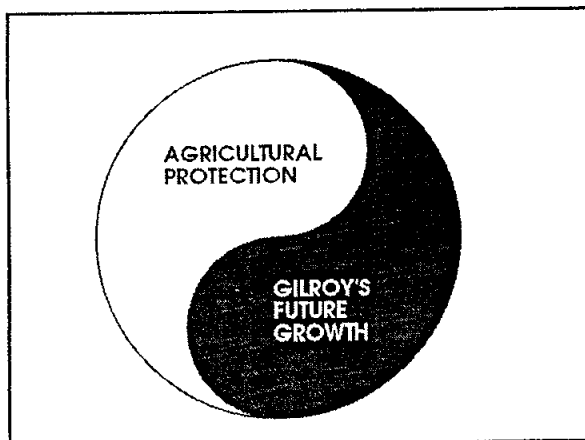
1C: Re-Examine LAFCO Policies Concerning Gilroy Urban Service Area Expansions East of Highway 101

In recent years, the City of Gilroy and LAFCO have struggled over the implications of Gilroy's Urban Service Area (USA) expansion proposals on agricultural lands east of U.S. 101. LAFCO policy strives to protect prime agricultural land from premature conversion to urban uses. This policy has sometimes been at odds with the City's desire to expand.

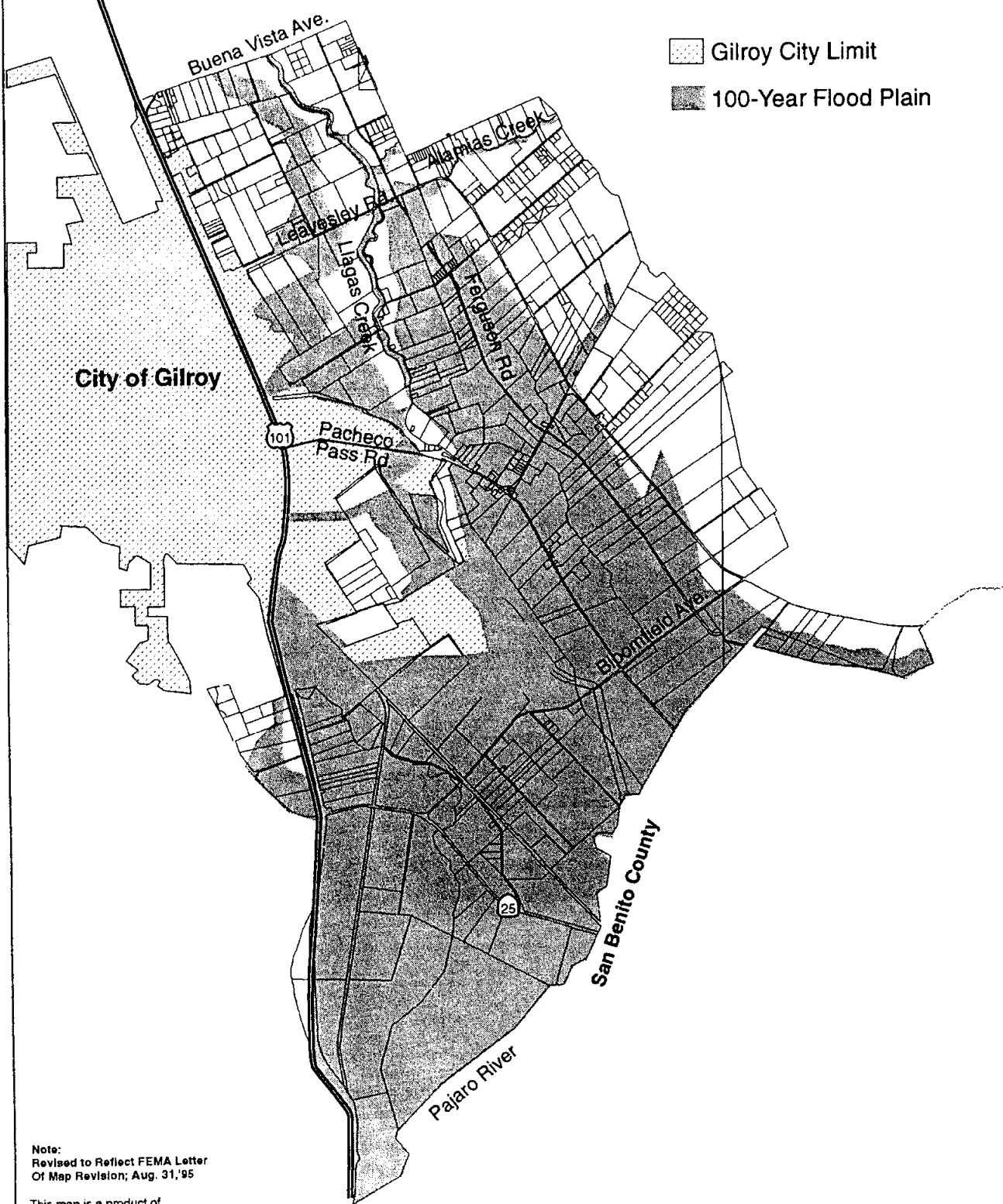
If the City of Gilroy strengthens its 20 year boundary as discussed under sections 1A and 1B above, LAFCO should re-examine its policies regarding requests for expansions to Gilroy's USA. With the assurance of a stable boundary, LAFCO should consider amending its policies to allow modest growth of Gilroy's USA within the 20 year boundary east of U.S. 101.



Action 1.C.1: Amend LAFCO policies, in recognition of new City policies regarding its 20 year boundary.

Implementor: LAFCO.



Areas Subject to Flooding



-  Gilroy City Limit
-  100-Year Flood Plain

City of Gilroy

San Benito County

Note:
Revised to Reflect FEMA Letter
Of Map Revision; Aug. 31, '95

This map is a product of
Santa Clara County, Office of Planning

This map is a digital representation of data collected from various sources.
The County assumes no responsibility for data accuracy.

Strategy 2: SUPPORT AGRICULTURAL VIABILITY

The Economic Viability of Agriculture is Critical to its Preservation.

This strategy recognizes that agriculture is a business and that to insure its preservation one must insure its economic viability. Farmers in South County are finding it increasingly difficult to compete in today's market. Farming in South County is made more difficult by (among other things) higher transportation costs related to the lack of nearby processing plants, higher labor costs related to higher housing costs, and by conflicts with urban uses. The following strategies were suggested by the Task Force and representatives of the local farming community as way of improving the competitiveness of farming, and thus the viability of farming.

Action Proposals for Strategy 2: SUPPORT AGRICULTURAL VIABILITY

2A: Increase Economic Competitiveness by Allowing Appropriate "Vertical Integration" Activities

Some farmers in the County have been very successful in increasing the amount of on-site processing, packaging, and marketing of their own agricultural products. This concept, known as vertical integration, can benefit farmers in many ways including:

- Eliminating middlemen between farmers and consumers;
- Lowering transportation costs for farmers in the area by allowing processing of agricultural products closer to where they are grown; and
- Providing farmers with additional sources of income so that they can remain in farming longer.

The County Zoning Ordinance currently allows some vertical integration activities, subject to issuance of a Use Permit. The process is sometimes seen as overly lengthy, imposing, cumbersome, and expensive. The farming community has indicated that increasing opportunities for the farmer to vertically integrate, will help improve the viability of farms in the South County.

This strategy recommends:

- That the County review the existing Use Permit Process in an attempt to "streamline" the process; and
- That the Zoning Ordinance be amended to allow more "vertical integration" activities.

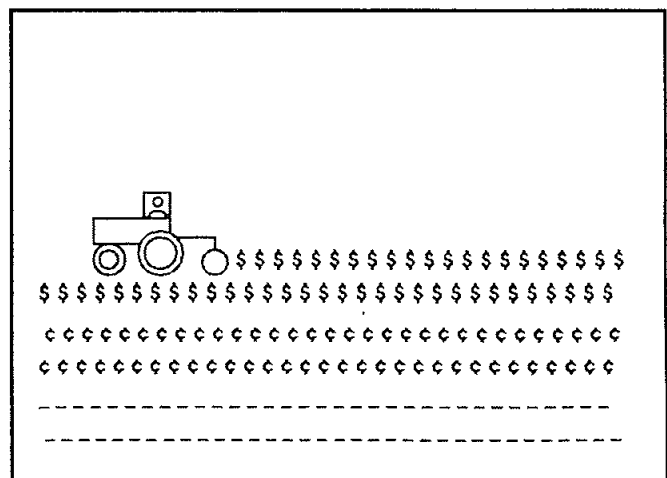
Not all agriculture related uses will be appropriate for all parts of South County. Siting of vertical integration uses will require careful analysis of their potential impacts on a case by case basis. Furthermore, these types of uses must be clearly linked to agriculture. Proposed uses will be approved only if they meet specific conditions.

Action 2.A.1: Review existing County Ordinances and procedures to identify opportunities to expedite the approval process for vertical integration uses in the large-scale agricultural area.

Action 2.A.2: Review whether allowable vertical integration activities should be expanded to include additional uses.

Action 2.A.3: Review the adequacy of the County policies in avoiding or mitigating significant impacts of vertical integration uses and develop required "findings" to minimize impacts associated with such uses.

Implementor: Santa Clara County.



2B: Provide Property Tax Relief to Agricultural Lands

The California Land Conservation Act of 1965 (known as the Williamson Act) was enacted by the State of California to protect farmers from escalating property taxes. The underlying purpose of this act was to protect farmland from development pressures. The Williamson Act allows local governments to assess agricultural landowners based on the income-producing value of the land rather than on its potential for residential, commercial or industrial use.

This strategy simply involves the continuation of the Williamson Act program for properties within the large-scale agricultural area.

Action 2.B.1: Continue to enable property owners within the large scale agricultural area to enter into and continue Williamson Act contracts.

Implementor: Santa Clara County.

2C: Allow Supplemental Farm Income Through Home Occupation Activities

Many small farm operators must supplement their income through a second business. Often these businesses are conducted out of the home. These types of businesses are referred to as home occupations. This action suggests that, making it easier for farmers to initiate or expand home occupation activities, will give farmers additional income and help keep farmers in business longer.

Action 2.C.1: Review existing Ordinances to determine if they sufficiently enable farmers to engage in "home occupations" in the Agriculture Zoning Districts.

Implementor: Santa Clara County.

2D: Acquire Open Space Easements from Willing Sellers

All members of the Task Force agreed that a good way to insure that agricultural lands remain in production was through the purchase of open space easements. A permanent open space easement guarantees that a parcel will remain in an open space or agriculture use.

Action 2.D.1: Explore ways of creating or joining a non-profit or government organization to purchase open space easements in the South County.

Action 2.D.2: Explore ways of funding the purchase of agricultural open space easements.

Implementors: Non-profit organizations, City of Gilroy, Santa Clara County, other public agencies.

2E: Identify Regulatory and Tax Burdens on Agriculture

The agriculture industry is regulated by a variety of federal, state and local agencies. It is asserted by the farming industry that the cumulative effect of the various layers of regulation places a financial burden on the industry and unintentionally has negative impacts on agricultural viability. This strategy recommends that the farming community prepare a list of federal, state and local regulations that affect agriculture and identify those that are overly burdensome or onerous. This strategy then recommends that the federal government, the state and the County be made aware of the impact that their regulations have on the future of agriculture in the County.

Action 2.E.1: Identify the extent of regulatory and tax burdens on agriculture at federal, state and local levels.

Action 2.E.2: Forward list of findings to federal, state and local legislators.

Implementors: Farm Bureau, Santa Clara County.

2F: Promote Marketing of Local Agriculture

Local marketing programs have been successful in other communities examined in the *Study of the South County Agricultural Preserve*. The purpose of these programs is to increase local awareness of local agricultural products in order to increase local sales.

Ideas discussed by the Task Force include a media advertising campaign, a "sticker" program that identifies the produce or product as Santa Clara County Grown, an expanded "County Crossroads" Map Program identifying farms that conduct direct sales to the public, and the development of a large permanent regional farmers market to allow direct sales. These programs are generally funded through local government advertising budgets, tourism boards or local farming cooperatives.

Action 2.F.1: Examine and work towards implementation of marketing strategies.

Implementors: Gilroy Bureau of Tourism, Farm Bureau, Santa Clara County, City of Gilroy, private businesses.

2G: Support Affordable Farm Worker Housing

Many farmers have identified the lack of affordable housing for farm workers as a disincentive to agriculture in South County. The Santa Clara County Housing and Community Development Program and other groups have been working on this issue for many years. Despite the success of their efforts, the demand for both permanent affordable family units, and for affordable seasonal housing, far exceeds the current supply.

This strategy suggests that the County and City of Gilroy support farm worker housing by developing permanent and seasonal housing.

Action 2.G.1: Continue to explore and implement ways of providing affordable farm worker housing.

Implementors: Santa Clara County, the farming community, the City of Gilroy, non-profit organizations.

2H: Support Agriculture Water Conservation and Reasonable Water Rates

The accelerating growth rate of California's population, in light of the limited supply of fresh water is putting pressure on the State and local water agencies to re-examine the way water is distributed among various users. Urban, agricultural, sport and environmental interests are competing for their share of the state's water supply.

Farmers in Santa Clara County as a rule are very sophisticated in their use of water conservation methods. The local farming community is extremely concerned the water district will increase rates for agriculture users without taking into consideration existing conservation efforts. They are concerned that if rates for agricultural users are raised, their water costs will be so high, they will not be able to survive in this market.

Action 2.H.1: Meet with the Santa Clara Valley Water District to discuss additional agricultural related water conservation efforts and to influence the county-wide discussion on water rates.

Implementors: Farming community, Santa Clara County, Santa Clara Valley Water District.



Strategy 3: PROMOTE CITY/COUNTY COOPERATION

A very positive outcome of this joint project has been the opportunity to strengthen the cooperative working relationships between the City and the County. This spirit of cooperation can continue if both the County and the City continue to focus on common goals.

Action Proposals for Strategy 3: PROMOTE CITY/COUNTY COOPERATION

3A: Adopt Joint Policies to Protect Lands Planned for Future Urban Development

The City of Gilroy has expressed some concern regarding the County's past approval of projects in unincorporated areas which conflict with Gilroy's future General Plan designations for that area.

Under this strategy the County and the City would re-evaluate existing land use policies and land use designations as they relate to parcels within Gilroy's 20 year growth boundary. The County would agree to avoid land uses and development which would potentially conflict with future annexations and the optimal utilization of lands within the City's 20 year growth boundary.

Action 3.A.1: Review existing County ordinances and policies within the 20 year boundary to determine compatibility with City of Gilroy General Plan.

Action 3.A.2: Establish a referral process for projects on unincorporated parcels and General Plan or zoning interpretation issues which might be incompatible with the policies of the City of Gilroy's General Plan and future development within the 20 year boundary.

Implementors: Santa Clara County, City of Gilroy.

3B: Reaffirm Policies to Protect Agricultural Lands

Many policies in the Santa Clara County 1995 General Plan directly support the continuation of agriculture in the County. The South County Joint Area Plan, which has been adopted by both the City of Gilroy and Santa Clara County, includes policies relating to the preservation of agriculture in the South County. Both the City of Gilroy and LAFCO have policies concerning the premature annexation of land and maintaining land in agricultural use, until it is

needed for the orderly expansion of the City. These policies were instrumental in giving birth to the South County agricultural study and will continue to be important in protecting the future of agricultural lands in South County.

Action 3.B.1: In order to insure the long term viability of agriculture in South County, both the City and the County must reaffirm their commitment to agriculture as stated in County and City General Plans and the Joint South County Plan.

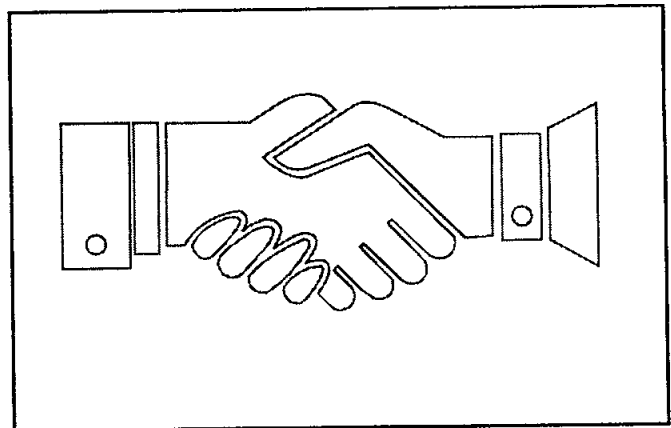
Implementors: Santa Clara County, City of Gilroy.

3C: Clarify Procedures for Referral to Gilroy of Development Proposals in the Large-Scale Agricultural Area.

The County recognizes that projects in the large-scale agricultural area can and do have an impact on Gilroy's land use plans and policies. This strategy encourages the County to examine (and expand if necessary) existing referral policies to insure ongoing open communication between the City and the County.

Action 3.C.1: Review current procedures for referral of projects to the City of Gilroy and revise procedures if necessary.

Implementors: Santa Clara County, City of Gilroy.



Strategy 4: MONITOR IMPLEMENTATION

In order to insure success, the "Strategies to Balance Planned Growth and Agricultural Viability" must include an active, ongoing implementation and monitoring plan. The effectiveness of the implementation actions must be reviewed and approaches modified when necessary to insure their success.

Furthermore the success of this proposal depends upon the ability to include key public and private stakeholders in the implementation phase of the project. If these stakeholders are included in the implementation phase of the strategy, they will have a stake in the program's success.

Action Proposals for Strategy 4: MONITOR IMPLEMENTATION

4A: Assign Responsibilities for Implementation

Implementation responsibilities of these strategies are listed in preceding sections. Priorities should be established by Santa Clara County, the City, and LAFCO regarding which strategies should be acted upon first. All of these actions require the participation of and input from the farming community as well as others interested in preserving our agriculture heritage. These groups must accept responsibility for implementation to insure the program's success.

Action 4.A.1: Use implementation responsibilities assigned in previous strategies as a basis for moving forward with implementation.

Implementors: Santa Clara County, City of Gilroy, LAFCO.

4B: Involve Stakeholders in Implementation Activities

The success of this proposal will depend upon the active involvement of affected agencies, community organizations, and the public at large throughout the implementation process.

Action 4.B.1: Provide appropriate opportunities for active participation by public and private stakeholders in the efforts to implement the strategies recommend in this study

Implementors: Santa Clara County, City of Gilroy, LAFCO.

4C: Monitor Progress Toward Implementation

It is suggested that the South County Joint Planning Advisory Committee be assigned responsibility for monitoring the progress of implementation of the strategy.

Action 4.C.1: Assign responsibility to the South County Joint Planning Advisory Committee for monitoring progress toward implementation of the above strategies.

Implementors: Santa Clara County, City of Gilroy.

TO DO	
<input checked="" type="checkbox"/>	████████████████████
<input checked="" type="checkbox"/>	████████████████
<input type="checkbox"/>	████████████████████
<input type="checkbox"/>	████████████████

ACKNOWLEDGEMENTS

South County Agricultural Task Force Members

Michael Honda, Chairperson
Santa Clara County Board of Supervisors, LAFCO

David Collier
Gilroy Planning Commission

Lon Davis
San Martin Planning Committee

Tom Kruse
Santa Clara County Planning Commission

Vicki Moore
Greenbelt Alliance

Charles Morales
Gilroy City Council

Ralph Santos
Farm Bureau

Project Managers

Hugh Graham
Santa Clara County Planning Office

Bill Faus
City of Gilroy

Autumn Arias
LAFCO

Other Project Staff

Don Weden
Santa Clara County Planning Office

Dede Smullen
Santa Clara County Planning Office

Cathy Ming-Hyde
Supervisor Honda's Office

Project Consultants

Crawford Multari & Starr
Sage Associates
RRM Design Group

Graphics and GIS Mapping

Kitty Yau
Santa Clara County Planning Office

Neelima Palacherla
Santa Clara County Planning Office
