



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

GREG COX
First District

DIANNE JACOB
Second District

KRISTIN GASPAR
Third District

NATHAN FLETCHER
Fourth District

JIM DESMOND
Fifth District

DATE: August 07, 2019 and September 11, 2019

03

TO: Board of Supervisors

SUBJECT:

GENERAL SERVICES - PURCHASE OF AGRICULTURAL CONSERVATION EASEMENT (PACE) PROGRAM - ACQUISITION OF TWO AGRICULTURAL CONSERVATION EASEMENTS (8/7/19 - Set Hearing; 9/11/19 - Hold Hearing) (DISTRICTS: 2 and 5)

OVERVIEW

On December 4, 2013 (3), the Board of Supervisors (Board) implemented the Purchase of Agricultural Conservation Easement (PACE) Program as an ongoing County of San Diego (County) program and established continuous funding for PACE Program land acquisitions through an annual General Fund appropriation. On September 17, 2014 (1), the Board expanded the PACE Program to include a mitigation component for the sale of agricultural mitigation credits. The PACE Program application process is periodically opened at least once a year to interested property owners. and the program receives an annual funding allocation of up to \$1,500,000. The PACE Program has received a total of \$11.21 million to fund program preparation, administration, and acquisitions since 2011. To date, the PACE Program has acquired agricultural conservation easements over 2,034.98 acres at a total cost of \$5.84 million.

The Department of Planning & Development Services (PDS) staff received signed “willing seller” letters from two agricultural conservation easement property owners. Each of these easements exceeds \$250,000, requiring Board approval prior to acquisition. The first property (Assessor Parcel Numbers [APN] 109-411-15, -19, 109-412-01, -02 and -03) is located northeast of Rainbow Road and Mt. Olympus Valley Road in Fallbrook and is approximately 143.41 acres in size with an appraised easement value of \$305,000 (Attachment A). The second property (APN 510-103-01) is located east of Harbison Canyon Road and north of Dehesa Road in an unincorporated area near El Cajon and is approximately 154.84 acres in size with an appraised easement value of \$381,000 (Attachment B). If acquired, the two agricultural conservation easements would add 298.25 acres to the PACE Program for Fiscal Year 2019-20 and increase the total agricultural acreage conserved under the PACE Program to 2,333.21 acres.

Today’s request requires two steps. On August 7, 2019, the Board is requested to set a hearing for September 11, 2019, to consider the purchase of the two agricultural conservation easements and direct the Clerk of the Board of Supervisors to provide public notice of the hearing. If the Board takes the actions recommended on August 7, 2019, then on September 11, 2019, after

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making the necessary findings, the Board is requested to authorize the purchase of the agricultural conservation easements over the above referenced properties for a total estimated cost of \$690,000 including closing and title costs, based on PACE Program available fund balance in PDS. Today's Board action supports implementation of Measure T-1.2 of the County's Climate Action Plan, which established a goal of acquiring 443 acres of agricultural conservation easements per year. By acquiring land for agricultural preservation, today's action would reduce potential greenhouse gas emissions by preserving land that could otherwise be developed.

**RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER
On August 7, 2019:**

1. Set a hearing for September 11, 2019, at which time the Board of Supervisors may consider approval of the purchase of an agricultural conservation easement over Assessor's Parcel Numbers (APNs) 109-411-15, -19, 109-412-01, -02, and -03 from the Ralph and Samee Foster 2001 Revocable Trust and APN 510-103-01 from Allen K. Trial.
2. Direct the Clerk of the Board of Supervisors to provide notice of the September 11, 2019 hearing via publication and posting in accordance with California Government Code Sections 25350 and 6063.

If on August 7, 2019, the Board takes the actions recommended in Items 1-2 above, then on September 11, 2019:

1. Find that the proposed project is categorically exempt from the California Environment Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15325 as it involves the transfer of ownership of land to allow continued agricultural use and preserve existing natural conditions.
2. Authorize the Director, Department of General Services, or a designee, to execute the Real Property Contract for the purchase of an agricultural conservation easement over APNs 109-411-15, -19, 109-412-01, -02, and -03 from Ralph and Samee Foster 2001 Revocable Trust for the appraised value of \$305,000.
3. Authorize the Director, Department of General Services, or a designee, to execute the Real Property Contract for the purchase of an agricultural conservation easement over APN 510-103-01 from Allen K. Trial for the appraised value of \$381,000.
4. Authorize the Director, Department of General Services, or a designee, to execute all escrow and other related documents necessary to complete the purchase of agricultural conservation easements over APNs 109-411-15, -19, 109-412-01, -02, -03, and 510-103-01.

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FISCAL IMPACT

Funds for this request are included in the Fiscal Year 2019-20 Operational Plan for Planning & Development Services. If approved, this request will result in estimated costs of \$690,000 for the two agricultural conservation easements totaling \$686,000 for property acquisition and \$4,000 for closing and title costs. The funding source is Fiscal Year 2019-20 PACE Program available fund balance. After acquiring the two agricultural conservation easements, \$4.69 million will remain in the PACE Program fund balance. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

N/A

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

The PACE Program preserves local agriculture by compensating willing agricultural property owners in the unincorporated areas of the County for placing a permanent easement on their property that limits future uses to agriculture. The PACE Program is intended to promote the long-term preservation of agricultural land throughout the unincorporated area of San Diego County while compensating agricultural property owners for density reduction resulting from the County's General Plan Update in 2011.

On August 3, 2011 (1), the Board directed staff to develop a pilot PACE Program as a component of the County's General Plan Implementation Plan. On December 4, 2013 (3), the Board implemented the PACE Program as an ongoing County program and established continuous funding for PACE Program land acquisitions through an annual General Fund appropriation. On September 17, 2014 (1), the Board expanded the PACE Program to include a mitigation component for the sale of agricultural mitigation credits.

On February 14, 2018 (1), the Board approved the Climate Action Plan, which expanded the eligibility criteria for the PACE Program to allow properties that did not realize a density reduction through the 2011 General Plan Update to participate voluntarily under Greenhouse Gas (GHG) Reduction Measure T-1.2. GHG Reduction Measure T-1.2 expands the eligibility criteria for the PACE Program to allow properties that did not realize a density reduction through the 2011 General Plan Update to participate voluntarily. Acquisition of agricultural easements by the County under the PACE Program will reduce GHG emissions through preservation of land that can otherwise be developed. GHG emissions reductions are realized from a reduction in transportation, energy use, waste, and water consumption.

To participate in the PACE Program, a property owner must meet three eligibility requirements: 1) the property must have been actively farmed and/or ranched for a minimum of two years prior to applying for the program, 2) the property must have realized a density reduction as a result of

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the General Plan Update adopted by the Board on August 3, 2011 (1), and 3) the property must have had the ability to subdivide under the previous General Plan that was in effect prior to August 3, 2011. Program eligibility requirements were established, opened for public input during the General Plan Update process, and reviewed by a PACE Advisory Group prior to implementation.

All PACE applications received are reviewed to confirm eligibility and ranked to determine the top ten properties. These properties then receive property-specific appraisals to determine the agricultural conservation easement value. The Department of General Services, Real Estate staff then extends an easement offer and terms of easement contract to the property owner. If a property owner accepts the easement offer and terms of easement contract, they sign a “willing seller” letter confirming their voluntary participation in the PACE Program. Properties with an easement value exceeding \$250,000 require Board approval for acquisition.

Since the PACE Program was established in Fiscal Year (FY) 2013-14, the County has permanently preserved 2,034.96 acres of land with agricultural easements. As of June 2019, 28 property owners have been compensated a total of \$5,304,470 for placing agricultural easements on their land. In FY 2018-19, easements were acquired over four properties adding 273.21 acres to the PACE Program; each of these easements was less than \$250,000 and was therefore acquired under the authority of the Director, Department of General Services.

The current request is to approve the acquisition of agricultural conservation easements from two property owners that have signed “willing seller” letters. Each of these easements exceeds \$250,000, requiring Board approval prior to acquisition. The first property is located northeast of Rainbow Road and Mt. Olympus Valley Road in Fallbrook (APNs 109-411-15, -19, 109-412-01, -02 and -03) and is approximately 143.41 acres in size with an appraised easement value of \$305,000. The second property is located east of Harbison Canyon Road and north of Dehesa Road in an unincorporated area near El Cajon (APN 510-103-01) and is approximately 154.84 acres in size with an appraised easement value of \$381,000. The proposed agricultural conservation easements total 298.25 acres with a value of \$686,000.

An independent third-party appraiser conducted property-specific appraisals for the two easements using the valuation approach used by the State Department of Conservation in its California Farmland Conservancy Program. Under this approach, the appraiser used the sales comparison approach to estimate market value of the land as though it was unencumbered. The appraiser then estimated the property value with the agricultural conservation easement in place. Finally, the market value of the encumbered land was subtracted from the market value of the unencumbered land to arrive at the appraised value of the agricultural conservation easements. Based upon the appraised values and available funding, County staff secured “willing seller” letters from the owners of two properties and has prepared real property contracts for the acquisition of these easements.

Today’s request is for the Board to set a hearing on September 11, 2019, to consider the purchase of the two easements and to direct the Clerk of the Board of Supervisors to provide public notice

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of the hearing. If the Board approves the request, on September 11, 2019, after making the necessary findings, the Board will be requested to authorize the purchase of a conservation easement over APNs 109-411-15, -19, 109-412-01, -02 and -03, owned by the Ralph and Samee Foster 2001 Revocable Trust and authorize the purchase of a conservation easement over APN 510-103-01, owned by Allen K. Trial. Total costs for purchase of the easements is estimated at \$690,000 including closing and title costs, and will be funded by Planning & Development Services, PACE Program available fund balance. Today's Board action supports implementation of Measure T-1.2 of the County's Climate Action Plan, which established a goal of acquiring 443 acres of agricultural conservation easements per year. By acquiring land for agricultural preservation, today's action would reduce potential greenhouse gas emissions by preserving land that could otherwise be developed.

ENVIRONMENTAL STATEMENT

Pursuant to the California Environmental Quality Act (CEQA) Section 15325, the proposed acquisition of agricultural conservation easements over Assessor's Parcel Numbers 109-411-15, -19, 109-412-01, -02, -03 and 510-103-01 is categorically exempt from CEQA because it involves the transfer of ownership of land to allow continued agricultural use and preserves existing natural conditions.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The requested action for acquisition of agricultural conservation easements supports the Sustainable Environments/Thriving Strategic Initiative in the County of San Diego's 2019-24 Strategic Plan by implementing land use strategies that protect and promote our natural and agricultural resources, diverse habitats, and sensitive species.

Respectfully submitted,



SARAH E. AGHASSI
Deputy Chief Administrative Officer

ATTACHMENT(S)

ATTACHMENT A – Location Map: Foster Property

ATTACHMENT B – Location Map: Trial Property

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED

 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:

On February 14, 2018 (1), the Board approved the Climate Action Plan which expanded the eligibility criteria for the PACE Program under Greenhouse Gas Reduction Measure T-1.2; On November 16, 2016 (3), approved the purchase of two agricultural conservation easements; On September 17, 2014 (1), approved the purchase of eight agricultural conservation easements and expanded the Purchase of Agricultural Conservation Easement (PACE) Program to include a mitigation component; On December 4, 2013 (3), established the Purchase of Agricultural Conservation Easement (PACE) Program as an on-going County Program; On July 17, 2013 (5), approved the purchase of five agricultural conservation easements; On August 3, 2011 (1), the Board of Supervisors directed staff to develop a Pilot Purchase of Agricultural Conservation Easement (PACE) Program as a component of the General Plan Update Implementation Plan.

BOARD POLICIES APPLICABLE:

I-133, Support and Encouragement of Farming in San Diego County

BOARD POLICY STATEMENTS:

N/A

MANDATORY COMPLIANCE:

General Plan Conformance

On June 10, 2019, pursuant to Government Code Section 65402 and 65566, Planning & Development Services made a finding of consistency with the General Plan, based on its preliminary review of the location, purpose, and extent of the proposed acquisitions. The acquisitions for agricultural conservation is directly related to Goal LU-7 of the Land Use Element for protecting farming and agriculture as beneficial resources that contribute to the County's rural character.

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):

N/A

ORIGINATING DEPARTMENT: Department of General Services

OTHER CONCURRENCE(S): Planning & Development Services

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