YOLO LAFCo AGRICULTURAL CONSERVATION POLICIES FOLLOW-UP REPORT

At the September 2025 LAFCo meeting, staff presented a report on the current threat of farmland conversion, efforts to mitigate prime farmland loss, and potential updates to Yolo LAFCo's agricultural mitigation policy in response to Strategic Work Plan item *6.4- Consider updates to LAFCo's ag conservation policies including adjusting the ag mitigation ratio*. Staff offered four recommendations to the Commission and received the following responses from the Commission:

1. Retain the existing 1:1 agricultural mitigation ratio, which creates a baseline for any development projects that require LAFCo action.
   Commission consensus is to maintain the 1:1 mitigation ratio
2. Retain the existing language in Policy 4.9 that states conservation easements must be within Yolo County.
   Commission directed staff to bring back more information
3. Consider language to encourage easements within 2 miles of cities or rural towns and easements adjacent to existing easements to create larger clusters of protected farmland.
   Commission supported permitting mitigation adjacent to clusters of easements and directed staff to bring back more information on encouraging easements within two miles of cities and towns.
4. Direct staff to research and develop a framework to potentially create a mitigation alternative that could fund irrigation projects that revive fallowed agricultural land or increase productivity/growing season.
   Commission directed staff to bring back more information

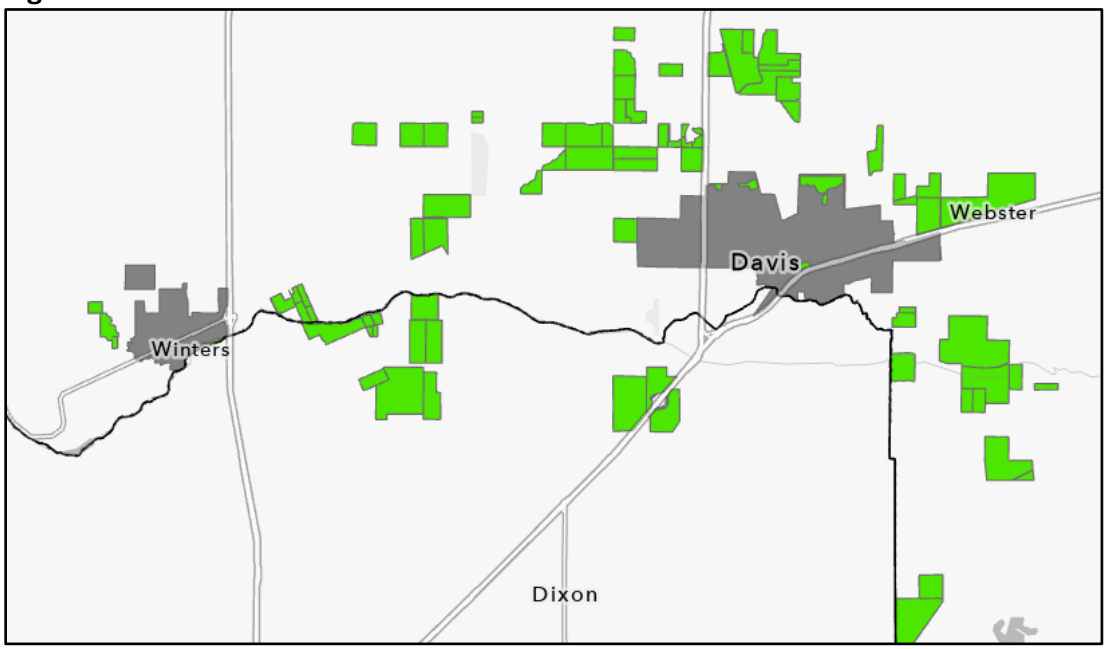
As directed, the following report provides additional information regarding where agricultural mitigation may be permitted and a framework for alternative mitigation for groundwater restoration.

Should Easements Be Allowed Outside Yolo County?

Currently, Yolo LAFCo Policy 4.9(a) requires agricultural conservation easements (ACEs) to be located within Yolo County. Some concern was expressed that cities on the county border, such as Davis and Winters, could be impacted by encroaching development to the south of Yolo County in Solano County. Staff believe that this is unlikely because land in Solano County south of Davis and Winters is zoned for agriculture with a 40-acre minimum parcel size which would preclude urban development and even if Solano County permitted non-agricultural development, city services could not be extended to the properties which would limit development pressure. Nearby farmland in Solano County is also being protected through various other means.

The City of Davis's Farmland Preservation Ordinance which addresses mitigation for agricultural land loss within the city boundary, permits mitigation in Solano County as well as Yolo County and the city has acquired conservation easements in Solano County. Davis staff have other funding sources to acquire easements in addition to agricultural mitigation requirements, including Measure O parcel tax revenue, Solano Land Trust, and Sustainable Agricultural Lands Conservation (SALC) state grant funds. This is in pursuit of other community benefit interests that somewhat differ from Yolo LAFCo's mission and orientation. As shown in Figure 1 below, the Solano Land Trust holds several large easements in Solano County south of Davis and between Davis and Winters.

Figure 1. Easements around Davis and Winters



Since the Cities of Davis and Winters cannot extend infrastructure across county lines, agricultural land outside the county near these cities has less development pressure and therefore provides less value for protecting agricultural land than in Yolo County. In addition, Yolo LAFCo is accountable for protection of agricultural lands in Yolo County. Finally, cities may use other means to acquire conservation easements for the protection of nearby farmland beyond mitigation needs as the City of Davis has shown. Therefore, staff recommend retaining the policy that requires mitigation to occur within Yolo County.

Should LAFCo Restrict Location of ACEs within Yolo County?

Discussion of Yolo LAFCo's Agricultural Preservation Policy in September included concerns that acquisition of ACEs should be directed to areas where prime farmland is at greater risk of development (i.e. within a certain radius of cities) and/or adjacent to easement clusters to increase efficiency and protection value.

Mitigation Buffers

Yolo County and the Cities of Davis and Woodland already have agricultural mitigation radius or proximity requirements in place and staff recommend these existing restrictions are sufficient.

The City of Woodland's Agricultural Mitigation Ordinance (Woodland Municipal Code Sec. 15.33) allows 1:1 mitigation within four miles of its Urban Limit Line. The City of Davis's Farmland Preservation Ordinance (Davis Code of Ordinances 40A.03) has a variety of requirements for mitigation including a portion that is required to be adjacent to the development and a remainder that is required to be within the "Davis Planning Area" which varies from 2 to 4 miles beyond the city's sphere of influence including parts of Solano County. The City of West Sacramento does not have an agricultural mitigation ordinance, however due to its 200-year flood protection levies it's unlikely the city will ever request LAFCo annexation. The City of Winters does not have an agricultural mitigation ordinance, and some growth is to be expected. Yolo County's Agricultural Conservation and Mitigation Program (Yolo County Code of Ordinances Sec. 8-2.404) is the most complex mitigation ordinance of the three and uses priority areas to decrease the ratio of mitigation required. Generally, however, the county requires agricultural mitigation to occur within two miles

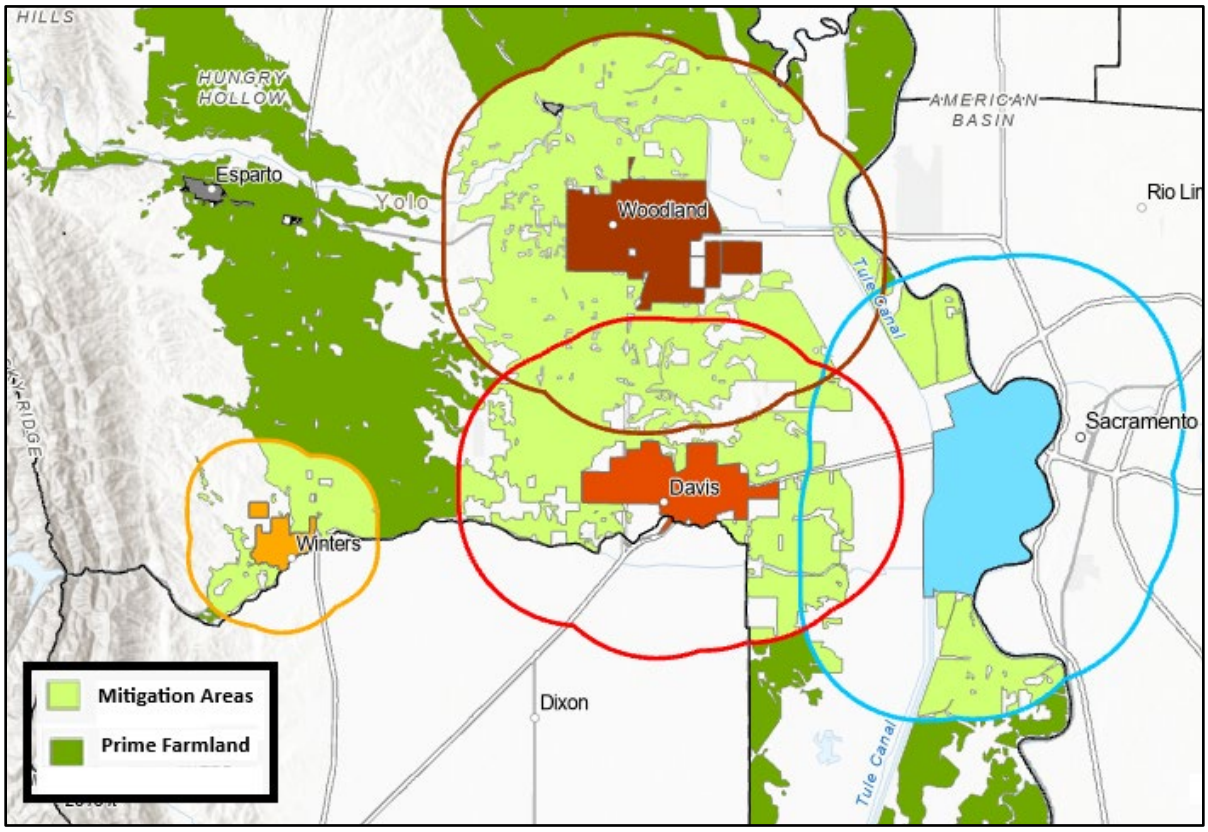
of the sphere of influence for Davis, West Sacramento, Winters, or Woodland or within two miles of the urban growth boundary of the town of Esparto. However, it would be extremely rare that Yolo County would be the Lead Agency per CEQA on a proposal before LAFCo; typically, the cities are the Lead Agency.

To make Davis's and Woodland's radius requirement more consistent across all four cities, staff recommend that Yolo LAFCO's agricultural mitigation policy allow easements only on areas of prime farmland (as already defined by our policy) within four miles of the larger cities of Davis, Woodland, and West Sacramento, and within two miles of the smaller City of Winters. The easement area would be limited to the radius of the subject city. Staff's rationale for having a smaller radius for Winters is commensurate with the size of the city, and thereby less development pressure. This would emphasize prime farmland under the highest threat of conversion and not conflict with existing city ordinance.

Any restriction of available areas for mitigation ought to be balanced with the concern that by restricting available areas for mitigation, the policy could make it overly difficult or costly to mitigate for development of farmland. Staff discussed this concern with Yolo Land Trust and were assured that there are plenty of farmers in these areas and beyond that are interested in participating in conservation easements so that the area identified does not appear to be reaching a level of scarcity that would overly constrain the ability to purchase new easements.

Figure 2 identifies the areas recommended for the Yolo LAFCo agricultural preservation policy. Staff recommend that mitigation for development of agricultural land must be within the buffer specific to the city where the loss is occurring.

Figure 2. Urban Buffers Recommended for Agricultural Mitigation

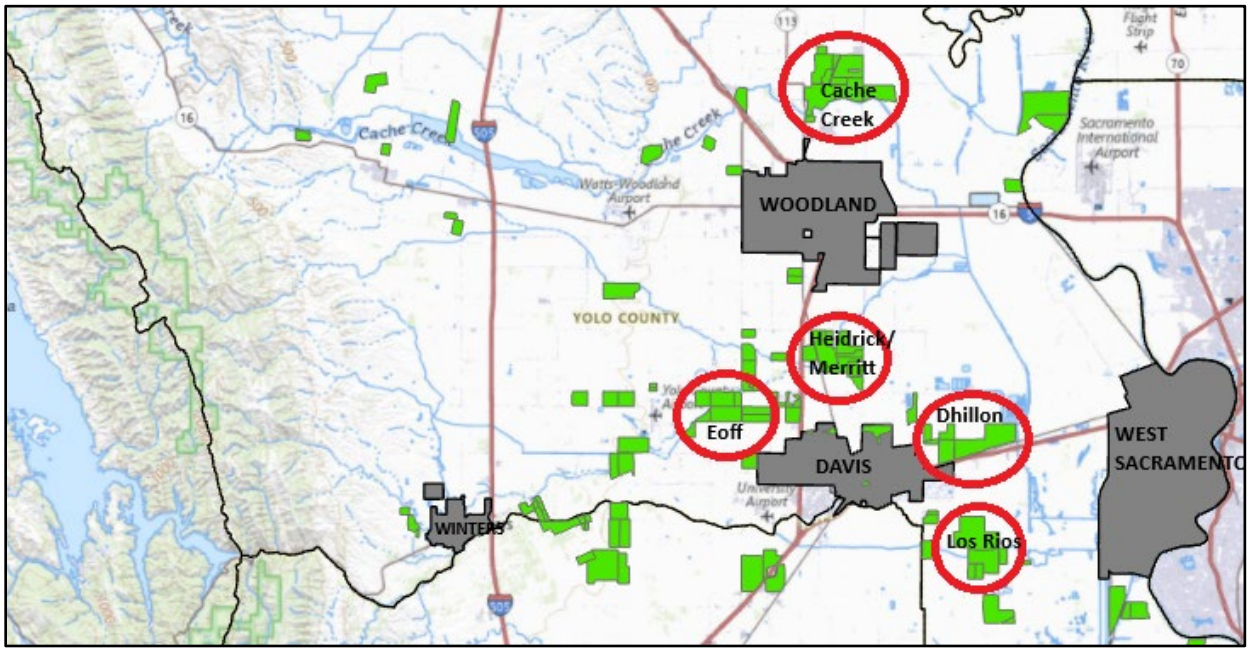


Agricultural Easement Clusters

Another strategy discussed was directing mitigation to clusters of agricultural conservation easements. Encouraging agricultural mitigation adjacent to the existing preserved areas provides additional benefits for the agricultural community in general. Large, aggregated areas of protected farmland could offer future benefits to farmers by offering stronger connections to ancillary vendors and services. Protected farms operating in proximity to each other can support local equipment, irrigation, chemical, and seed suppliers while the processors, handlers, and marketing entities will have a larger pool of growers to support their end-users.

To define an easement cluster, staff proposes a minimum of 1,000 contiguous acres of protected land. By that definition, there are five clusters within the two-mile urban buffer area described above: Cache Creek/Maples (2,121 acres), Dhillon Ranch (1, 245 ac), Eoff Farms (1,128 ac), Heidrick/Merritt (1, 380 ac), and Los Rios (1,423 ac). These areas are identified in Figure 3.

Figure 3. Agricultural Easement Clusters



Staff considered only allowing agricultural mitigation located adjacent to these clusters, however this would overly constrain the land available for mitigation and contradict city and county mitigation requirements. Since the identified clusters all fall within the proposed four-mile buffers of the larger cities however, the proposed policy only requires that mitigation occur within the identified city buffers but also encourages locating new agricultural easements adjacent to the clusters. Highlighting prime farmland proximal to these clusters within the urban buffers would provide the additional benefits mentioned above.

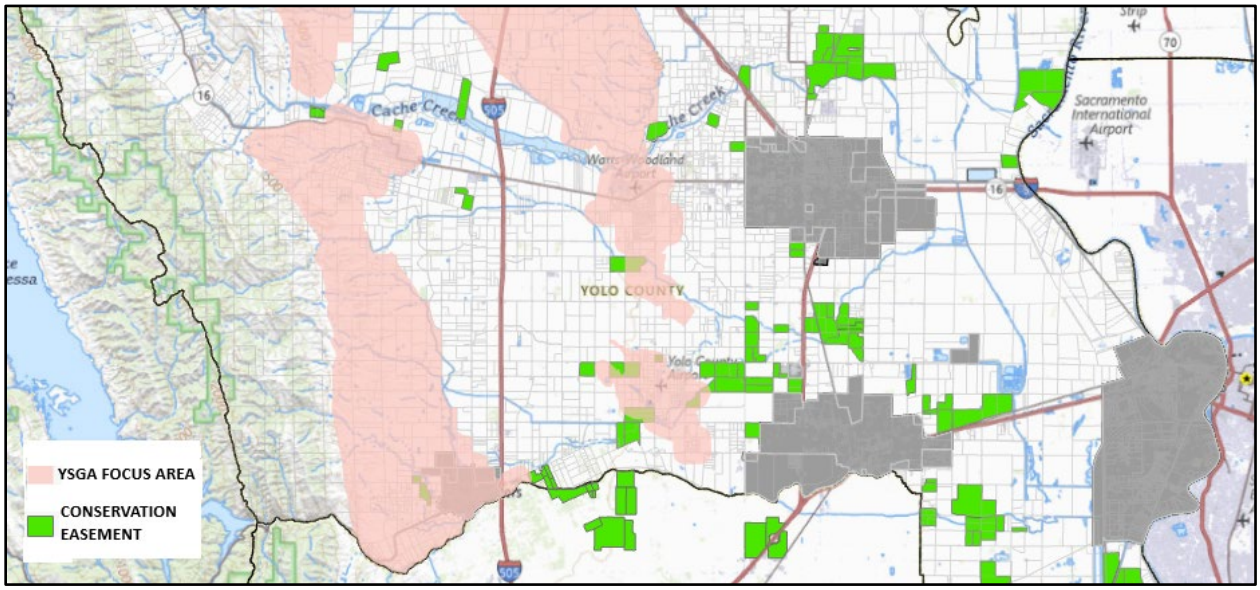
Mitigation Alternative for Groundwater Recharge

As discussed at the September meeting, although agricultural conservation easements have become an acceptable and popular means of mitigating for the loss of farmland, ACEs do not actually create new agricultural land to offset what would be lost. Additionally, though the land receives permanent protection from development with the easement, the productivity of the land is not permanently guaranteed with the increasing risk of droughts and flooding due to climate

change. Agricultural land without secure access to water might become fallow or less productive and no longer serve the intended protected use.

Following a series of executive orders by Governor Newsom in 2021, Yolo Subbasin Groundwater Agency identified specific "Focus Areas" where groundwater conditions are most uncertain and where groundwater pumping could lead to additional issues. These areas, as shown in Figure 4, have limited data on aquifer levels which makes it difficult to predict the impacts of long-term use on groundwater. An on-going well moratorium is currently in place which restricts an incease in groundwater use by agricultural wells within the focus areas.

Figure 4. YSGA Focus Areas and ACEs

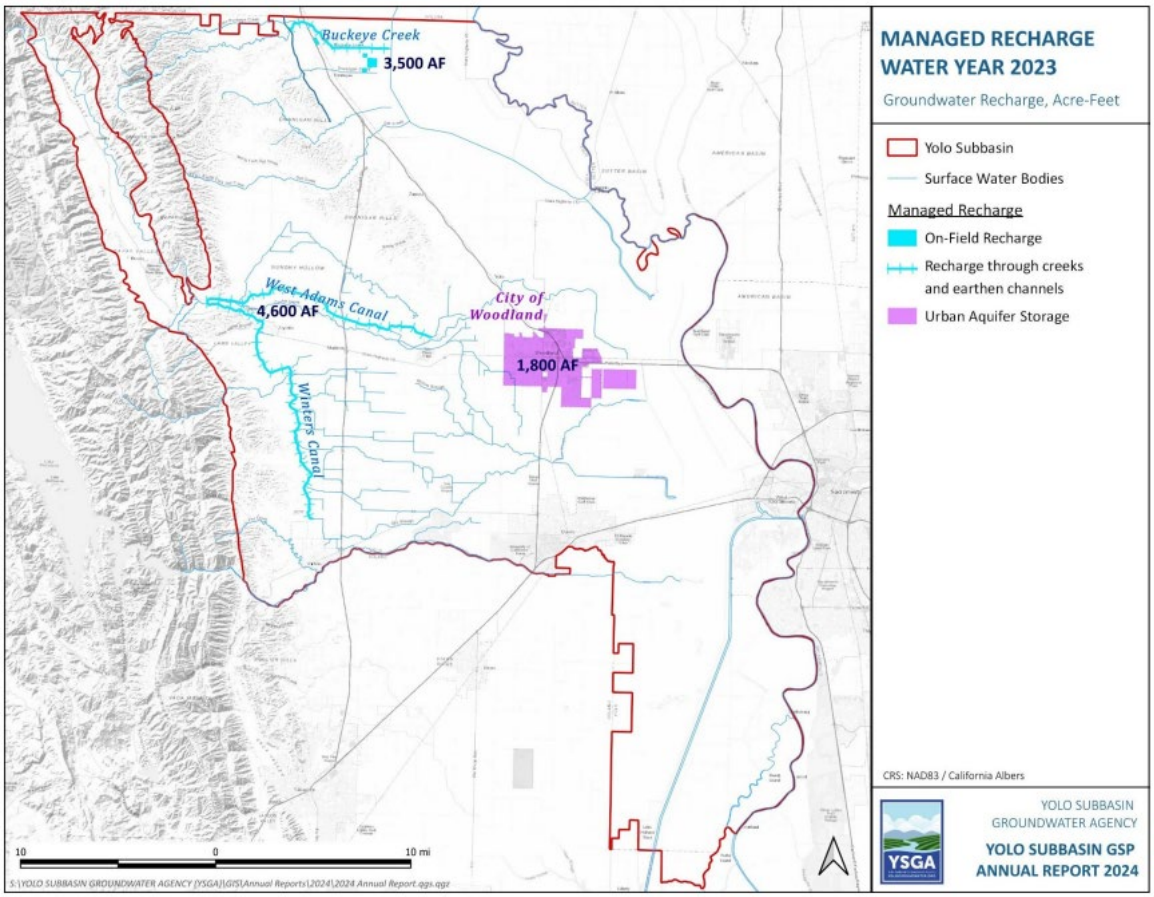


With the uncertainty about groundwater availability in the focus areas, the continued usefulness of some protected farmland may be threatened. A complementary way to mitigate the loss of farmland is to increase, restore, or ensure the long-term productivity of farmland by funding projects that provide better access to water during more frequent and prolonged times of drought. This could be through recharging groundwater where farms are currently fallowed or in danger of being fallowed due to diminishing groundwater supply.

Since 2016, Yolo Flood Control and Water Conservation District has used excess water from the winter rainy season to fill its unlined canals and slowly percolate into groundwater aquifers. In 2023, the District began a study to expand the program to include on-farm recharge by flooding fields to allow additional recharge capacity.

The Yolo Subbasin Groundwater Agency (YGSA) is still in the early stages of identifying more targeted projects to recharge groundwater. These projects are identified as Aquifer Storage and Recovery (ASR) and Aquifer Recharge (AR) projects. Although ASR projects are oriented toward urban water use, AR projects are agriculturally focused, and a few have been initiated including the recent completion of a recharge basin for the Dunnigan Area's Buckeye Creek Recharge Program. An overview of current projects is provided in Figure 5 below.

Figure 5. Current Groundwater Recharge Projects



Mitigation in-lieu funds could be directed to projects that recharge groundwater or otherwise support the water resources available for farming. A concern expressed at the last discussion of Yolo LAFCo's Agricultural Conservation policy is that the cost of this type of mitigation is equivalent to the cost of acquiring an ACE. Yolo LAFCo's Agricultural Conservation policy provides details on how to calculate in lieu fees which could be used to determine the amount of mitigation fees for this alternative, or another amount could be set. For example, LAFCo staff worked with Yolo Land Trust to estimate the average cost to purchase agricultural easements and arrived at approximately $3,000 per acre.

For a 50-acre or 200-acre annexation, assuming the average cost per acre for an ACE used for agricultural mitigation for this scenario is $3,000, this would result in $150,000 or $600,000 for an alternative mitigation project. These funds could be directed to YGSA for use on groundwater recharge projects that would ensure improved long-term water availability.

According to YGSA, this amount is unlikely to totally fund a project, which typically costs a few million dollars. For example, setting up a recent recharge project near Dunnigan cost $1.18 million. However, these in-lieu fees could contribute to a YGSA groundwater recharge project with minor changes to LAFCo's Agricultural Mitigation policy. Therefore, staff recommends this alternative mitigation be added to our policy as an option which can be reviewed and approved by LAFCo on a project-by-project basis.

Policy Amendments

Proposed amendments to Yolo LAFCo's project policy include revisions to two sections. Section 4.9 "Agricultural Mitigation" is amended for clarity and to allow for in-lieu fees to be used on groundwater recharge projects. Section 4.10 "Agricultural Easement Requirements" is amended to specify that mitigation shall occur within a specific radius of the city annexing agricultural lands: four miles for the larger cities and two miles for the smaller City of Winters. It also includes a new policy to encourage agricultural mitigation adjacent to easement clusters and simplifies existing language restricting stacking of easements and easements with a home or other non-agricultural improvements.