

CHAPTER 5: AGRICULTURE

A. Policy Framework

The Coastal Act requires that the maximum amount of agricultural land be maintained in agricultural production and that conflicts between urban and agricultural land uses be minimized. The long-term viability of soils must also be protected and conversions of agricultural land to other uses are strictly limited. (Sections 30241, 30241.5, 30242, and 30243.)

The San Luis Obispo County LCP currently implements these policies by requiring that existing agricultural land remain in agricultural uses, and by limiting the conversion of agricultural lands to non-agricultural uses. When non-agricultural uses are allowed to supplement continued agricultural uses, the LCP requires that remaining agricultural lands be placed in protective easements. A major goal of the LCP is to “encourage the protection of commercial agriculture land, both prime and non-prime soils, for the production of food, fiber, and other agriculture commodities”.¹

As discussed in Chapter 2, the LCP also uses urban-rural boundaries to protect agricultural lands by limiting the spread of urban development beyond the urban/rural boundary, particularly the extension of urban services. Finally, Table O of the LCP establishes the types of allowable and conditional uses on agricultural land to further protect agriculture resources. The need to better differentiate between conditionally and principally permitted uses is discussed in the Procedures chapter.

B. Background

Agriculture historically has been and continues to be an important resource in San Luis Obispo County. At the time of the LCP development, the coastal valleys of the region yielded among the highest crop value per acre in the nation.² The North County region of San Luis Obispo primarily supported cattle grazing outside of the urban and village areas, and contained some of the best dry-land range in the County. Grazing continues to be the predominant agricultural use in the region today. Hearst Ranch, covering 77,000 acres, an estimated 48,732 of which are in the coastal zone, is the primary agricultural land holding in the North Coast area.

¹ LCP Framework goal. Under the Coastal Act and the San Luis Obispo County LCP, prime soils are defined as: 1) land rated as class I or II in the Soil Conservation Service classifications; 2) land rated 80-100 in the Storie Index rating; 3) land which supports livestock for food/fiber and has annual carrying capacity of at least one animal/unit (defined by USDA); or 4) land planted with fruit or nut bearing trees, vines, bushes or crops which have a nonbearing period of less than five years and which yields at least \$200/acre. Non prime soils are other soils classified in the Agricultural land use category of the LUE.

² San Luis Obispo County Planning Department. Coastal Agriculture Study (LCP Work Task 209.1). December 1979.

In the Estero area, agriculture is also the dominant land use, comprising approximately 75% of the land not in urban reserve areas, and includes a mix of croplands and dry farm uses.^{3,4,5} Agriculture is limited within the urban edge areas of Cayucos, and there is no significant agriculture within the boundaries of Los Osos. However, the urban area of Los Osos is immediately adjacent to productive agricultural areas.

Agriculture is also the primary land use in over two thirds of the South County planning area.⁶ The Oso Flaco Valley region contains the largest concentration of Class I and Class II soils in the County, classified as prime agricultural land under the Coastal Act.⁷

Agriculture continues to be an important resource throughout the County, including in the coastal zone. Between 1978 and 1998, the value of agricultural products county wide increased by \$230,661,000 (180%) (see Figure 5-1, next page).⁸ When adjusted for inflation, though, this increase would not be as great. Agriculture is also an important aspect of the character of the County, providing open space, and a scenic, rural nature that is a defining quality of San Luis Obispo and, in addition, that is an important component of the region's growing tourism economy.

Farm Numbers and Employment: Although the value of agricultural products in San Luis Obispo County has increased steadily since 1978, data from the Census of Agriculture for San Luis Obispo County show a decline county-wide in the number of farms from 1987 to 1997 (1,991 farms to 1,916 farms).⁹ Despite this decline in the number of farms, data from the California Department of Finance show that employment in agriculture sector has grown from 2,400 people in 1988 to 4,200 people in 1999, indicating again the continuing importance of agriculture in the County.

Trends in Crops and Land Use Issues: Over the past several decades, the overall value of vegetable, fruit and nut, and seed and nursery crops in San Luis Obispo County has increased, while animal husbandry and field crop values declined (see Figure 5-1, next page). Numerous factors affect the economics of crop production in any given year. For example, the El Niño weather patterns in 1998 adversely affected the production of many fruit crops and wine grapes.¹¹ Field crops were less affected by El Niño, but were affected by lower prices for most

³ San Luis Obispo LCP Estero Area Plan.

⁴ San Luis Obispo County Planning Department. Coastal Agriculture Study (LCP Work Task 209.1). December 1979.

⁵ Crawford, Multari, Clark, and Mohr. Draft Environmental Impact Report for the Estero Area Plan Update. December, 1999. pg. 3-1.

⁶ San Luis Obispo LCP South County Area Plan.

⁷ San Luis Obispo County Planning Department. Coastal Agriculture Study (LCP Work Task 209.1). December 1979.

⁸ Annual reports from San Luis Obispo County Department of Agriculture (1985, 1988, 1990, 1992, 1994, 1996, 1998).

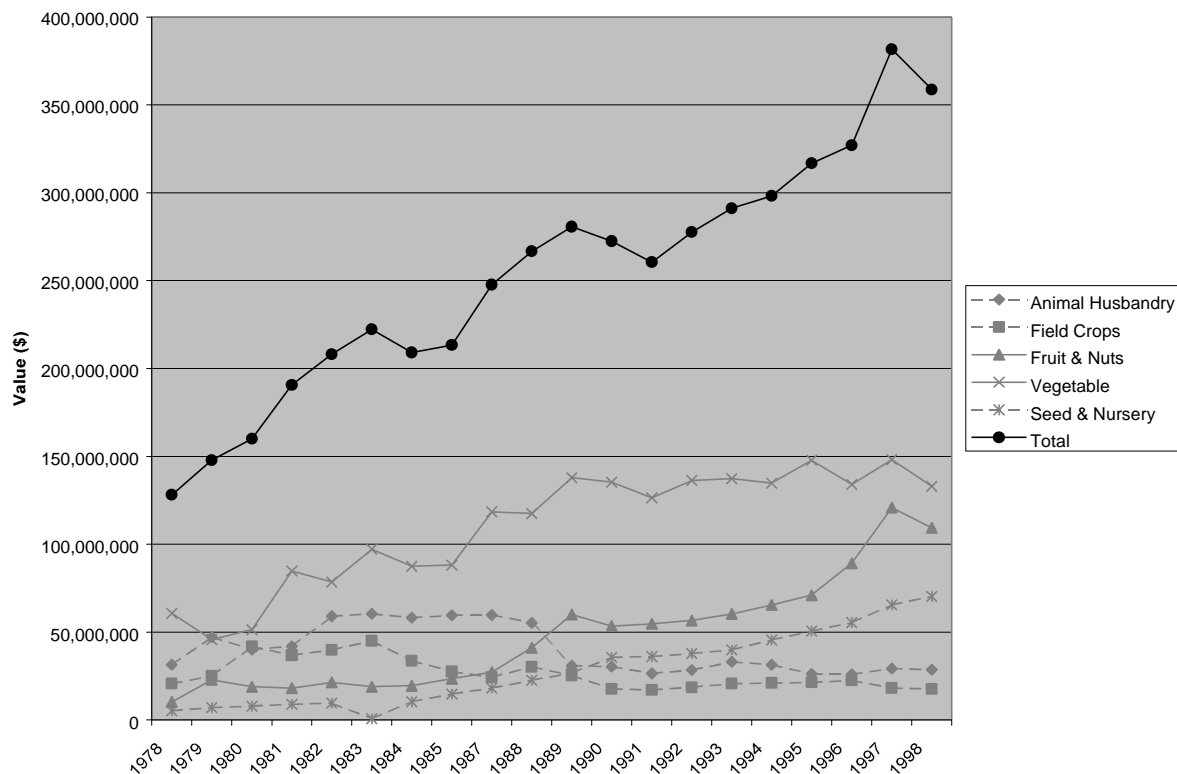
⁹ Agriculture Census data, 1987 and 1997.

¹⁰ Department of Finance, California Statistical Abstract, 1999. Labor Force and Employment, Table C-8; California Department of Finance, web page, February 2000.

¹¹ San Luis Obispo Council of Government; Regional Profile, 1999

of these products. Competition and pests also affected production of various crops. Foreign imports were a significant factor in the decreases in the animal industry.¹²

Figure 5-1: Value of Agriculture Products, San Luis Obispo County



Source: County agriculture reports.

A general trend noted in the County appears to be towards more water-intensive crops. Nursery products have expanded since 1988, as have avocados, lemons, and oranges.¹³ The growth in citrus crops is particularly evident in the coastal zone due to the climate needs for these crops. Since all these products are water-intensive, their growth raises concerns over increased water use, particularly in the Nipomo area. The expansion of greenhouses has also led to conflicts with residential uses, as both land uses vie for limited land.¹⁴ However, according to the staff with the Agriculture Commissioner's office, the majority of the growth in these products occurs outside of the coastal zone.

Perhaps the biggest change in agriculture in the County has been the growth in vineyards. This growth has occurred on land that was historically used for dry land farming, which produced crops with a substantially lower value than could be obtained from grapes. While this trend has not yet been extensive in the coastal zone, and has occurred mainly inland, there is potential for

¹² Ibid.

¹³ Robert Hopkins, San Luis Obispo County Agriculture Commissioner. Pers. comm. 5/5/00.

¹⁴ Ibid.

the conversion of existing agricultural lands, particularly existing grazing lands, to more profitable vineyards. As with the expansion of other crops noted above, the expansion of vineyards raises significant concerns about water availability and use, including protection of coastal groundwater basins, as well as pesticide use and landform alteration.

Acres of Agriculture Land: There are several estimates of changes in agriculturally used lands for San Luis Obispo County. Although numbers vary considerably due to different definitions used for “agricultural lands”, datasets generally show a decline in either the total amount of land used for agriculture or total agricultural productivity. For example, estimates based on the County’s annual agricultural reports indicate a decline of approximately 17% (252,188 acres) County-wide between 1984-1998.¹⁵ In part, this decline is due to the federal Conservation Reserve Program; begun in 1985, the Reserve program removes lands with highly erodible soils from agricultural production. The Department of Conservation’s Farmland Mapping and Monitoring Program (FMMP) maps lands based on their suitability for agricultural use.¹⁶ Lands are identified in a variety of categories, each of which has specific criteria. Lands can be reclassified from one category to another, and still remain within “agricultural” lands. For example, land classified as Farmland of Local Importance in one year may be classified as Prime farmland in a subsequent year if

Classification of agricultural land

The Coastal Act and the San Luis Obispo certified LCP distinguish between prime and non-prime agricultural lands. While both are protected, the development constraints and requirements differ dependent on whether land is “prime” or “non-prime”. However, the Coastal Act definition of prime land differs from the definition used by other agencies, including the Department of Conservation. As a result, direct comparison of change in acres of prime or non-prime agricultural land is difficult. Following are the definitions used by various agencies to classify agricultural lands.

Coastal Act and LCP:

Prime land is defined by any of the following five criteria:

- 1) Land rated as class I or class II in the Soil Conservation Service land use capability classifications.
- 2) Land rated as 80 through 100 in the Storie Index Rating.
- 3) Land which support livestock used for the production of food and fiber with an annual carrying capacity equivalent to at least one animal unit per acre as defined by the US Dept. of Agriculture.
- 4) Land planted with fruit or nut bearing trees, vines, bushes, or crops which have a nonbearing period of less than five years and which will normally yield at least \$200 per acre annually from the production of unprocessed agricultural plant production.
- 5) Land which yielded at least \$200 per acre annually from the production of unprocessed agricultural plant products for three of the previous five years.

NRCS: While the Natural Conservation and Resources Conservation Service (NRCS, formerly the Soil Conservation Service) classifies soils through the land capability classifications referenced in the Coastal Act definition of prime agricultural lands, the NRCS does not generally use that classification to determine prime soils. The land capability classification system – an indication of the restrictions for use in both agriculture and other uses – is more general than NRCS’ definition of prime or non-prime soils. Although land classified as Class I or Class II can be prime, it not always prime soil.

To define prime and non-prime agricultural soils, NRCS uses a combination of chemical and physical properties of the soil. The **Department of Conservation’s farmland mapping program** uses these definitions to classify agricultural lands. Prime soils are defined as land with the soil quality, growing season, and moisture supply needed to produce sustained high yields. It **must** have been used for production of irrigated crops at some time during the preceding two years.

¹⁵ Annual reports from San Luis Obispo County Department of Agriculture (1985, 1988, 1990, 1992, 1994, 1996, 1998). This estimate does not measure acres of agriculture land per se, but is an estimate of land with commercial viability. It includes rangeland, cultivated land, and some, but not all fallow land. It also includes land being used for agriculture, but that is not *zoned* agriculture. Acres are calculated by harvest; where areas have multiple harvests each year, the acres are counted for each harvest. (Robert Hopkins, pers. com. 5/5/00).

¹⁶ Maps are based on USDA mapped lands. For SLO County, the majority of the County has been mapped, with the exception of the National Forests and the Carrizo Plain.

the land had since been irrigated.

Based on this mapping, the total extent of agricultural lands declined county-wide by approximately 7,940 acres (0.77%) between 1988 and 1996.¹⁷ Grazing lands, which are a significant land use in the coastal zone, declined by approximately 1% (4458 acres). During the same time period, FMMP maps show a countywide increase in developed and urban areas of approximately 11% (3,360 acres). The maps also indicate a 3% increase in the extent of prime agricultural lands: this increase likely resulted from the increase in irrigated lands in the County. Under the FMMP definitions, when land is irrigated it may be classified as prime agricultural land. Irrigated land may also be classified as unique farmland or farmland of statewide importance.

To discourage the loss of agricultural lands, the County encourages the use of the Williamson Act. Under the Williamson Act, specific parcels of land are temporarily restricted to allow only on-going agricultural use. Property tax assessments for the property are based on continued farming or open space values, rather than the potential for development, and are significantly lowered. Williamson Act contracts are voluntary agreements between a landowner and the local government. Initially, the agreement in San Luis Obispo County is for a minimum of 20 years, and is automatically renewed each year unless either the landowner or the local government initiates non-renewal of the contract. For parcels within one mile of an urban boundary, the minimum contract is for 10 years.¹⁸ In San Luis Obispo County, the acres of agricultural land protected under the Williamson Act have increased countywide by approximately 10% (72,449 acres) between 1980 and 1998.¹⁹ Since 1988, the County has had significant success in bringing more land under agricultural preserves. Through 25 separate contracts, 7077 additional acres of agricultural land have been protected.

Long-term Viability of Agricultural Lands: Maintaining the long-term viability of agricultural lands is extremely difficult, in part because of numerous economic and climate-related factors that are beyond the immediate realm of coastal and land use planning policies. For example, land costs, production costs, operating costs, equipment costs, labor costs, property and inheritance taxes, and utility assessments all affect the viability of agriculture practices.²⁰ The specifics of a site, including the hydrology, historic land uses, and runoff or sedimentation from upland uses can also affect the long-term operation of a farm.²¹ International market forces affect the economics of agriculture as well. The flexibility to change practices and crops to respond to changing economic situations is one element that is critical in maintaining agricultural uses. Because of the complexity of the agricultural economy, local governments must take

¹⁷ Total agricultural lands are defined here as the FMMP definitions of: Prime farmland, farmland of Statewide Importance; unique farmland; farmland of local importance, farmland of local potential, and grazing lands.

¹⁸ Frank Heinsohn, San Luis Obispo County Energy and Natural Resources Advance Planning. Pers. comm. February, 22, 2000.

¹⁹ County chart of Williamson contracts, 1980-2000

²⁰ San Luis Obispo County Planning Department. Coastal Agriculture Study (LCP Work Task 209.1). December 1979; San Luis Obispo LCP, 1988.

²¹ Julie Clark, American Farmland Trust. Pers. comm. 6/2/00.

advantage of multiple mechanisms, including land use regulations, to maintain agricultural lands.

Land use trends, though, play a considerable role in pressures to convert agricultural lands. During preparation of the LCP several major factors were identified to ensure the long-term viability of agriculture including: (1) ensuring adequate water supplies; (2) limiting continued urbanization, which increases property values and pressures to convert land; (3) maintaining minimum parcel sizes to ensure the economic viability of agricultural uses; and (4) maintaining appropriate uses in agricultural areas.

More recent research by the American Farmland Trust in California reveals several other land use factors that significantly affect the rate at which agricultural lands are lost:²²

- The location of infrastructure development (roads, sewer services, etc) can greatly affect the potential future development of agricultural lands by opening areas of lower-priced agricultural lands to development pressure. The reactive development of infrastructure to address current growth can also affect future growth patterns. Publicly financed roads make less-expensive agricultural and rural lands accessible to development and reduce the costs associated with living in outlying areas.
- Due to Proposition 13, local governments often approve larger, more expensive homes on larger lots to generate more revenue than smaller, compact development. Differences between policies of local jurisdictions can encourage developers to develop in areas and types of development which are less efficient in terms of land use, providing a disincentive for any jurisdiction to adopt more stringent development standards.
- While the cost of providing utilities to outlying, rural areas is more than providing services for compact development, the price charged is the same regardless of where the development is being served.
- Addressing non-point source pollution for an individual developer is easier for less dense development. Overall, there is less impervious surface, resulting in less runoff. However, the cumulative effect of runoff will be greater as more land is developed to accommodate the same number of residences.
- CEQA may discourage efficient land use patterns by not examining the role of development density in the consumption of land and its environmental impacts.
- The effect of land use standards also affects the extent of land converted to developed uses: traditionally wide street and sidewalks can consume significant acres of land. Since standards are established by each jurisdiction, there may be a bias against smaller lots.
- Development fees are not graduated on the basis of density and new subdivisions, and do not cover the costs of inefficient land uses; penalizes compact development.

As discussed in Chapter 2, the Coastal Act and LCP require the concentration of development in urban areas, and prohibit the extension of urban services to rural areas, precisely to address some of these classic land use development patterns and pressures.

²² Steven Moss. *Smart Growth Versus Sprawl in California*. American Farmland Trust. 1999.

Overall, the economics of agriculture are likely to continue to make farming difficult, in part due to the speculative value of land. When land costs are based not on the agricultural use of lands, but on other potential coastal land uses, land costs become significantly inflated relative to the agricultural value of the land. This is particularly true for such trends as the development of large estate homes in rural areas, which may quickly drive up the value of agricultural lands. This challenge makes it doubly important to take full advantage of land use policies and regulations to counteract the economic pressures to convert agricultural land to other uses.

General Regulatory Trends: Since certification of the LCP in 1988, the Commission has received notice of an estimated 212 permits for development on agriculturally zoned lands. Based on the Commission's review of these local notices, at least 38 permits were issued for what strictly might be termed "agricultural" development, generally defined as barns and other agricultural accessory structures, such as mobile homes for farm worker housing. An additional seven permits were granted for agriculturally-related commercial development, including nurseries, greenhouses, wineries, and roadside stands. The remaining permits were granted for various projects such as public works projects, residential development, subdivisions and lot-line adjustments, water wells, several recreation or visitor-serving projects, and other non-agricultural commercial development. As discussed later, this "non-agricultural development" has the potential to incrementally erode the LCP goal of preserving agricultural lands.

Between 1988-1999, the Commission acted on seven appeals of local government actions raising agricultural issues. In three of these cases, the Commission found no substantial issue with the County's implementation of its LCP. In the remaining four appeals, the Commission found that the County was not implementing its LCP in a manner which protected agricultural resources. These appeals dealt with non-agricultural uses on agricultural land and the adequate preservation of agricultural lands. In A-3-SLO-98-025 (Scoggins), the Commission found that the County approved non-agricultural uses on agricultural lands without meeting the tests required under the LCP. Appeals 3-SLO-99-014 and 3-SLO-99-32 (Morro Bay Ltd.) raised the issue of the extent of agricultural land converted to residential uses: the Commission found that the County's approved lot configuration converted more agricultural land than necessary to accommodate allowable residential development. In its action, the Commission reduced the area for residential development and required an easement over the remaining land to protect agricultural uses. Similarly, in A-3-SLO-95-69 9, the Commission approved a desalination plant on agricultural land (public facilities are conditionally allowed on agriculturally zoned land under the LCP), but required an easement over the remainder of the land to protect agricultural use in the future.

In addition, the Commission reviewed a number of amendments to the LCP dealing with agricultural issues. These amendments dealt with proposed rezoning of agricultural lands, appropriate uses allowed on agricultural lands, and setbacks for greenhouses.

C. Preliminary LCP Implementation Issues

C.1. Direct conversion of Agricultural Lands:

The Coastal Act and the LCP require that agricultural lands be maintained, and limit their conversion to other uses to situations where the long-term agricultural viability of such lands is in question. While the actual conversion of lands designated for agriculture to other land uses in the San Luis Obispo coastal zone has been limited, the pressure to convert agricultural lands will continue with increasing growth and development in the coastal zone. In addition, where agricultural lands have been proposed for redesignation to other uses, the continued viability of such lands has not been fully analyzed. Further, as discussed in sections C.2 and C.3, other incremental land use changes in agricultural areas threaten the continuing viability of the maximum amount of agricultural land in the coastal zone. The LCP should be strengthened to prevent future losses of agricultural lands by requiring more comprehensive viability studies prior to approval of land conversions.

Overview: The conversion of agricultural land – particularly due to urban encroachment – was a significant issue during development of the San Luis Obispo LCP. Loss of agricultural land was evident in Oceano, Los Osos, Chorro Valley, and near the Arroyo Grande City limits. During the ten years between 1968-1978, the County lost approximately 200 acres of vegetable cropland in Oceano and the Los Osos area.²³

As discussed in the previous section, data from the Farmland Mapping and Monitoring Program (FMMP) show a small decline countywide in the overall extent of agricultural land, and a slight increase in the amount of prime farmland sites in San Luis Obispo County between 1988 and 1996. Data for the coastal zone is less conclusive. Within the coastal zone boundary, the FMMP mapping data indicates an overall loss of agricultural lands of approximately 0.68% (loss of 812 acres). This includes a gain of 140 acres in non-grazing agricultural lands and a loss of 952 acres of grazing land. Based on the FMMP mapping and definition, the extent of prime agricultural land in the coastal zone increased by 20% between 1988 and 1996. As discussed above, this change in designation may be due to a change from non-irrigated to irrigated lands. However, this data cannot be deemed conclusive due to potential mapping and data coding anomalies. Overall, this FMMP calculated loss of agricultural land is not supported by other data.

Williamson Act: As mentioned, use of the Williamson Act has helped protect agricultural lands from these pressures. The County has been very successful in adding new lands to the agricultural preserve system – approximately 7,077 acres since certification of the LCP. Currently, approximately 51,855 acres of agricultural land in the coastal zone (approximately 42%) are protected through Williamson Act contracts (see Map 5-A).²⁴ Currently, no contract covering these parcels is set to expire, although either the County or the landowner can request

²³ San Luis Obispo County Planning Department. Coastal Agriculture Study (LCP Work Task 209.1). December 1979.

²⁴ The coastal zone boundary bisects a number of parcels under Williamson Act contracts; these bisected parcels cover approximately 15,634 acres of the 51,855 acres.

non-renewal of a contract in the future. Table 5-1, below, summarizes the extent of agricultural lands under Williamson Act contracts for each planning area in the LCP.

Table 5-1: Coastal Zone Lands Under Williamson Act Contracts, 1999*

Planning Area	Acres Ag land	Acres Under Williamson Act	% in Williamson Act
North Coast	82258	26140	32%
Estero	30628	18762	61%
San Luis Bay	3897	1350	35%
South County	6220	5306	90%

*Acreage Estimates are Approximate

As discussed previously, a significant amount of the County's land in the coastal zone is zoned as agriculture, including land adjacent to the urban services lines of Cambria and Los Osos. Because of the locations of this land directly adjacent to urban uses, conflicts between agriculture and urban uses increase, and pressure to convert agricultural lands and/or expand urban services lines increase. Although not a guaranteed, permanent solution, use of Williamson Act contracts can greatly improve protection of these parcels.

As shown in Map 5-A, some of the agricultural parcels adjacent to urban lines are under Williamson Act contracts; however, many parcels are not. In the North Coast, much of the land inland of Cambria is under agricultural preserve contracts, although none of the Hearst Ranch is in an agricultural preserve. One concern, for example, is that no Williamson Act contracts protect agricultural lands around San Simeon Acres. Of course, as discussed in Chapter 2, such lands immediately adjacent to an urban node may be an appropriate location for concentration of future visitor-serving development, assuming such development was otherwise supportable under the resource protection policies of the LCP.

In the Estero region, most agricultural lands near the urban reserve lines are also not under contracts. Several small parcels (approximately 30-60 acres) adjacent to the Los Osos urban reserve line are not currently under contracts. Due to their location and small size, these lands may be facing significant pressure to convert to other uses.

While Williamson Act contracts are not required, it has been an important tool that the County has used to protect agricultural lands. Current programs under the LCP Area Plans encourage participation in Williamson Act contracts. If the County continues to encourage these programs, especially adjacent to urban area, it will help protect these vulnerable lands.

LCP Implementation: Agriculture Policy 1 of the San Luis Obispo County LCP is the primary policy that implements the Coastal Act objective to protect existing agricultural lands. This policy generally requires that prime agricultural land be maintained in or available for production unless severe conflicts with urban uses limit such use, conversion of the land would otherwise preserve agriculture land, or unless it is no longer feasible to keep the lands in agriculture.

As with other Coastal Act objectives, preservation of agricultural lands is best achieved through a strong partnership between local governments and the Coastal Commission. Indeed, one of the primary processes through which agricultural lands are considered for conversion to other uses is the LCP amendment process. Since certification of the LCP, a variety of agricultural conversions have been addressed through LCP amendments submitted by the County and considered by the Commission.

Prior LCP Amendments to Convert Agriculture Lands: Under the LUP, approximately 128,770 acres of land in the San Luis Obispo coastal zone are zoned as agriculture. A basic premise for protecting agricultural lands is to ensure that agriculturally-viable lands remain zoned for agriculture, thereby reducing potential conversions to other uses. Since Commission approval of the LUP in 1983, the County has submitted three amendments (Amendments 1-84, 1-90, and 1-97) proposing the redesignation of roughly 305 acres of agricultural lands to Recreation, Public Facility, Commercial Services, and Commercial Retail uses. As summarized in Table 5-2, several of the proposed conversions were to correct original map errors or to reflect the crucial use of the parcel. Some of these reflected existing nonconforming uses. The proposed conversions to the more intensive commercial uses represents one indication of increasing pressures to convert agricultural lands to urban uses.

Table 5-2: Summary of Amendments Redesignating Agricultural Lands

Amendment	No. Acres	Proposed Zoning	CCC Action	Reason for Action
1-84	NA	Recreation	Approved	Reflect actual ownership
1-84	NA	Public Facility	Approved	Reflect actual ownership
1-84	NA	Recreation	Approved	Not viable for agriculture
1-90	87 acre parcel; 18 acres prime; 13 acres non-prime	Public Facility	Approved; restricted to conversion of 10 acres	Necessary for wastewater site; least damaging alternative.
1-97	37	Recreation	Approved	Correct mapping error
1-97	2	Commercial Services	Approved	Recognize non-conforming use ²⁵
1-97	1.5	Public Facility	Approved	Recognize non-conforming use
1-97	2.5 (part of 150 acre parcel)	Commercial Retail	Denied	Existing grazing use
1-97	70	Commercial Retail and Recreation	Denied	Inadequate findings
1-97	1	Commercial Retail	Denied	Expands URL

²⁵ The findings indicate that two acres zoned agriculture had been converted to gravel parking facility; restoring the site to agriculture would be difficult and the two acre size is below a viable parcel size.

Amendment	No. Acres	Proposed Zoning	CCC Action	Reason for Action
1-97	104	Public Facility	Denied	Unnecessary conversion ²⁶
Total	305			

Sources: Findings for LCPA 1-84; 1-90; Revised Findings for LCPA 1-97 January 12-16, 1998.

While the Commission concurred with the redesignation of 50.5 of these 305 acres from Agriculture to other uses, most of this land has not actually been converted to other uses, and remains available for agriculture.

Since certification of the LCP, the County also has proposed redesignation of 1,432 acres from other uses to agriculture (see LCPA 3-88 and LCPA 1-97). The Commission approved these amendments in part, including the rezoning of 57 acres from Rural Land and Recreation to Agriculture through Amendment 3-88; these parcels were part of larger, existing ranches and the redesignation was necessary to allow the parcels to remain under Williamson Act contract. The remaining lands proposed for rezoning from other uses to agriculture under Amendment 1-97 (1,375 acres) have not been rezoned yet, because the Amendment was not effectively certified and implemented. The County has recently proposed to again to redesignate these lands, which are located at the boundary between San Luis Obispo and Monterey Counties (see below).

Future LCP Amendment Conversions Proposed: Under the Estero Area Plan Update, 20 acres of land are proposed for change from Public Facilities to Agriculture, and 58 acres are proposed to be changed from Agriculture to Rural Lands or Recreation.²⁷ If these redesignations proceed, a net loss of 38 acres will result. The EIR states that this change is less than one-tenth of one percent, that it will not affect prime agricultural land (as defined in the EIR), and that it is therefore not a significant impact. However, if these areas are currently used for agriculture and are viable for continued agriculture, the net loss may be significant under the Coastal Act and LCP policies, and would be in conflict with protecting agricultural lands. More detailed analysis of these proposals will be needed through the Estero Area Plan update process. It should be observed that the Coastal Act standard for converting agricultural lands is not whether the conversion results in a significant impact. Rather, under sections 30241 and 30242, conversions are limited to situations such as where the viability of the land in question is already severely limited by conflicts with urban uses or where continued agricultural use is no longer feasible. This is a much higher standard than the significant impact analysis that is sometimes undertaken through CEQA processes.

In its most recent North Coast Update Project Description (January 2000), the County again proposes a number of land use designation changes affecting agricultural lands. The County's proposal would rezone approximately 9 acres from Agriculture to other land uses, and

²⁶ Redesignation is for construction of a desalination facility. Under conditions required by the Commission on appeal for the facility, the zoning of the site would have to be changed. However, the County denied the applicant's request to rezone the parcel. Therefore, the Commission found that redesignation of the site through this amendment was inappropriate. A separate LCP amendment could be submitted in the future.

²⁷ Crawford, Multari, Clark, and Mohr. Draft Environmental Impact Report for the Estero Area Plan Update. December, 1999. pg. 5.9-11.

approximately 1,760 acres from other designations to Agriculture. The net effect would be to increase lands zoned for agriculture by approximately 1,750 acres. Notably, other than the 1375 acres of Rural Lands at the County line, these lands proposed for rezoning are on the Hearst Ranch and are currently zoned recreational.²⁸ As discussed in the Chapter 2, this proposal is consistent with current viable grazing uses on the Ranch, and would help to maximize protection of agricultural lands in the County. It also is appropriate in light of current information about the lack of resources to support future intensive visitor-serving development along the North Coast. Finally, this proposal is also consistent with the Commission's 1998 action on the previous submittal of the North Coast Area Plan.

Analysis: Agricultural Policy 1 requires that agricultural lands be maintained in, or available for, agricultural production. Similar to the Coastal Act, this policy also allows conversions of prime agricultural lands only under the following circumstances:

- 1. agricultural use is already severely limited by conflicts with urban uses;*
- 2. adequate public services are available to serve the expanded urban uses and the conversion would preserve prime agricultural land or would complete a logical and viable neighborhood, contributing to the establishment of a stable urban/rural boundary;*
- 3. development on converted lands will not adversely affect surrounding agricultural uses.*

For non-prime lands, Agriculture Policy 1 allows the conversion to other uses where:

- 1. continued or renewed agricultural use is not feasible;*
- 2. the conversion would preserve prime agricultural land or concentrate urban development within or contiguous to existing urban areas which have adequate public services;*
- 3. the conversion would not adversely affect surrounding agricultural uses.*

Keeping lands zoned for agricultural uses is the first important factor in meeting the objectives of these policies. As discussed above, the County has sought to redesignate approximately 305 acres of agricultural lands through a number of LCP amendment submittals. In reviewing the County's proposed amendments, the Commission found that the County's proposals were

²⁸ Non-agricultural development at Hearst Ranch has been an issue since the early 1960s. The Ranch, a cattle operation, includes approximately 48,732 acres in the coastal zone. The Commission and the County have debated supplemental uses on the Ranch several times through the LCP planning and subsequent amendments. The County's LCP initially proposed several commercial and visitor serving sites on the Ranch; in its review of the LCP, the Commission suggested reducing the extent of commercial development and assuring that the remaining lands were protected for agricultural use through requiring an agriculture/open space easement. The County ultimately accepted the Commission's modifications in 1984, but sought an amendment deleting the easement requirement. Ultimately, the Commission deleted the easement requirement through Amendment 2-88. In its 1998 review of the North Coast Area Plan Update, the Commission found that agricultural grazing lands were still viable on the Ranch.

consistent with the Coastal Act and LCP in approximately half of the cases, but were inconsistent in the remaining cases (approximately 177 acres).

Under Amendment 1-90, the Commission approved the conversion of agricultural land for the construction of a wastewater treatment plant for Los Osos. While the County requested redesignation of an 87 acre parcel, including 18 acres of prime agricultural land and 13 acres of non-prime agricultural land, the Commission restricted the conversion of land to the minimum needed for the facility, a total of 10 acres. In approving the conversion, the Commission found that although the land *was* viable for ongoing agricultural uses, the amount of land converted was limited, alternative sites for the project were limited and would have converted more productive agricultural lands, and the project protected the long-term viability of agriculture by improving water quality and protecting the groundwater. As discussed in Chapter 2, protecting water quality in Morro Bay has been a longstanding concern, and a wastewater treatment plant for the community of Los Osos is highly needed. In this case, though, the proposed site is now unlikely to be used, and the conversion of agricultural land through that amendment will likely not occur. The current Estero Plan Update proposes changing this site back to Agricultural zoning.²⁹

Under Amendment 1-97, the Commission also denied some of the proposed redesignations, finding that they did not comply with the criteria established in the LCP, or Coastal Act, for conversion of agricultural lands. In its findings for Amendment 1-97, the Commission states that for several of the County's proposals, the County did not present evidence that agricultural uses were no longer feasible on the sites, or that the proposed conversion would preserve primary agricultural lands. In addition, in one case, the County's proposal would expand the urban services line onto one acre of agricultural land. These actions do not appear to meet the criteria established in the LCP policies. Since the County has not accepted the suggested modification to bring Amendment 1-97 into conformance with the LCP, the proposed redesignations will not occur under that amendment. Some of these changes are proposed again, though, in the current North Coast Area Plan project description.

Local Permits and Appeals of Local Permits: Although the actual redesignation of agricultural lands must be processed through an LCP amendment, sometimes agricultural lands are effectively rezoned through land use approvals that allow non-agricultural uses to occur without changing the land use designation. Because of the importance of such actions to the long-term preservation of agriculture, these are discussed in more detail in sections C.2 and C.3 below. There is one case, though, that deserves mention here.

Under FLAN 3-SLO-95-124 (D940059D), a potential of 34 acres of agricultural land may be redesignated to public facility. Under the action, the County approved a desalinization plant on agriculturally zoned land. As discussed in the Development chapter, the plant may be part of the long-term solution for supporting new development in Cambria. On appeal (A-3-SLO-95-069), the Commission approved the project with the condition that the applicant submit an LCP

²⁹ San Luis Obispo County Department of Planning and Building. *Estero Area Plan, Public Hearing Draft*. February 1999. pg. M-1.

amendment to redesignate the parcel from agriculture to public facilities, finding that future agricultural activities were unlikely.³⁰

Determining Agriculture Viability: A critical step in avoiding conversion of agricultural land is assessing the viability of continued agricultural use. Coastal Act Section 30241.5 provides guidance for the determination of viability when LCP amendments are being considered. Viability analyses should include an economic feasibility evaluation that includes such things as analysis of gross revenue for agricultural products in the vicinity of lands being considered for conversion and an analysis of operational expenses that might affect the viability of production.

As discussed, implementation of Agriculture Policy 1 requires that before converting agricultural lands to other uses, the County must determine, in part, that the conversion would preserve prime agricultural land and that development on converted lands will not adversely affect surrounding agricultural uses. For non-prime lands, Agriculture Policy 1 allows the conversion to other uses where the County determines, among other things that continued or renewed agricultural use is not feasible and the conversion would not adversely affect surrounding agricultural uses.

These determinations under Policy 1 all require some assessment of agricultural viability. However, this policy does not have language that directly reflects the guidance of Coastal Act 30241.5 for determining agricultural viability. In making these determinations in support of its LCP amendment submittals, the County has relied mainly on the Agricultural Commissioner's review of agricultural viability information submitted by project applicants. In many cases, though, this information has not been developed adequately nor framed appropriately to address Coastal Act and LCP requirements for the conversion of agricultural land. For example, a report assessing future agricultural uses may conclude that the impact on agricultural viability of the proposed conversion would not be significant. The appropriate test, though, is whether agricultural use on the parcel is no longer feasible or whether there are severe conflicts with urban uses. Under 30241.5, economic feasibility analysis is required to adequately develop an evaluation of continued agricultural viability. This is a much different and higher threshold for approving agricultural land conversions.

The LCP's existing criteria required for content of viability reports for agricultural subdivisions under CZLUO 23.04.024 provides some guidance on the type of information needed to assess agricultural viability. This ordinance requires an applicant to submit:

- existing land uses on the site;
- present annual income derived from agricultural operations and other income-generating operations on the site;
- site characteristics affecting agricultural land use and production, including topography, soils, climate, water availability, and adjacent land uses;
- the potential of the site to support future food-producing agricultural uses and estimated annual income from such uses;

³⁰ California Coastal Commission. Findings for A-3-SLO-95-069. Dec. 14, 1995.

- potential effects of the proposed land division development on agricultural food production, both short-term and long-term;
- recommendations and conclusions of the development's effects on agricultural production.

Ordinance 23.04.050, concerning supplemental uses, also requires the submittal of information to assist in evaluating agricultural viability, including site layout plans, documentation about public infrastructure costs, and economic analysis, and so forth. In a review of agricultural capability reports prepared for various County permits, though, some reports had no discussion of present annual income derived from agricultural operations and other income-generating operations on the site.

The Commission's more recent experience in other jurisdictions also shows that information that more directly addresses the Coastal Act requirements for economic feasibility analysis as well as existing San Luis Obispo County LCP criteria for agricultural conversions, is needed. Without complete and thorough assessments, the determination of the effects of proposed non-agricultural uses on adjacent agricultural lands cannot be consistent with the objectives of Coastal Act policies.

Thus, one way to address this issue is to require more specific and comprehensive assessment of both agricultural viability and other factors that may be placing pressure on agricultural lands. As just mentioned, the San Luis Obispo LCP does contain standards for such assessment in the case of agricultural land divisions and for the approval of non-agricultural supplemental uses on agricultural lands; however, there does appear to be an opportunity to improve upon these.

The County is also proposing new policies to underscore the importance of maintaining viable agricultural lands. For example, through its proposed Estero Area Plan update, the County is proposing adding the following policies under the Rural Land Use section:

Provide incentives for landowners to maintain land in productive agricultural use.

Maintain existing Agriculture land use categories in order to protect agricultural resources; do not convert agricultural land to other land use categories.³¹

While these added policies may define the value of maintaining agricultural lands in the Estero region, and may guide the County in future actions, the policies themselves do not have any clear mechanisms to assure implementation. Implementation of these policies would presumably rely on LCP Agriculture Policy 1. Therefore, revisions to Agricultural Policy 1 and to the CZLUO may be needed in order to ensure that a thorough viability analysis is required in order to make the required determinations.

³¹ San Luis Obispo County Department of Planning and Building. *Estero Area Plan, Public Hearing Draft*. February 1999. pg. 4-8.

Consistency Analysis: Policy 30241 of the Coastal Act requires that the “maximum amount of prime agricultural land shall be maintained in agricultural production.” The Act allows for the conversion of prime agricultural land only in limited circumstances, including prime lands “around the periphery of urban areas” where a) the viability of agricultural lands is already severely limited by conflicts with urban uses, or b) where conversion of such lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development.

Section 30242 of the Act requires that “[a]ll other lands suitable for agricultural use shall not be converted to nonagricultural uses unless 1) continued or renewed agricultural use is not feasible, or 2) such conversion would preserve prime agricultural land or concentrate development ...” Finally, Section 30241.5 requires economic feasibility analysis for LCP amendments that propose conversion of agricultural land.

Although the extent of actual conversions of agricultural lands has been limited, a number of the County’s previous proposals have not completely conformed with Sections 30241, 30241.5 and 30242 of the Coastal Act. For example, the County’s redesignation under Amendment 1-90 would have converted more land than necessary to accommodate a public facility. In addition, as the Commission found in Amendment 1-97, the County proposed converting agricultural lands without adequate findings as to the ongoing feasibility of agricultural uses. As development pressures continue, it is likely that the pressure to convert agricultural lands to other uses will also continue. Protection of agricultural lands in the coastal zone could be improved with enhanced implementing mechanisms for Agriculture Policy 1 of the LCP concerning land conversions to other uses. Such measures should include mechanisms to assure that the analysis of agricultural viability during the County’s review processes considers the full range of factors and alternatives to maximize protection of agriculture.

Preliminary Policy Alternatives: In addition to the County proposals to strengthen agricultural policies in the Area Plans, agricultural lands protection can be enhanced by underscoring the need for agricultural viability reports in support of all proposed conversions from agriculture to other uses. The County should consider amending Agriculture Policy 1 to require such reports for all proposals affecting agricultural lands. More specific requirements for contents of the reports also should be required.

Preliminary Recommendation 5.1: Modify Agricultural Policy 1 by adding the following language:

For any proposed rezoning of agricultural lands to another designation, or for any other proposed development that would commit agricultural lands to other non-agricultural uses, an agricultural viability report shall be prepared, as specified under Ordinance 23.04.024(a).

Preliminary Recommendation 5.2: Modify Ordinance 23.04.024(a) to expand the factors that should be considered as part of the required viability studies to include the following:

Incorporate an Agricultural Viability Report **definition**, for example:

A report that assesses the viability of parcels as agricultural or grazing units, given existing conditions and proposed development. Viability is considered in terms of many factors, including product marketability, soils, parcel size and any other factors relevant to the particular parcel. The report shall establish a baseline of information to be used to describe the role that each factor plays as a variable influencing the site and surrounding area's viability for agricultural production. In terms of scope, the feasibility analysis should analyze both the site and the larger area's current and past productivity as an agricultural unit for at least the preceding five years.

Preliminary Recommendation 5.3: Expand and specify the contents of the Agriculture Viability Report. For example, CZLUO 23.04.024(a)(1), Existing land uses and (3) Site characteristics...including topography soils, climate water availability and adjacent land uses, could be expanded to include more specific information such as:

1. *Soils*
 - a. *The identification of all soil types that are found in the area (As stated in the most recent Soil Survey published by the United States Department of Agriculture).*
 - b. *Storie index and Capability Classification ratings of all identified soil types (As stated in the most recent Soil Survey published by the United States Department of Agriculture).*
 - c. *The expected animal unit month (AUM) yield for each identified soil type (As stated in the most recent Soil Survey published by the United States Department of Agriculture).*
 - d. *The expected net dollar return per acre for crops that are currently cultivated on each soil type.*
 - e. *An identification of crop types that could be potentially grown on each identified soil type, and also the expected net dollar return for such crops.*
 - f. *An identification of soil types used exclusively for grazing.*
 - g. *An identification of agricultural uses in the area that are not dependent upon the soil (e.g., greenhouses), and where identified, a description of their location and nature of operation(s).*
2. *Geographic*
 - a. *The description of factors such as slope, temperature, adequate sunlight, length of growing season, precipitation, soil quality (depth, drainage, capability classification rating, storie index rating, texture, development, unique qualities) affecting agricultural operations in the area.*
 - b. *The description of management techniques that are currently used, or could be used, in order to improve soil quality for agricultural operations.*
 - c. *An identification of agricultural operations that use more than one parcel for production in the area, and where identified, a description of their current practice and average acreage for each individual operation.*
 - d. *A description of the relationship or proximity of agricultural and urban land uses.*
3. *Water*

- a. The availability of water in the area (condition of basin e.g.).*
 - b. An identification of the water source (riparian, appropriative, etc.).*
 - c. An identification of any water quality problems affecting agricultural operations in the area.*
 - d. The current cost of water.*
- 4. Access*
 - a. Description of whether adequate access to agricultural support facilities (cold storage, equipment repair/sales, markets) in the area currently exist.*
 - b. Where access is problematic, an identification of the nature of the conflict; and how the conflict impacts agricultural operation(s).*

CZLUO 23.04.024(a)(2) Present annual income derived from agricultural operations....and (4) the potential of the site to support future food-producing agricultural uses...could be expanded to include consideration of such factors as:

- 1. History*
 - a. An identification of the types of agricultural operations that have taken place in the area in the past and where have they occurred.*
 - b. An identification of how long agricultural operations have been conducted in the area.*
 - c. An identification of those parcels that have been used for agricultural operations in the area consistently in past, and where applicable an identification of such time periods.*
 - d. An identification of significant past management practices that have been used in the area in order to increase agricultural yields.*
- 2. Risk Factors*
 - a. A discussion of the effect of drought years on agricultural operations in the area and, if so, what the cost of water is during these periods.*
 - b. An analysis of whether the costs of production and labor are predictable for agricultural operations in the area.*
 - c. A discussion of whether commodity prices are consistent or inconsistent from year to year for crops grown in the area.*
 - d. A discussion of whether salt water intrusion into well water supply is an issue, and if so, how it affects agricultural operations in the area.*
 - e. An identification of whether there is a problem with crop quality in the area.*
 - f. An identification of whether the agricultural market is volatile for crops grown in the area.*
- 3. Economics*
 - a. An analysis of the gross revenue from the agricultural products grown in the area for the five years immediately preceding the date of the filing of the application for coastal development; and,*
 - b. An analysis of the operational expenses excluding the cost of land, associated with the production of the agricultural products grown in the area for the five years immediately preceding the date of the filing of the application for coastal development.*
 - c. Cost shall be determined by, and consist of, the following variables:*

1. *Fixed Costs for any given crop are assumed to be constant, regardless of the annual yield. Fixed costs shall include only current costs and shall not speculate on potential future circumstances.*
 - a. *Land cost (i.e. rent, lease, property tax, etc.) shall NOT be included into the cost analysis (See Coastal Act Section 30241.5)*
 - b. *Capital costs including: 1) land improvements (i.e., fences, roads, clearing, leveling, wells and pumps, etc.); 2) equipment (i.e., trucks, tractors, buildings, special equipment (e.g. irrigation), etc.); 3) herd expenses (i.e., payment for bulls and heifers); and 4) miscellaneous expenses. Cost determination must also include depreciation and interest expenses.*
 - c. *Cultivating cost including operating costs for: 1) labor (i.e., the amount of hours necessary for planting and the rate of pay per hour including benefits); 2) materials (i.e., water, seed, feed supplements, salt, fertilizer, and pesticides); 3) machinery; 4) fuel and repair; and 5) outside consultants (i.e., veterinary and management).*
2. *Variable Costs are the harvest costs and are based on the amount of yield only. Depending on the crop yield, variable costs fluctuate for any given year. In most cases, this is expressed as the cost per unit of yield (tons, 100 weight, or pounds).*
- d. *Gross Revenue shall be determined by and consists of the following variables:*
 1. *Gross returns for each crop type.*
 2. *Past return figures should factor in the appropriate Producer Price Index (PPI) figure in order to account to inflation over time.*
- e. *Evaluative methods to incorporate the above cost and revenue figures shall include, where relevant:*
 1. *Determination of the net economic impact on private and public sectors and, second, a test for agricultural viability. Net economic impact refers to change in dollar flow within the community brought about by a given change in land use. "Net economic impact" equals total public revenues minus total public costs, plus private sector income. This should be computed according to the existing land use, the proposed development, and any viable project alternatives. This may be accomplished through the following process:*
 - a. *Cost/Revenue analysis that determines public costs associated with conversion of agricultural land and also revenues generated by increases in property tax within the project site. Public service marginal costs should compute the new and/or incremental costs of adding development to the public service system, which includes the cost of capital improvements necessary to accommodate such development. This should also state, and if possible quantify, those costs or externalities not easily accounted for in cost computations. One externality could include the probable change in assessed value of parcels adjacent to the development. Public service revenues are generated by increases in property tax within the project site.*
 - b. *Input/Output analysis that looks at the private sector of the areas economy in terms of its purchases and sales to other sector both locally and from outside the area. From this information, multipliers for each sector should be developed. Determination of the input figures will reveal the affect of*

removing the subject number of acres, for the subject crop, from agricultural production. This will reveal the effect to the private sector economy.

- 2. Determination of the minimum acreage for a viable agricultural operation (farm family approach). In order to determine net income, production costs by crop should be computed on a per acre basis and subtracted from gross market receipts expected from that crop. The resulting figure represents the farmer's income per acre of productive land. The per acre income figure should then be divided into the County's Median Income figure to compute the number of acres required to support a farm family.*
- 3. Determination of net return per acre, per crop type, for the area only. By crop type, determine gross revenue per acre for subject crop types then subtract from gross revenue figures the cost per acre associated with each crop type.*

The report shall include maps and photos (aerial and site photos) of the area being evaluated that, at a minimum, identify the following on all such figures: parcel lines, parcel numbers, farm boundaries, owners and/or leasees of each parcel and/or farm, wells and/or any other water supply lines, storie ratings, capability classifications, slopes, and roads.

For purposes of this determination, "area" means a geographic area of sufficient size to provide an accurate evaluation of the economic feasibility of agricultural uses for those lands included in the County's certified local coastal program.

C.2. Incremental Impacts to Agricultural Lands through Land Divisions, Lot-line Adjustments, and Development on Nonconforming Parcels.

As discussed in the overview, maintaining the viability of agricultural lands is a function of many factors, including complex economic and climatological variables beyond the control of land use planning. It is important, therefore, to assure that agricultural parcel sizes and configurations are maintained so as to maximize their support for agricultural uses. For example, maintaining minimum parcel sizes is a critical component of assuring the long-term viability of agricultural lands. It is also important to rigorously analyze proposed adjustments to agricultural parcel lines, and potential non-agricultural development on nonconforming parcels, to protect against the incremental incursion of non-agricultural uses into rural agricultural areas.

Through a number of subdivision proposals and lot-line adjustments, the County has acted to change the sizes of agricultural parcels. In addition, increasing numbers of newly discovered nonconforming parcels are being proposed for development in agricultural areas. However, the LCP policies and ordinances governing agricultural lands do not adequately address the impacts to agriculture from lot-line adjustments, and should be strengthened. Further, the County should consider amending the LCP to incorporate additional mechanisms to address existing non-conforming agricultural lots, as well as the legal process for establishing and evaluating the development potential of previously unrecognized lots in the coastal zone.

Overview: The concept of using minimum parcel sizes as a tool to assure the long-term economic viability of agricultural lands was a key goal during preparation of the LCP. In addition, Commission staff discussions with agriculturists in San Luis Obispo County indicate that there is a continuing concern over maintaining minimum parcel sizes. As discussed previously, the amount of acreage that is adequate to support agricultural practices depends on many factors, including the specific site location, soils, crops grown, weather, and the level of economic income desired.³² Increasing prices and other economic changes discussed previously may significantly affect the amount of land necessary for viable “minimum” parcel sizes.

The importance of maintaining a minimum parcel size to help protect agricultural uses has been recognized for decades. A 1979 study on agriculture conducted by the University of California Cooperative Services Extension Services discusses the importance of minimum parcel sizes, particularly for agricultural lands near urban development. The report states:

The problem of urban-agricultural interface has important implications for the establishment of minimum-acreage requirements, particularly since a farmer who chooses to reduce his acreage to the minimum parcel allowed may also be giving up certain economies of size and scale. Historically, one response to such pressures has been to shift to higher-income crops per acre. As the cost/revenue squeeze tightens, net income for a low-value crop is reduced. Shifting to a high-value crop widens the cost/revenue margin and allows an operator on a fixed amount of land to maximize his management skills. However, while this solution may maintain the viability of a given agricultural parcel, it circumvents rather than eradicates the problem.³³

The LCP establishes minimum parcel sizes for agriculturally zoned land, depending on use and soil quality. The minimum parcel areas range from 20 acres for more intensive agricultural cultivation to 320 acres for grazing. However, the University of California study indicates that these sizes may not be adequate to ensure agricultural viability in at least some cases.³⁴ The findings estimate the minimum parcel sizes necessary for grazing at 700-1,470 acres for cow/calf operations and 791-1,800 acres for stocker operations.

One emerging concern in San Luis Obispo County is a potential change in minimum parcel sizes due to the change from non-irrigated to irrigated lands, particularly to vineyards. As noted previously, the extent of prime agricultural lands, as defined by the FMMP, has increased by approximately 20% since 1988, in part because of the increase of irrigated lands. Based on 1996 data from the Department of Water Resources, approximately 8,800 acres in the coastal zone (approximately 7%), zoned for agriculture, are classified as irrigated. The majority of these irrigated lands are in the Estero and South County planning areas, with some in the North Coast

³² Julie Clark, American Farmland Trust. Pers. comm. 6/2/00.

³³ Goldman, George and David Strong. *Economic Considerations of California Coastal Agriculture: An Analysis of Feasibility, Acreage Requirements, and Dual Land Use for Selected Crops and Geographic Areas (Draft)*. University of California Cooperative Extension Services, August, 1979. pg. 28.

³⁴ *Ibid.* pg. 35.

area. The predominant crops include field crops; truck, nursery, and berry crops; citrus and subtropical crops; and irrigated pasture lands.

The LCP allows a much smaller minimum parcel size for irrigated lands than for non-irrigated lands. However, if a parcel is divided under these standards, the long-term economic viability of the parcel may be more at risk. With smaller parcels, farmers have fewer options to address various economic and environmental changes. In addition, lot divisions or other types of development can change the primary use of land and may increase the potential for rural homesteads, and more urban development, rather than for agricultural practices.

LCP Implementation: This section address four concerns related to maintaining agricultural land uses: (1) subdivision of agricultural land; (2) nonconforming agricultural parcels; (3) the Certificate of Compliance process; and (4) lot-line adjustments on agricultural lands.

Subdivision of Agricultural Land

Subdivisions of agricultural lands are governed by Policy 2 of the LCP and Ordinance 23.04.024 (e, f). Policy 2 states that land divisions in agricultural areas “shall not limit existing or potential agricultural capability” and shall adhere to minimum parcel sizes. Land divisions on prime agricultural lands must comply with the following standards:

1. *Division of land is prohibited unless it is demonstrated that the agricultural production of at least three crops common to the agricultural economy will not be diminished.*
2. *Building sites will not be created on prime soils.*
3. *Adequate water supplies are available for habitat values, proposed development, and to support existing agricultural viability.*

For land divisions on non-prime lands, the County must find that the land division will “maintain or enhance the agricultural viability of the site” (Ordinance 23.04.024 (f)). In addition, the North Coast Area Plan requires that any land division on the Hearst Ranch shall (1) constitute an individually viable agriculture unit or (2) improve the viability of adjacent holdings or serve a necessary public service and not significantly reduce agricultural viability.

Ordinance 23.04.024 of the LCP defines the minimum parcel sizes for agricultural lands (see Table 5-3). These minimum parcel sizes are based on either 1) the existing type of agricultural use of a parcel, 2) the soil classification of a parcel, or 3) the requirements of an agricultural contract under the Williamson Act. Twenty acres is the smallest parcel size allowed for agriculturally zoned lands.

Table 5-3: Minimum Parcel Size Criteria

Criteria	Minimum Parcel Size
<i>Based on Land Use:</i>	
Irrigated Row Crops	20 acres
Animal Facilities	20 acres

Criteria	Minimum Parcel Size
Agricultural Processing	20 acres
Irrigated Pasture	30 acres
Orchards, Vineyards	40 acres
Dry Farm Fields	80 acres
Dry Farm hay/alfalfa	160 acres
Grazing	320 acres
Based on Land Capability:	
Class I	20 acres
Class II	40 acres
Class III	80 acres
Class IV-VI	160 acres
Class VII-VIII	320 acres
Based on Agricultural Preserve:	Dependent on contract

Source: San Luis Obispo County LCP

In addition, some area plans have more specific standards in some cases: the San Luis Bay area plan requires a minimum parcel size of 80 acres for agricultural land in the Diablo Canyon Coastal Terrace, unless a larger size is required under the Land Use Ordinance. The South County plan requires a minimum of 40 acre parcel sizes for land divisions in Oso Flaco Valley, unless a larger parcel is required under the Land Use Ordinances.

Agricultural Policy 2 notes that the parcel sizes defined in the LCP are *minimum* parcel sizes; complying with the criteria identified in the policy and Ordinance 23.04.024 may require maintaining larger parcel sizes. As part of the County's review for land divisions in the agricultural land use category, applicants must include an agricultural viability report, including existing land uses, annual income, site characteristics, potential for future agricultural uses, and effects from the proposed subdivision (23.04.024 (a)) to ensure long-term protection of agricultural resources. As noted previously, expansion of these reports in light of new information on agricultural resources may be necessary to assure long term protection of agricultural lands.

Review of County Actions: Between 1988 and 1998, the County approved only two subdivision permits on agricultural lands (FLANs 4-SLO- 91-131 (CO 89-399) and 3-SLO-93-084 (CO 90-164)).³⁵ In FLAN 3-SLO- 91-131, the County authorized a subdivision of a 360 acre parcel into two parcels of 320 and 40 acres. The existing uses of the land at the time were grazing and row crops. The reason for the subdivision is not entirely clear from the reported action, although a number of conditions in the permit suggest that the future residential use on the new parcel was

³⁵ Figures are obtained from notices of final local actions received by the Commission and through GIS mapping to identify projects on agricultural zoned lands.

anticipated. These include conditions requiring low-flow water fixtures and EPA-approved wood stoves in future residential uses; dedication of an access to the new parcel; disclosure to prospective buyers of potential conflicts with surrounding agricultural uses; and minimizing of visual impacts from future residential development.

In FLAN 3-SLO-93-084, the County authorized a subdivision of 233 acres mostly in the coastal zone at the far southern end of the County into two parcels of 213 and 20 acres. The existing uses of land at the time were irrigated vegetable crops and a vegetable cooling and shipping facility. Again, it is not clear from the report exactly what the purpose of this subdivision was, although the 20 acre parcel was designed to separate out the cooling and shipping facility from the majority of the parcel.

In both actions, the County maintained the minimum parcel sizes required under Ordinance 23.04.024(b). In addition, an agricultural viability report was done for both projects, as required under the LCP. For FLAN 3-SLO-91-131, though, the viability report discusses the potential for increased residential development as a result of the proposed subdivision. The findings state that the increase in residential uses will be relatively small, and indicates that residential development could be sited to assure a buffer between agricultural and residential uses.

The agricultural viability report for 3-SLO-93-084 analyzed the impacts from the proposed subdivision on the potential loss of agricultural soils, increasing pressure to convert agricultural lands to non-agricultural uses, and on the potential for conflicts between agricultural and non-agricultural uses. The analysis found that the proposed subdivision could lead to a potential loss of eight acres of agricultural land from expansion of the existing facility, but not significantly affect agricultural resources. While noting the potential increase in residential development from the proposed subdivision, the report also notes that the proposed project is unlikely to result in converting agricultural lands to other uses, due to the low desirability for residences because of the nature of the area (the cooling facility is immediately adjacent to a rail line). In addition, the majority of the land remains as one parcel, under cultivation.

Under Ordinance 23.04.024, the County must find that new subdivisions do not lead to the creation of building pads on prime soils. This policy is an important component of protecting agricultural lands through the appropriate siting of new development. As discussed above, residential development appears to be unlikely on the parcel created through 3-SLO-93-084, although the subdivision did create a new legal lot that could support two future residential units (one primary unit and one farm support unit for each parcel). Were redevelopment of the existing facility to occur, it would be difficult to not allow future proposed residential development on a now existing legal lot. The remaining larger lot contains Class I and Class II soils, which are considered prime soils.

The lots under FLAN 4-SLO- 91-131, support Class III and Class IV soils, which are not considered prime for row crops (lands may be prime grazing lands depending on their capabilities). However, neither the County's findings nor the viability report determine whether the resulting parcels from either subdivision contain prime soils based on other Coastal Act

criteria (see sidebar, Background Section), and do not fully analyze whether these subdivisions create the need to place any future proposed residential units on prime soils.

While the approval of only two subdivisions probably does not raise great concerns, it does add to the potential cumulative changes that can incrementally erode agricultural lands. Without assuring that the creation of new parcels does not lead to the future development of prime agricultural lands, the County cannot adequately protect agricultural resources. To be sure, increases in the number of parcels from additional subdivisions could significantly alter the land patterns and could affect the economics of agricultural use and the long-term viability of the lands. As the Commission found in its evaluation of the North Coast Update submittal in 1998, “[o]nce land is divided, even if it maintains agricultural uses in the short run, the legal landscape for future parcel development is irrevocably changed”.³⁶

Although the potential for increased residential development was noted in the viability reports for the two subdivisions that have occurred on agriculture lands since certification, and the creation of only two new lots may not raise immediate significant issues, the potential for additional subdivisions and associated residential development throughout the County’s coastal zone may be significant. In its review of the proposed North Coast Update (Amendment 1-97), the Commission found that a potential of 150 parcels could be created on the Hearst Ranch alone, resulting in a hypothetical development of 300 residential units, assuming that each parcel developed with a primary and secondary residence for farm support as allowed under the current LCP. This finding, though, was not based on an analysis of existing legal parcels. Rather, it was based on a rough estimate derived by dividing the 48,000 acre ranch by the 320 minimum parcel size for grazing.

Subdivision potential of agricultural lands in San Luis Obispo can also be analyzed using existing parcel sizes (from current TRW data) and vegetation data from the Department of Water Resources (1996 data). Using assumptions based on lot size and land capability³⁷, in the North Coast planning region, for example, an estimated 21 lots were identified that hypothetically could be subdivided while maintaining the minimum parcel sizes noted above (see Map 5-B for assessor parcels in the North Coast). An estimated 16 parcels support native vegetation, and are of sufficient size to be subdivided into two parcels each of 320 acres or greater (i.e. base parcel greater than or equal to 640 acres). An additional five lots support a mix of native vegetation and truck crops; each lot may be able to be subdivided into more than two parcels smaller than 320 acres. It should be emphasized that this analysis is based on assessor parcel data that may or may not reflect actual legal parcels and thus, the actual subdivision potential of rural areas may be substantially different. Without legal documentation of valid parcels, it is difficult to project development potential.

³⁶ California Coastal Commission. Findings for LCPA 1-97 (North Coast Area Plan Update). January, 1998. pg. 109.

³⁷ In this analysis, the following assumptions were made: DWR’s classification of native vegetation supports, or could support grazing (minimum parcel size 320 acres); DWR’s classification of “truck crops” is used as an estimate for irrigated row crops (minimum parcel size 20 acres); and calculations for subdivision potential are limited to those lands actually zoned as agriculture under the LUP (other parcels may support agricultural uses and may be large enough for future subdivisions).

Similarly, in the Estero planning region, an estimated 13 parcels have the potential to be subdivided. Five of these parcels are assumed to support grazing, and can potentially be subdivided into a total of 10 parcels. An additional eight parcels support a mix of native vegetation and truck crops; most of these parcels have the potential to be subdivided into more than two lots. The existing configuration of assessor parcels for Estero is shown in Map 5-B. In the South County planning region, an estimated 25 parcels have the potential for future subdivisions, based on crop type and parcel size. The majority of these parcels are identified as having primarily truck crops. Many of them range in size from 100 acres, up to 420 acres; as a result the subdivision potential is much greater than a simple split into two parcels. Review of data for parcels in the San Luis Bay planning area indicates no parcel large enough for a potential subdivision, based on available data.³⁸

Overall, this exercise shows that a significant number of new parcels could be potentially created in agricultural lands, assuming that all other LCP tests for subdividing agricultural lands could be met. Even if these subdivisions comply with the minimum parcel sizes required under the LCP, the potential for significantly changing the legal parcel landscape, and the effect on long-term agricultural uses, is high. An increase in the number of lots can significantly increase non-agricultural development, increasing conflicts between residential and agricultural uses, increasing the physical extent of land covered by residential development, and potentially altering the economics of the region to decrease the viability of agriculture as a predominant use. A prior economic study of agriculture details some of the conflicts between urban and agricultural uses:

Urban development and speculation for future development raise the property value and tax of land adjacent to developed areas. ... [A]gricultural land near urban development tends to become less productive because of sanctions against spraying chemical near urban fringes, vandalism, and cost increases resulting from security precautions, fencing, maintaining appearances, etc. In addition, pet dogs from residential developments, trespassers, and cuts and fills for homes and roadways tend to deteriorate the stability of farm lands.³⁹

Overall, it is important that the LCP have strong policies and standards to address long-term potential impacts to agricultural lands.

Non-Conforming Parcels

Past land division practices have created problems for present day planners, decision makers and others interested in maximizing the retention of productive agricultural land. In the not too distant past, it was simple to divide land into virtually any size or configuration desired. The result of this permissive approach is that there are a significant number of parcels zoned for

³⁸ It should be emphasized that this subdivision hypothetical is not based on confirmed legal parcels and thus may or may not reflect actual subdivision/development potential.

³⁹ Goldman, George and David Strong. *Economic Considerations of California Coastal Agriculture: An Analysis of Feasibility, Acreage Requirements, and Dual Land Use for Selected Crops and Geographic Areas (Draft)*. August, 1979. pg. 28

agriculture that are smaller than the now required minimum parcel size and are also often poorly configured for development, access, and avoiding impacts to ESHA. These parcels are now considered “non-conforming” because they do not meet the current size standard for parcels in the Agriculture Zone district. Based on the Commission’s experience in San Luis Obispo and other coastal counties, these non-conforming parcels are frequently under a common ownership, not developed with residential or other uses and are used together to function as a single agricultural operation. The “Middle”, “South” and “North” ranches on the Harmony coast are good examples of this concept of multiple parcels functioning as a single site for management purposes.

Often, these non-conforming parcels were created legally, that is to say, they met the standards (often quite minimal) for land divisions at the time they were created. Examples include “deeding out” or the simple recordation of a map with the County. Others were created illegally, in that the division did not meet the standard required at the time the land was divided. The methods for resolving the status of these kinds of parcels is discussed in the following section concerning Certificates of Compliance.

The planning problems engendered by non-conforming parcels regarding the protection of agriculture are evident. As long as the parcels remain in common ownership and function as an aggregate they often support a viable agricultural operation because as a whole, they are large enough to do so and are unconstrained by superfluous, non-agricultural development. The problem comes when the owner of the parcels decides to break up the ranch and sell off the parcels individually. The outcome of this scenario is usually the dispersal of the parcels to various owners, development of non-agricultural (usually residences) on all parcels and the demise of any agricultural use beyond the “hobby” farm. The completed pattern of development is not only inconsistent with the preservation of agricultural land but may also result in a variety of adverse impacts on visual resources, ESHA and the character of the area.

A good example of this incremental erosion of agriculture is the North Cambria Ranch project. The North Cambria Ranch is located about three miles north of Cambria and approximately one mile inland from the coast. Although this ranch had supported cattle grazing, at some point the County had issued certificates for 14 separate legal parcels that together made up the ranch (see below for discussion of this legal process). The parcels ranged from 21 to 163 acres, making them nonconforming under the Agricultural zoning of the LCP.

In the late 1980s, the owner of the Cambria Ranch proposed upgrading existing ranch roads on and to the ranch. The Commission issued an administrative permit for a portion of the road, based on representations from the applicant that the road was “necessary to support an existing cattle operation” (see 4-87-288). The County also approved a road project, although great controversy surrounded the approval, which was perceived by some as the development of a road to facilitate residential development on the ranch (4-SLO-90-103).⁴⁰ The project was appealed to

⁴⁰ The project was also controversial because of the proposed use of mine tailings for the road base. Historically there had been some mining activities on the Ranch at the end of the 19th century.

the Commission. The Commission found that no substantial issue was raised by the project (A-4-SLO-90-037).

It was well understood that the road project had implications for future impacts to the ranch through residential development. The EIR for the road analyzed potential visual impacts to Highway One, impacts to environmentally sensitive habitat and agriculture. Significantly, the EIR discusses the evaluation of the Department of Agriculture which concluded that there would be no loss of prime, flat agricultural land, and that conflicts between grazing uses and future residential uses would probably be minimal. The Department also concluded, though, that the “the ability to lease the entire ranch for a rangeland cattle operation would be reduced or eliminated with the sale of individual parcels” and, as summarized by the EIR, “that none on the individual parcels on their own would be considered a viable agricultural unit.”

The County’s approval of the road project did have a condition that limited future residential development on each to one single primary residence, and prohibited secondary residences, guest houses, or farm labor quarters. The permit did not, however, clearly prohibit subdivision of the parcels, although the permit restrictions on future residential development could be interpreted as not allowing such future land division. Since the road project, at least seven residential projects and one lot-line adjustment have been approved on the Ranch (see Map 5-B).

One lesson taken from the Cambria Ranch case is the importance of comprehensively evaluating and planning for potential development in rural areas, particularly when non-conforming parcels may exist that could undermine the purpose of Agricultural zoning. In general, the number of these non-conforming parcels in the urban areas of San Luis Obispo is, by and large, a known quantity. Cambria for example requires a current minimum parcel size of 6000 square feet for any new land division in the urban area but has many hundreds of smaller non-conforming parcels, typically 1750 square feet (see Chapter 2 for detail). Because the number of non-conforming parcels is known in Cambria, their impact can be analyzed and the LCP includes a variety of programs and policies to mitigate their effect.

The number of non-conforming parcels in the rural area, though, is not known with the same degree of certainty as in Cambria, thus the LCP cannot analyze the impacts as closely. Nor does it contain comprehensive strategies for mitigating the effect on agriculture and other coastal resources caused by development on these non-conforming parcels. In effect, the impacts of these non-conforming parcels are dealt with on a case by case basis using a limited arsenal of planning and legal tools. Projects may also be piece-mealed, as lots are adjusted, roads developed, and individual residences built, thus making it difficult to assess the cumulative impacts of development. Indeed, one of the findings in the EIR for the Cambria Ranch project was that the future build-out of the ranch to residential uses was not a significant impact to agriculture within the context of the entire agricultural value of the County. These finding could be made potentially for any individual project, ultimate leading to the cumulative loss of agricultural land without comprehensive analysis.

Given the limited policy and legal resources to address this issue the County, and occasionally the Commission on appeal, have done reasonably well in reducing the impacts of development of

these lots on agricultural use, however, more agricultural land has been lost than might have been had a more effective set of policy requirements been in place to address this issue. At the end of this issue discussion, various options are presented to respond to this problem as well as related concerns having to do with certificates of compliance and the lot-line adjustment process, discussed below.

Certificates of Compliance

The Subdivision Map Act provides the method for determining the legal status of parcels of land through the issuance of formal certificates (Government Code Section 66499.35). Basically, there are two kinds of certificates that may be issued. The first type is a *Certificate of Compliance* (COC). This Certificate is issued by the local government, at the request of the landowner, if the local jurisdiction is satisfied by the evidence presented that the parcel in question did in fact meet the legal requirements in effect at the time the parcel was created.

A good example of where a regular Certificate of Compliance might be issued is the case of an owner of a 1750 sq. ft. lot in the subdivided Lodge Hill area in Cambria that might be concerned about the legality of his or her lot and, because of this, might request a Certificate. The evidence would be that the lot in question is depicted on a tract map filed with the recorder in 1920 and at that time, the filing of a map was all that was needed to effect a subdivision of land. Therefore, a Certificate of Compliance does not create a new, legal lot it simply confirms the existence of an already, legal lot.⁴¹ In order to determine whether a request for a Certificate of Compliance should be approved though, the County must be familiar with the requirements for legal subdivision for any time period over the last hundred and fifty years and ensure that the evidence submitted to support the claimant's request meets the appropriate criteria. This requires substantial skills and knowledge of conveyancing, law at the time, interpretation of deeds and the ability to read and follow a property description. Without this skill/training, COCs can be issued in error.

According to data submitted by the County, San Luis Obispo has processed approximately 363 COCs for properties in the coastal zone since LCP certification. These approvals are not reported to the Commission. This is because the LCP does not require public notice of these, citing the Subdivision Map Act Section 66499.35(a) conclusion that the issuance of a straight COC is a ministerial act (LCP Ordinance 21.02,020(c)(2)). The LCP also does not include COCs within the definition of "subdivision development," although conditional COCs, discussed below, are defined as such (see 21.08.020(a)).

In addition, because of the lack of notice and review, the Commission cannot know how many COCs, if any, were issued in error or if a standard analytical methodology is consistently used by

⁴¹ Another typical example would be when the County actually requires the recordation of a certificate of compliance for newly configured lots as a condition to an approved lot-line adjustment or lot merger. The certificate is unconditional because the real property was "created" through a legally-circumscribed process, consistent with the Subdivision Map Act. Thus, the issuance of certificate of compliance is merely recognizing the legal existence of the newly defined property. Data collected from reported CDPs show 46 cases where certificates were required to be recorded as a condition of approval for the project (for example, 28 lot-line adjustments). A majority of these were certifying lots in urban areas such as Cambria and Cayucos.

a qualified analyst. The legalization of a parcel (usually a non-conforming parcel) is sufficiently significant that each request should be subject to sufficient analysis to ensure that only eligible parcels receive a certificate.

Many of the COCs issued by the County since certification were for parcels in urban areas. These raise less of a concern for coastal resource protection or may even reflect positive development trends, such as the merger of small parcels in Cambria. Because of the potential significance of certified parcels for cumulative development patterns, though, particularly in rural areas, options should be considered that would assure that Certificates of Compliance are issued only for parcels that are truly entitled to these documents.⁴² Enhanced coordination between the County and Commission could also take advantage of mutual staff resources to improve the COC review process. Such options could include:

- Preparation and use of a manual by the County and Commission that states what the applicable requirements were for subdivision for the period between 1850 and the present. Update annually.
- Train County and Commission staff to adequately analyze evidence given to support claims (interpret law applicable at the time parcel was created, interpret deeds, maps, follow legal descriptions of property and be familiar with various forms of property conveyance (Director's deeds, severances in eminent domain, etc.)
- Require written staff reports to be approved by the Planning Director that support the recommendation to issue a COC; such reports should be noticed to the Commission to allow for coordinated legal review and Commission comment, within the timeframes of the County's review process, prior to Director approval.

The second type of certificate is a Conditional Certificate of Compliance (CCOC). These certificates may be issued by local jurisdictions to legalize a parcel that was not created in accordance with the applicable regulations in place at the time it was created. In this case, a new, legal parcel is being created and the local government has more discretion in issuing these certificates. If the original subdivider is the applicant, the local government may impose any conditions on the certificate that would have applied to the land division at the time the parcel

⁴² The Morro Bay Limited residential lot-line adjustment proposal is a good example of why thorough and detailed review of COCs is necessary. The agricultural land in this area was used as a single agricultural operation – “Middle Ranch”. The historic Middle Ranch, though, was effectively subdivided through the legal recognition of eight developable albeit non-conforming parcels. Written evidence was presented to the County that established the presence of multiple parcels, ranging in size from 1.4 acres to 318 acres, on the ranch that did not conform to the required minimum lot size of 320 acres that would typically apply on such grazing lands. This evidence consisted primarily of deeds of sale describing individual pieces of property that together made up the larger Middle Ranch. Although these parcels had been in single ownership for some time, there is no discretion to not provide them with legal recognition under the State Subdivision Map Act if they were legally created. More important, once certified, it is difficult to limit development potential on such parcels without raising questions about Constitutional property rights.

was created. The local government may also deny a Conditional Certificate of Compliance (Pescolidito v. Mendocino) in certain circumstances. It is unclear, because it has not been tested in court, whether a local jurisdiction can refuse to accept an application for a Conditional Certificate of Compliance and instead pursue the resolution of the creation of an illegal parcel through their enforcement authority – as a violation of regulations in effect at the time the parcel was created.

As mentioned, because of the administrative discretion involved in issuing CCOCs, they are required to be noticed to the Commission under the LCP. CCOCs are also considered to be subdivision development, subject to coastal development permit requirements. The issuance of CCOCs has not contributed substantially to the number of non-conforming parcels in San Luis Obispo. According to County data, since 1978 approximately 30 CCOCs have been issued in the coastal zone, including parcels in urban and rural areas. Nonetheless, the issuance of CCOCs can cumulatively erode the preservation of agricultural land as nonconforming parcels are recognized and developed. It is important, therefore, that any CCOCs that may be issued have conditions that maximize protection of coastal resources.

One such example of CCOCs on agricultural land occurred in the Estero planning area that illustrates the issue. In 1995 the County issued conditional certificates of compliance for several lots in the Morro Creek watershed because the subdivision that had purportedly created them had not received a coastal development permit. The original parcel was approximately 173 acres, and was divided into six separate parcels. Initially, the County proposed conditions on the certificates that would have required that the parcels be increased in size to more closely approximate the minimum parcel sizes required in this agricultural area. Another condition on one parcel would have prohibited future residential uses within a riparian setback. Unfortunately, because the illegally created parcels had already been sold to persons unaware of the parcel's illegal status, it was decided by both the County and the Commission that conditioning the certificates was not equitable under the circumstances. The County did pursue notices of violation on three remaining parcels, though, that were still in the ownership of the original subdivider (see 3-SLO-96-027; 3-SLO-96-046; 3-SLO-96-047; A-3-SLO-96-046; A-3-SLO-96-060; A-3-SLO-96-061). In the end, the issuance of three CCOCs (without conditions) resulted in the creation of nonconforming agricultural parcels that could be further developed with residential uses, potentially undermining the long-term viability of the agricultural lands.⁴³

Similar to straight COCs, the LCP implementation should be strengthened to provide for more comprehensive and thorough treatment of CCOCs. In particular, a strategy for limiting and ultimately eliminating this form of parcel creation should be established. Methods for achieving this goal might include:

- Treating applications for Conditional Certificates of Compliance as violations if it is conclusively determined that a proposed parcel was illegally created.

⁴³ Notably, the County approved a lot-line adjustment for two of the lots involved in this case in February, 2000. The adjustment appears to consolidate agricultural support facilities on one parcel, and is proposed to facilitate sale of the other parcel. This parcel is no longer a viable agricultural parcel (see 3-SLO-00-104).

- Requiring the assessor and recorder to note on assessor's parcel maps and recorded maps that County approval for this parcel has not been obtained unless proof of approval is submitted with the document to be recorded or the proposed assessor map revision.

Lot Line Adjustments

Lot line adjustments (LLA) allow the owner(s) of adjacent parcels to re-configure the parcel lines to achieve a different lot pattern. The Subdivision Map Act, which provides for this procedure, states that a LLA cannot result in more parcels than originally existed, but is silent on the question of whether unbuildable lots (like a 500 sq. ft. well lot) can be made developable in the process.⁴⁴ Recent case law (73 Cal. App. 4th 231, 86 Cal. Rptr. 2d 217) has found that LLAs that essentially create new subdivisions in inappropriate areas can be denied for reasons of safety.

As with subdivisions, lot-line adjustments can significantly alter the agricultural value of rural land. They are often a primary mechanism through which non-agricultural land uses make their way into an agricultural area, as parcels are incrementally adjusted to facilitate residential and other land uses not necessarily associated with bona fide agricultural operations. It is important, therefore, to closely examine lot-line adjustment activity in agricultural areas.

As summarized in Table 5-4 (see pages 219-220), between 1988 and 1998, the County approved approximately 20 lot-line adjustments involving agricultural lands.⁴⁵ These actions did not increase the number of parcels. Nonetheless, they can significantly alter parcel sizes and thus affect the long-term viability of agriculture. Review of the County's lot line adjustments that most involve a mix of conforming and non-conforming lots. For each project, the County's actions have generally resulted in an increase in the size of one or more parcels and a subsequent decrease in size of the remaining parcel(s). For example, in FLAN 4-SLO-90-241 (Coal 89-383), the County's action resulted in an increase of a 200 acre lot to 240 acres while decreasing a 120 acre lot to 80 acres. In FLAN 3-SLO-94-007 (Coal 92-144), the County reduced two lots of 40 and 80 acres to 20 acres each while increasing a 320 acre lot to 400 acres. In two cases, it appears that the County's actions resulted in the creation of a conforming lot (FLAN 3-SLO-96-058 (Coal 95-58); FLAN 3-SLO-97-176 (COAL 97-109)). However, in each case one or more of the remaining lots decreased in size. The County's actions have not increased the number of non-conforming parcels.

⁴⁴ The County's *Guide to the Certificate of Compliance Process* states: "Although a certificate of compliance certifies [sic] the legality of the parcel, it neither ensures that it is a buildable parcel, nor entitles the parcel owner a construction permit or other development permits or approvals. To obtain a construction permit or other land use approval for a parcel, the owner must complete the appropriate application process and meet all existing regulations."

⁴⁵ This figure is based on lot-line adjustments known to affect agricultural lands only. In some actions, the plan does not identify the zoning of the parcels, and staff was unable to determine the zoning from mapping efforts.

Agriculture Policy 2 and Ordinance 23.04.024 regulate land divisions including lot-line adjustments.⁴⁶ Review of the County's lot-line actions, though, indicates that the County generally does not cite Agriculture Policy 2 or Ordinance 23.04.024 in reviewing these lot-line adjustments. Under Agricultural Policy 1 the County must assure that the lot-line adjustments do not compromise the long-term viability of agricultural lands. As previously discussed, this policy requires that agricultural lands be maintained in, or available for, agricultural production. While lot-line adjustments do not necessarily remove lands from agricultural production, they can affect the long-term use of land in ways similar to subdivisions. Specifically, lot-line adjustments can alter land patterns, emphasizing residential development or other uses, and can create parcels too small to be economically viable for long-term agricultural use. As discussed above, if the lot-line adjustments lead to an increase in rural or urban development, conflicts between urban and agricultural uses increase, and the pressure to convert remaining agricultural lands also increases.

In a number of lot-line adjustment cases reported to the Commission, the County appears to base its approval on the finding that the project makes the lot sizes equal to or better than the existing configuration.⁴⁷ However, review of the findings implementing lot line adjustments indicates that merely equalizing parcels may not be sufficient to protect agricultural lands. Generally the County had the lot line adjustment reviewed by the Agricultural Commissioner but it does not appear that full agricultural viability studies were done or other alternatives evaluated. Thus it is not clear how this "equalizing" of the parcel sizes helps protect long-term agricultural uses as opposed to other alternatives, such as creating as large a parcel as possible and reducing the smaller parcel to the minimum acreage of 20 acres, or evaluating the possibility of merging one or more parcels.

In other cases, the County has required specific measures to protect agricultural lands. In FLAN 3-SLO-94-007 (Coal 92-144), the County approved a lot line adjustment among parcels of 320, 40, 80 acres to create parcels of 400, 20, 20 acres. The County required that the 400 acre parcel be permanently protected for agriculture and prohibited secondary dwellings on each of the 20 acre parcels. While the action retains two non-conforming lots, it has specific measures to protect agricultural uses.

Review of the County's findings and appeals of projects to the Commission show several examples where lot-line adjustments appear to have increased the threat of conversion of agricultural lands to non-agricultural uses. In FLAN 3-SLO-97-008 (Coal 91-69), the County planning staff rejected a lot-line adjustment of grazing land on the Estero Bluffs because of conflicts with LCP policies. The County's Board of Supervisors approved the project, though changing two lots of approximately 40 acres and 90 acres to two lots of approximately 63 and 66 acres. The County's findings state:

⁴⁶ Under Section 21.08.020(a) of Title 21 of the County LCP subdivisions include lot line adjustments.

⁴⁷ For example, in FLAN 4-SLO-89-315 (Coal 89-40), the County modified the parcels by only 20 acres, resulting in parcels of approximately 180 and 654 acres. In FLAN 4-SLO-89-006, the County's action resulted in lots of 420 and 60 acres.

In this case the lot line adjustment is being proposed to enhance the property for rural residential development, not enhancement of agriculture. These parcels are fragments of larger agricultural land holdings that would otherwise be difficult to sell for development. By reconfiguring the parcels, they become much more developable as two separate parcels...

This finding seems to suggest that directly contrary to the required findings to maximize agricultural value, the approval is premised on maximizing the development potential of the land for residential development. Fortunately, this parcel has now been acquired for scenic and open space preservation.

In FLAN 3-SLO-93-065 (Coal 90-137), the County approved a lot-line adjustment to serve future residential development (which has not yet occurred). The project approved a lot merger from four lots to three, decreasing the acreage of two lots and increasing the acreage of one. While the County's findings state that there is no commercial viability for agriculture (lots are around 5 acres each), the findings note that the land is currently used for grazing. The viability report done for the proposed lot-line adjustment indicates a potential for significant impacts from future residential use. The report recommends fencing and buffers to mitigate the impacts. Although the land remains zoned as agriculture, the effect of the project will be to exclude grazing from the entire 15 acres of land. As discussed previously, this project represents a case where legal lots exist that do not conform to agricultural zoning standards (in this case 5 acre parcels well below the 320 acre grazing minimum); the County has little flexibility to prevent residential development in such situations. The question for evaluation then becomes what configuration of the nonconforming parcels would best maintain agricultural land uses. No new development has occurred yet on these lands, but these two actions could have resulted in a potential loss of approximately 144 acres of agricultural land to residential use. The lands subject to these two actions were probably (and still are) viable grazing lands, and conversion to other uses would not be in conformance with the LCP policies. Clarification that lot line adjustments must comply with agricultural viability analysis may help assure long term protection.

Table 5-4: Lot Line Adjustments on Agricultural Lands

FLAN	Ag Use, if known from Flan	Initial Lot Sizes (acres)	Final Lot Sizes (acres)	Planning Area	Rational for Approval
4-SLO-89-006 (S870232L)	row crops	160.8, 673.5	180.3, 654	North Coast	equalizes area among parcels
5-SLO-89-021 (Coal 88-094)	grazing	59.5, 80, 160	60, 106.5, 133.1	North Coast	equalizes area among parcels
4-SLO-89-315 (Coal 89-040)	grazing	440, 40	420, 60	North Coast	equalizes area among parcels
4-SLO-90-241 (Coal 89-383)	grazing	120, 200	80, 240	North Coast	"will not worsen situation"
4-SLO-91-131 (C089399)	row crops	360	40, 320		subdivision shall maintain agricultural viability of site.
4-SLO-91-200 (Coal 90-124)	grazing, irrigated row crops	approx. 442, 206, 195, 138, 71	approx. 162, 167, 174, 372, 176	North Coast	enhances agricultural contract compliance by having one lot over 320 acres and remaining lots over 180 acres.
3-SLO-93-065 (Coal 90-137)	grazing	.5 (rec), 5, 5, 5	4.8, 3.4, 6.4	North Coast	conditions minimize potential impacts to insignificant levels ⁴⁸
3-SLO-93-069 (Coal 92-153)		N/A	N/A	Estero	
3-SLO-93-084 (CO 90-164)		233	213, 20	South Coast	
3-SLO-93-124 (Coal 89-397)	grazing	8 parcels from approx. 38 to 166 acres	8 parcels from approx. 39.5 to 226 acres	North Coast	establishes maximum building sizes for each parcel and leases remaining land back to Harmony Ranch
3-SLO-94-007 (Coal 92-144)		320, 40, 80	400, 20, 20		"maintains or enhances agriculture viability" compared to existing situation.
Coal 94-130 (A-3-SLO-99-014)					Info N/A
3-SLO-96-027 ⁴⁹ (C95-017)		173	6 parcels from approx. 23 to 35 acres	Estero	

⁴⁸ Conditions include disclosure of agricultural activities to future buyers, construct perimeter fence to keep pets away from agricultural activity; setback future residential structures. Findings note that fencing may keep cattle from grazing on approximately 15 acres, but is not considered significant.

⁴⁹ This action is for certificates of compliance for two lots of six on a 173 acre parcel. The owners proposed to subdivide the parcel prior to Coastal Commission jurisdiction. However, the subdivision was not vested, and the applicants have not applied for a permit to either the Commission or the County. The Commission appealed several of the certificates of compliance, but has not completed action on them.

*Periodic Review of the San Luis Obispo County LCP
Preliminary Report
February 2, 2001
(As revised to incorporate errata/clarifications of the July 12, 2001 action)*

FLAN	Ag Use, if known from Flan	Initial Lot Sizes (acres)	Final Lot Sizes (acres)	Planning Area	Rational for Approval
3-SLO-96-058 (Coal 95-058)	grazing	10, 24, 30, 80, 118, 225	20, 48.9, 48.9, 48.9, 320	Estero	improves situation by merging six lots into five.
3-SLO-96-107 (Coal 96-044)	grazing	approx. 161 and 672	approx. 181 and 652	North Coast	improves by increasing size of smaller parcel. Purpose of lot line to facilitate use of land areas by respective property owners and make parcel boundaries correspond to topography; changes due to court judgement in boundary dispute.
3-SLO-97-008 (Coal 91-069)	grazing	39.61, 89.65	63.04, 66.22		equalizes area between parcels. "In this case the lot line adjustment is being proposed to enhance the property for rural residential development, not enhancement of agriculture. these parcels are fragments of larger agricultural land holdings that would otherwise be difficult to sell or development. By reconfiguring the parcels, they become much more developable as two separate parcels..."
3-SLO-97-015 (Coal 96-030)		42, 46	42, 46	Estero	
3-SLO-97-160 (Coal 95-096)	grazing	1,111 ⁵⁰	407, 320, 383	Estero	"maintains equal or better position"
3-SLO-97-176 (Coal 97-109)	irrigated crops; vineyard; grazing	37, 40, 7, 41	37, 20, 20, 48		"maintains equal or better position". Increases size of parcels on land better suited for agriculture.
3-SLO-98-121 (Coal 97-0141)	grazing	160, 120, 40	200, 40, 80		Doubles 40 acre to enhance existing grazing operation.

⁵⁰ Insufficient data from FLAN to determine original parcel sizes. Applicant maintains six original parcels; County maintains three original parcels.

The most troubling lot-line adjustment project to be approved, though, is the Morro Bay Limited project on the Harmony coast. In appeal A-3-SLO-99-014 (appeal of Coal 94-130, Morro Bay Ltd.), the Commission found that the County had approved a lot line adjustment that was inconsistent with LCP Agriculture Policies 1 and 2 “because it convert[ed] more agricultural land than necessary to accommodate residential development”.⁵¹ In its action, the County approved a lot-line adjustment among 10 parcels of grazing land, ranging from 1.39 acres to 318.41 acres, to eight residential parcels, ranging from 20.9 acres to 54.9 acres and two agricultural parcels, ranging from 243.8 to 226.4 acres. Although all of the original lots were non-conforming lots, the County’s action further reduced the largest parcel sizes. The County’s action would have converted approximately 270 acres of grazing land to residential use. On appeal, the Commission reduced the size of the eight residential parcels to range between 20 and 39.06 acres; further limited residential development on each parcel, ranging from .23 acres to 1.92 acres (total of 10.69 acres); and required the combination of the two agricultural parcels into one parcel of 542.08 acres. As a result, the amount of agricultural land converted was significantly reduced, and the main agricultural parcel complies with the minimum parcel size established in the LCP.

The lot line adjustment procedure is thus a double-edged sword. It can be used in a manner that allows the loss of agricultural land but it can also be used to preserve the maximum amount of agricultural land where there are a number of non-conforming lots in common ownership. Lot line adjustments in this case can mitigate the effects of poorly configured, but legal parcels by maximizing the size of an agricultural parcel and minimizing the size and impacts of the non-agricultural lots. Recommended changes to the LCP to achieve this goal are as follows:

- Require Lot-line adjustments to maximize the size of an agricultural parcel(s), while minimizing and clustering non-agricultural parcels. Allow parcels intended for non-agricultural use to be less than the 20 acre minimum parcel size for agricultural lands.
- Require all Lot-line Adjustments to identify access roads and building envelopes.
- Limit building envelopes to a reasonable size that minimizes potential resource impacts, such as 5000 square feet, including landscape and accessory buildings.
- Condition LLAs in a manner that requires all areas outside of designated building envelopes to be placed in agricultural/open space easements.
- Adopt new lot-line adjustment standards that limit the ability to create new subdivision potential or increase the number of developable parcels (see Recommendation section below for detail).

⁵¹ Coastal Commission findings for A-3-SLO-97-014. pg. 24.

Consistency Analysis: Sections 30241 and 30242 require that the maximum amount of lands be maintained for agricultural uses. Overall, the County has not significantly increased the number of non-conforming lots as a result of new subdivisions or lot-line adjustments, and has in several cases brought a non-conforming lot into compliance with the minimum parcel sizes under the LCP in order to further protect of agricultural lands. Additional nonconforming lots have been recognized though through the certificate of compliance process. In other cases, the County appears to have authorized lot-line adjustments to support residential uses, rather than protecting the agricultural uses of the land. In these cases, the County's actions do not strictly comply with Agriculture Policy 1 and 2 of the LCP. The cumulative effect of future additional subdivisions, lot-line adjustments, and certificates of compliance could significantly change land use patterns, decrease overall parcel sizes, and may decrease the overall long-term viability of agricultural lands, inconsistent with the Coastal Act. More generally, County findings do not typically address the long-term viability of agriculture as a result of approved subdivision, lot-line adjustments, or certificate of compliance actions. Improving the County's analysis of agricultural viability in future projects would better assure consistency with the Coastal Act objectives.

Preliminary Policy Alternatives: As with the issue of rezoning of lands discussed in Section C.1, there is a need to ensure that County findings for projects proposed on agricultural lands fully address the existing LCP standards. There is also a need to strengthen the LCP to better address the problems discussed above, particularly development trends on non-conforming agricultural parcels. For subdivision proposals on agricultural lands, including lot-line adjustments, the County should ensure that its findings specifically address the criteria under Agriculture Policy 2 of the LCP.

The County is in the process of considering changes to two Area Plans that may begin to address these concerns, including modifying and adding policies governing subdivisions and lot-line adjustments on agricultural lands. In the North Coast, the County's modifications propose that applications for land divisions and lot-line adjustments in Agriculture and Rural Land categories, include an Agricultural viability report.⁵² For lot-line adjustments involving three or more parcels, the County proposes that parcel lines be "configured to maintain and enhance agriculture viability, while discouraging conversion of the property from agriculture to residential as the principal use".⁵³ The modifications also require findings to show that the "resulting parcel configuration and potential ownership pattern, together with the use of easements, maintains and potentially enhances agricultural viability" and that "the resulting parcels and potential non-agricultural uses will not have an adverse impacts (including on water availability) on the continuance of agriculture in the surrounding area".⁵⁴

⁵² Proposed Policy 23, North Coast Update, January 2000. pg. 7-12

⁵³ Proposed Policy 24, North Coast Update, January 2000. pg. 7-12

⁵⁴ San Luis Obispo County Department of Planning and Building. *North Coast Area Plan Update*. January 2000. pg. 7-12-13.

In addition, the proposed North Coast Update would broaden existing Policy 1 (Rural Area Standards) that currently governs land divisions only on Hearst Ranch to be a more general policy regulating land divisions and lot line adjustments on agricultural lands for all of the North Coast. The proposed policy provides, in part:

Except for division necessary for the continued operation of existing public works or services, such as Highway One, or where the land division is brought about in connection with the purchase of such land by a public agency for public recreation use, any land division proposed in the Agriculture Category shall satisfy the following criteria: ...each resulting parcel from the division shall constitute an individually viable agricultural unit or the division shall improve the viability of adjacent holdings; applications for any land divisions or lot line adjustments, shall include an agricultural viability report ...

In the Estero region, the County proposes modified policies to govern lot-line adjustments in rural areas for applications involving two or more parcels to require an agriculture viability report if viability is determined to be an issue and to address protection of sensitive site features and agricultural lands. For example, the update proposes:

In order to protect sensitive site features ... or maintain or enhance agricultural viability, lot line adjustments may include parcels whose sizes are below the minimum sizes for the applicable land use category as specified in the CZLUO. In that case, such proposed parcels and resulting development shall be concentrated in the least sensitive and least agriculturally viable areas, while the remaining larger parcel(s) ... permanently protect the identified sensitive features and viable agricultural land.

In the Agriculture land use category, parcel lines shall be configured to maintain or enhance agricultural viability, while discouraging conversion of the property from agriculture to residential as the principal use.⁵⁵

Additional provisions may be needed. For example, to fully ensure the protection of agricultural viability, standards should be established for the entire coastal zone of the County. Lot-line adjustments, including those of fewer than three lots, should be authorized *only* when the proposal maintains or enhances agricultural viability. In those cases where the development of nonadjusted nonconforming lots would have a greater impact to agricultural land than if lots were adjusted, the adjustment should be the minimum necessary to allow for private development while maximizing agricultural protections. In addition, to determine the effect of lot-line adjustments on agriculture viability, a viability analysis should be done for all subdivisions and lot-line adjustments on agricultural lands.

⁵⁵ San Luis Obispo County Department of Planning and Building. *Estero Area Plan, Public Hearing Draft*. February 1999. pg. 7-30.

Another protection that should be implemented is a standard to assure that lot-line adjustments do not result in the creation of any new subdivision potential of agricultural land, and that there is no increase in the number of developable parcels over that number which existed prior to the proposed adjustment. Although these requirements are certainly implicit in the LCP's existing policies and standards to maximize protection of agriculture, more explicit policy language and requirements are needed. Sonoma County has adopted an ordinance that places these limitations on lot-line adjustments, including clarifying what constitutes a developable parcel:

Sonoma County, Sec. 26-88-190. Limitations on lot line adjustments.

(a) Notwithstanding any other provision of this code, except as otherwise provided in subsection (b) of this section, all lot line adjustments shall be subject to the following limitations:

(1) No lot line adjustment shall result in increased subdivision potential for any affected parcel;

(2) No lot line adjustment shall result in a greater number of developable parcels than existed prior to the adjustment. To be deemed a developable parcel for the purposes of this subsection, a parcel shall comply with one of the following requirements:

(i) The parcel meets all of the following criteria:

(A) The parcel has legal access to a public road or right-of-way, or is served by an existing private road that connects to a public road or right-of-way; and

(B) The parcel is served by public sewer, or the parcel, as determined by the planning director, is likely to meet the criteria for approval of an on-site sewage disposal system for a one bedroom residence, as specified in Chapters 7 and 24 of this code and in the basin plans adopted by the applicable regional water quality control board, without the use of an off-site septic easement. For the purposes of this subsection, "served by public sewer" shall mean either that a parcel is currently receiving public sewer service or that a public agency providing such service has stated in writing and without qualification that it will serve the parcel; and

(C) On parcels less than twenty-five (25) acres, the parcel is served by public water supply, or the parcel is located within an Area 1, 2, or 3 groundwater availability area as shown on Figures RC-2a to RC-2i of the general plan. Where public water service is not available and where the parcel is located within an Area 4 groundwater availability area, a well or spring yield test, as defined in Section 7-12 of this code, shall be required

to demonstrate that an adequate water supply is available on-site or off-site. For the purposes of this subsection, "served by public water supply" shall mean either that a parcel is currently receiving public water service or that a public agency providing such service has stated in writing and without qualification that it will serve the parcel; or

(ii) The parcel has an existing legal dwelling unit or had a legal dwelling unit which was destroyed by fire or other calamity within the last five (5) years.

(b)The provisions of subsection (a)(2) shall not apply to any of the following:

(1) Any lot line adjustment where all of the affected parcels are in the CO (administrative and professional office), C1 (neighborhood commercial), C2 (retail business and service), C3 (general commercial), LC (limited commercial), K (recreation and visitor-serving), MP (industrial park), M1 (limited urban industrial), M2 (heavy industrial), M3 (limited rural industrial), or PF (public facilities) zoning districts;

(2) Any lot line adjustment where all of the parcels resulting from the lot line adjustment comply with the applicable density and minimum lot size requirements of this chapter and the general plan;

(3) Any lot line adjustment where all of the affected parcels were lawfully created on or after March 1, 1967;

(4) Any lot line adjustment where all of the affected parcels are in the LIA (land intensive agriculture), LEA (land extensive agriculture), or DA (diverse agriculture) zoning districts, provided that all of the parcels resulting from the lot line adjustment are a minimum of ten (10) acres in size and the owners of those parcels all record covenants, in a form satisfactory to county counsel, prohibiting any new residential development on the parcels for a period of ten (10) years, except for agricultural employee housing, farm family housing, and seasonal and year-round farmworker housing, as allowed by the applicable zoning district;

(5) Any lot line adjustment for which an application was filed and determined to be complete by the planning department on or before March 23, 1999 provided that the application is not thereafter withdrawn, denied, or substantially revised. (Ord. No. 5154 § 1(b), 1999.)

Finally, currently, Agriculture Policy 2 and Ordinance 23.04.024(a) regulate subdivisions of agricultural lands in order to prevent the loss of viable agricultural resources. As

noted, clarifying that lot line adjustments are subject to this policy may provide additional ways to improve the County's protection of agricultural resources. As analyzed above, though, there are many different land use trends and planning aspects that may combine to undermine agricultural protections. Therefore, the County should consider adding a new set of policies that more comprehensively addresses these concerns. Potential policy options include:

Preliminary Recommendation 5-4: Develop a new LCP policy/ordinance to address development in Agricultural Areas. As discussed, a comprehensive evaluation of existing policies and ordinances and possible modifications should be completed to accomplish the following:

- Clarifying that Land Division requirements apply to Lot-line adjustments.
- Assuring that Lot-line adjustments maintain and enhance agricultural viability. Lot-line adjustments, including those of fewer than three lots, should be authorized *only* when the proposal maintains or enhances agricultural viability through easements, buffers, and other conditions to protect future agricultural activities and land uses. In those cases where the development of nonadjusted nonconforming lots would have a greater impact to agricultural land than if lots were adjusted, the adjustment should be the minimum necessary to allow for private development while maximizing agricultural protections.
- Require Lot-line adjustments to maximize the size of an agricultural parcel(s), while minimizing and clustering non-agricultural parcels. Allow parcels intended for non-agricultural use to be less than the 20 acre minimum parcel size for agricultural lands.
- Prohibit Lot-line adjustments from creating new subdivision potential or increasing the number of developable parcels over those existing prior to the lot-line adjustment proposal. Evaluate original purpose of parcels and the applicant's economic-backed expectations.
- Require all Lot-line Adjustments to identify access roads and building envelopes.
- Limit building envelopes to a reasonable size that minimizes potential resource impacts, such as 5000 square feet, including landscape and accessory buildings.
- To determine the effect of lot-line adjustments on agriculture viability, a viability analysis should be done for all subdivisions and lot-line adjustments on agricultural lands.
- Ensure that all geographically contiguous parcels in common ownership are addressed through comprehensive evaluation at LLA stage.

In addition, incorporate similar provisions in Area Plans for North Coast and Estero Area Plans and apply them to applications involving two or more parcels.

Preliminary Recommendation 5-5: Consider standards to govern existing non-conforming lots in agriculture.⁵⁶ Pursue policies and programs to provide for more comprehensive treatment of nonconforming agricultural parcels, including: obtaining a count of the number of non-conforming parcels in the rural area by Planning Area; revising the agricultural standards to require maximizing the agricultural potential of non-conforming parcels by clustering non-agricultural uses; defining maximum building/landscaping envelopes such as 5000 square feet; minimizing road construction; and so forth.

Preliminary Recommendation 5-6: Explore adopting a merger ordinance for non-conforming Agricultural parcels, as provided in the Subdivision Map Act.

Preliminary Recommendation 5-7: Pursue policies and programs to address the issuance of COCs and CCOCs including the following:

- Preparation and use of a manual by the County and Commission that states what the applicable requirements were for subdivision for the period between 1850 and the present. Update annually.
- Train County and Commission staff to adequately analyze evidence given to support claims (interpret law applicable at the time parcel was created, interpret deeds, maps, follow legal descriptions of property and be familiar with various forms of property conveyance (Director's deeds, severances in eminent domain, etc.)

⁵⁶ One option in reviewing lot-line adjustments is to encourage lot mergers to increase the size of agricultural lots. Agriculture Policy 6 states:

In some portions of the coastal zone where historical land divisions created lots that are now sub-standard, the Land Use Element shall identify areas where parcel under single contiguous ownership shall be aggregated to meet minimum parcel sizes ... This is particularly important for protection of prime agricultural land made up of holdings of small lots, that would not permit continued agricultural use if sold individually.

The South Coast Area Plan also includes a program where the County should "seek property owner's consent to revert to acreage parcels in contiguous ownership that are individually less than 40 acres." Review of parcel data shows a number of potential cases where lot mergers could result in conforming parcel sizes, or could bring existing parcel sizes significantly closer to the minimum parcel sizes in the LCP. In these cases, two or more agriculturally zoned lots lie adjacent to each other, and appear to be under one owner. Actively encouraging these lot mergers could help address concerns with some of the existing non-conforming lots, and could help protect agricultural resources in the county. Consideration of potential incentives for encouraging such mergers is needed.

- Require written staff reports to be approved by the Planning Director that support the recommendation to issue a COC; such reports should be noticed to the Commission to allow for coordinated legal review and Commission comment, within the timeframes of the County's review process, prior to Director approval.
- Update Table O to define CCOCs as an appealable conditional-use (see Chapter 12, Procedures).

C.3. Effect of Non-Agricultural Uses on Agricultural Lands

Non-agricultural uses on agricultural lands can affect the long-term viability of agriculture. While significant areas of agricultural lands in the coastal zone have not been converted to non-agricultural uses, such uses have been allowed. To ensure the future protection of agriculture, the LCP policies governing supplemental uses should be strengthened.

Overview: Discussions with local farmers in San Luis Obispo County indicate an increasing trend of non-agricultural land uses in agricultural areas in San Luis Obispo County. It is likely that demand for these supplemental uses (e.g., wine tasting rooms, event sites for weddings or concerts, bed and breakfasts, etc.) will continue to grow. While such uses may be allowable to provide additional income, if necessary, to help support the long-term agricultural use of lands, these non-agricultural uses can also lead to conflicts with other agricultural uses. Examples of these conflicts include increased traffic on roads, conflicting with agricultural activities and increasing damage to farms, and, where farming activities create noise and dust, conflicts with event activities. In conjunction with increasing residential uses in rural areas, the development of these non-agricultural uses can begin to alter the land uses of an area away from agriculture to a more residential or commercial environment that undermines the fundamental agricultural character of an area.

LCP Implementation: The LCP allows for non-agricultural uses on agricultural lands, when a continuation of agriculture is not feasible without some supplemental uses. Table "O" of the LCP governs what uses are allowed on agricultural lands in the coastal zone; these uses are summarized in Table 5-5, next page.

Several of the area plans further limit the supplemental uses allowed on agricultural lands. The San Luis Bay area plan limits uses on agricultural lands to: agricultural accessory structures; crop production and grazing; animal raising and keeping; soil dependent nursery specialties; farm support quarters; single family dwellings; mobile homes; temporary dwellings; roadside stands; temporary or seasonal retail sales; pipelines and power transmissions; and water wells and impoundments.

Several of the allowable uses under Table O have been added to the LCP through various amendments. Since original certification of the LUP in 1983, the Commission has

approved amendments to allow the following uses on agricultural lands: “Eating and Drinking” and “B&B Facilities” on non-prime soils where there is an existing, conforming visitor serving use; greenhouses engaged in agricultural research; receiving and processing of green material (composting); and mining on non-prime agricultural lands in the North Coast and Estero areas (Amendments 1-96, 2-84). The Commission also denied an amendment to include non-soil dependent greenhouses as an allowable use on agricultural lands and denied mining as an allowable use in the San Luis Bay and South County areas (Amendment 1-84). The Commission found that mining would conflict with the more intensive agricultural uses in the San Luis Bay area and the South County. In the northern part of the County, the Commission found that mining was limited to rock quarries and gravel mining, generally on land least desirable for agriculture, and would not conflict with the less intensive agricultural activities in the area.

Table 5-5: Allowed Uses on Agricultural Lands*

Category of Use	Allowed on Prime Soil	Allowed on Non-Prime Soil
Principally Permitted	Crop production, grazing, coastal accessways	Crop production, grazing, coastal accessways
Allowed		Passive Recreation, Fisheries and Game Preserves, Forestry, and Storage units which support agricultural uses.
Special Uses (allowed only if special standards for each use are met)	Single family residence, caretaker residence, farm support housing, home occupation , mobile homes, temporary dwellings , residential accessory uses , water wells and impoundments , ag accessory structures ; ag processing; soil dependent nursery specialties ; specialized animal facilities; airfields and landing strips; pipelines and transmission lines; public utility facilities.	Single family residence , caretaker residence, farm support housing , home occupation , mobile homes , temporary dwellings , residential accessory uses , water wells and impoundments , ag accessory structures ; ag processing; animal raising and keeping, aquaculture, farm equipment and supplies, soil dependent nursery specialties ; non- soil dependent nursery specialties; specialized animal facilities ; communication facilities, rural recreation and camping, temporary events, electric generating plants, food and kindred products, paving material, recycling and collection centers public safety facilities, stone and cut stone products, waste disposal sites, , mining, petroleum extraction, eating and drinking places, outdoor retail, roadside stands, temporary construction yards, Bed and Breakfast facilities, temporary

Category of Use	Allowed on Prime Soil	Allowed on Non-Prime Soil
		construction trailer parks, airfields and landing strips; pipelines and transmission lines; public utility facilities warehousing, wholesale and distribution.

* Table O identifies uses in **bold** as special uses which are principally permitted (S-P).

The South County area plan limits uses on agricultural lands in the Nipomo and Oso Flaco Valleys to agricultural processing; agricultural accessory structures; crop production and grazing; animal raising and keeping; farm labor quarters; residential accessory uses; single family dwellings; mobile homes; temporary dwellings; roadside stands; pipelines and power transmission; water wells and impoundments; and coastal accessways.

To authorize a supplemental use identified in Table O, the County must ensure that any non-agricultural development is “compatible with preserving a maximum amount of agricultural use” (Agriculture Policy 3). Priority is given to those commercial recreation and low-intensity visitor serving uses identified in Table O (Agriculture Policy 3; Ordinance 23.04.050 (b2)).

While Policy 3 states that “no development is permitted on prime land”, the LCP also establishes criteria for cases when supplemental uses could be permitted on prime lands. To do so, it must be demonstrated that “all agriculturally unsuitable land on the parcel has been developed or has been determined to be undevelopable” (Policy 3 and Ordinance 23.04.050 (6)). If the County approves a supplemental use on prime soils, it must also find that no alternative project site exists and that the least amount of prime soils possible will be converted.

In addition, the LCP requires that the following criteria are met for permitting non-agricultural development on agricultural lands:

- economic studies of existing and potential agriculture which show that continued or renewed agricultural use is not feasible without the proposed supplemental use;
- the proposed use will allow for and support continued use of the site as a productive agricultural unit;
- will not adversely affect agricultural uses on the remainder of the site or surrounding properties;
- supplemental uses shall not exceed 2% of the gross site area; and
- the remainder of the parcel shall remain in agriculture. (Policy 3 and Ordinance 23.04.050 (6)).

When considering non-agricultural uses in rural areas a significant concern is the economic effect of these uses, and the resulting pressures that can erode the viability for

agricultural practices. For example, in its 1998 discussion of potential visitor-serving development on North Coast grazing lands, the Commission expressed concern about conversion pressures created through the introduction of such non-agricultural uses:

*Once in place, non-agricultural development will exert pressure on the surrounding land to convert to non-agricultural uses, as is typically the case for agricultural lands that are encroached upon by urban uses. Conflicts between urban and agricultural uses inevitably follow. . . . If the visitor-serving uses turn out to be profitable, the market value of the land adjacent to those uses may increase. Expansion of the visitor-serving uses (or different related facilities...) will then become more economically feasible.*⁵⁷

The Commission has also been concerned over the impact of supplemental uses on agricultural lands in other jurisdictions of the coastal zone. In an appeal in Mendocino County, the Commission reviewed a project for a visitor-serving development on agricultural lands. The Commission noted that “allowing a visitor-serving facility ... may encourage other visitor-serving uses on the parcel or on other nearby agricultural parcels”.⁵⁸

Review of Local Permits: Review of County notices of final action shows that the County has approved an estimated 92 permits for non-agricultural development on agriculturally zoned land between 1988 and 1998.⁵⁹ A large number of the development approved was for residential uses. Between 1988 and 1998, the County approved approximately 54 new residences on agriculturally-zoned lands in the coastal zone.⁶⁰ All of these units were approved in either the North Coast (23) or Estero (31) planning areas.

Other development on agricultural lands includes commercial projects, public works facilities, road grading, and erosion control rip-rap projects. Again, most of these projects occurred in the North Coast and Estero Planning areas; the public works and commercial development projects approved in the North Coast and Estero planning areas are summarized in Table 5-6 following. There has been significantly less development on agricultural lands in the San Luis Bay and South County planning areas since 1988.

Table 5-6: Non-Agricultural Uses (non-residential) Authorized on Ag Lands

North Coast	Estero
-------------	--------

⁵⁷ California Coastal Commission. Findings for LCPA (North Coast Area Plan Update). January, 1998. pg. 110.

⁵⁸ California Coastal Commission. Commission adopted revised findings for A-1-MEN-98-17 and A-1-MEN-98-17-A. Sept 9, 1998 and Oct. 16, 1998.

⁵⁹ This figure excludes all agricultural wells and accessory structures such as barns and storage sheds.

⁶⁰ This figure is limited to *new* residential units, and excludes expansions and/or remodels of existing units.

7 Public Works (cellular transceiver unit; communication tower; wastewater plant modifications; desalinization plant; road realignment; bridge repair)	5 Public Works (bridge repair; water treatment plant; water distribution facility; road realignment)
6 Commercial (home business; horse stables; tent cabins; winery)	9 Commercial (stables, agricultural sales, shooting range, vet clinic, cellular transmission building; cellular antenna)
	Expansion of Aquaculture Facility

As noted above, both these area plans are more restrictive in what supplemental uses are allowed on agricultural lands. In San Luis Bay, development on agricultural lands has been limited to a residential structure and a bank stabilization project to control erosion; in the South County, most non-agricultural uses are for grading associated with containment areas for petroleum facility.⁶¹

All supplemental agricultural uses must meet the criteria established under Policy 3 and Ordinance 23.04.050(6) of the LCP. It is not evident from review of many of the local actions for both residential development and other non-agricultural development on agricultural lands the extent to which the County has considered whether the proposed development complies with the required criteria. In some cases, the County makes a general finding that the project is “consistent with the general plan”. However, many County actions do not discuss the location of the proposed development, and do not specify whether the proposed development is located off of prime soils.

For most projects, the actions do not analyze whether the proposed development complies with the requirement that only 2% of an agricultural parcel be allocated to a non-agricultural supplemental use, whether the project will negatively impacts agricultural practices, and how the remaining parcel will be protected for agriculture.⁶² These criteria are all necessary to ensure that agricultural resources are adequately protected.

While some of the approved projects may only tangentially affect agricultural lands or are necessary public works (e.g., the realignment of an existing road), many of the approved projects, particularly non-residential development projects, have the potential to remove land from agricultural production. Without an adequate analysis of whether, and how, the proposed project will affect the long-term viability of agriculture, it is unclear whether the County is adequately protecting agricultural lands. As noted in the Commission’s findings on the North Coast Update, “the introduction of non-agricultural

⁶¹ This information is based on the permits that can be mapped and overlaid with AG zoning, and is a rough estimate. For each area, there are a number of permits that cannot be mapped based on the APN, so the development may or may not be on agriculture lands. And the Plan gives no indication of zoning.

⁶² e.g., FLANs 3-SLO-95-22, 3-SLO-94-98 (modifications to wastewater treatment plants); 3-SLO-96-147 (road realignment); 3-SLO-97-162 (expansion of pistol shooting range)

uses in an agricultural zone ... initiates new conflicts between incompatible uses that often set in motion of domino effect of conversion of surrounding agricultural lands”.⁶³

Review of the commercial projects approved on agricultural lands shows that generally they are on non-conforming parcels. As discussed previously, the smaller size of non-conforming parcels may make the economic viability of agriculture more difficult. However, increasing the non-agricultural uses of parcels may also affect the long-term viability of agriculture by further reducing the land available to farm and by increasing the pressure to convert adjacent agricultural parcels to other uses. To assure protection of agricultural lands, the County needs to ensure that supplemental use on a property will not detract from a basic agricultural use. The County findings generally do not discuss the need for the supplemental use, and how that use will support the long-term agricultural use of the property. This analysis is especially important for commercial and residential estate development, which can convert the use from a primarily agricultural to primarily residential and commercial use. The County does not generally cite or refer to any economic studies done to support the need for the project as required under the LCP. Discussions with the County Agriculture Commissioner also indicate that agriculture capability reports are generally not done for these supplemental use projects.

For example, this issue of whether a supplemental use is appropriate was raised on an appeal to the Commission. In local permit D950222P, the County approved the use of an agricultural parcel for a temporary event site for weddings and other gatherings. On appeal of the project, (A-3-SLO-98-025), the Commission found that the proposed use did not meet the test for allowing a non-agricultural use on agricultural lands. Specifically, the Commission found that the temporary uses could affect agricultural operations on adjacent parcels through increased traffic and interference with agricultural machinery and livestock. However, the Commission's primary concern with the project was a lack of evidence to show that existing agricultural uses were infeasible without supplemental activities.

Another good example is provided by the approval of a winery and tasting room near Harmony on the North Coast. This project (3-SLO-92-072/D910086P) was approved for a 150 acre parcel used for grazing. Under the LCP, wineries are discussed under the category "Agricultural Processing," which is considered a specialized use under Table O. This project, though, also included a tasting room, and was characterized by the staff report as a visitor-serving facility more akin to a commercial use. Under Table O, food and beverage uses are also a special use, regulated by a separate ordinance. Thus, the LCP does not clearly specify how to treat a winery with a tasting room on agriculture lands, although the County has interpreted the ordinance as not allowing a wine tasting room on Agricultural land unless it is accessory to a winery (see 3-SLO-97-165). In addition, in 3-SLO-92-072, there is no discussion of the potential impact of the "visitor-serving" use on the existing agricultural use, or on future agricultural use. In 3-SLO-97-165, also in Harmony, a winery was approved as part of an existing single family

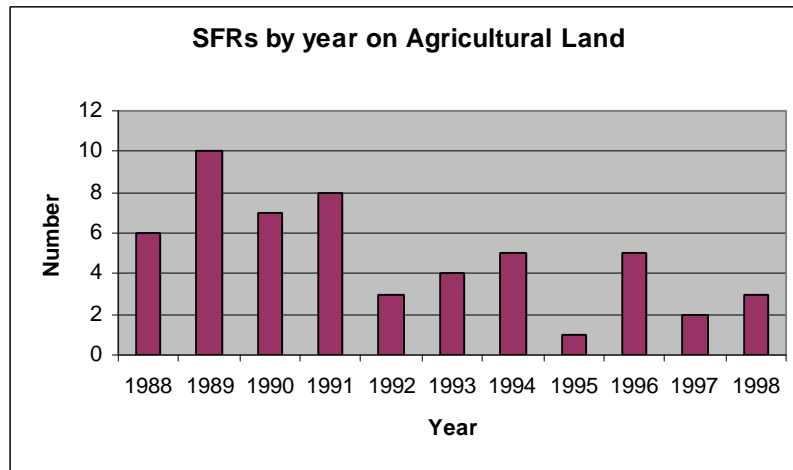
⁶³ California Coastal Commission findings. LCPA 1-97 (North Coast Area Plan Update). pg. 110.

dwelling, but only after the applicant modified the proposal to eliminate public wine tasting, due to a Caltrans requirement to improve Highway One. Again there was no analysis of the impacts of the project to surrounding agricultural uses, although in this case there was less of a concern given the size of the parcel (30 acres).⁶⁴

It should be noted that the Agriculture Policy 4 and Ordinance 23.04.050 (a) of the LCP also state that “any agricultural accessory buildings” shall not be located on prime soils, where feasible, and shall “incorporate mitigation measures necessary to reduce negative impacts on adjacent agricultural uses”. The County has granted an estimated 40 permits for agricultural accessory buildings such as barns and storage facilities between 1988 and 1998. Review of a sample of these actions indicates that, similar to the findings for residential development, the County does not always identify in its findings whether the structures are placed on prime agricultural lands, although this may be accounted for in the review process. Under Ordinance 23.04.050 (6), these agriculturally related uses are not included in the “2%” rule.

Rural Residential Development: As noted previously, of the actions reported by the County for non-agricultural development on agriculturally-zoned lands, many of the actions were for development of new residences. Lands zoned for Agriculture are allowed a primary single family residence, a caretaker unit, and farm support quarters under special conditions.⁶⁵ As shown in Figure 5-2, authorizations for such

Figure 5-2: SFRs by Year on Agricultural Land



residences on agricultural land have been fairly steady over the decade. A brief review of these actions show a variety of cases, many of which appear to be residences that may be

⁶⁴ The parcel was actually created by a subdivision in the early 1970s. See discussion of Harmony cumulative impacts in Chapter 2.

⁶⁵ CZLUO 23.08.167 and Table O.

being used principally as rural ranchettes; some are frequently larger “statement” homes – at least 15 of 54 the reported actions ranged between 3,000 and 7,500 square feet. Many are for accessory development as well, such as barns with studios, gazebos, guest houses, and swimming pools (e.g. 4-SLO-91-190). In addition, of these new residences, at least 22 (or roughly 46%) are on lots under 60 acres. There are also a number of these residences that are mobile homes, and do appear to qualify as development in support of agricultural uses. In some cases, the County has required relocation of structures to stay off of prime soils; and in at least one case, the project was conditioned to require that the mobile home only be occupied by someone engaged in bonafide agricultural uses on the property (3-SLO-92-162).

Nonetheless, there is growing concern in rural areas in the coastal zone as well as other parts of California and even other western states with residential “ranchette” development. Such development on agricultural parcels, particularly non-conforming parcels that potentially further fragment agricultural land holdings, contribute to changing the character of rural agricultural lands to more rural residential development.⁶⁶ The potential development associated with the Morro Bay Limited case discussed earlier is a good example of this trend. As discussed in Chapter 2, the cumulative transformation of the agricultural coastline can be subtle and unfold over many years. Yet the change in character of the landscape can be dramatic, ultimately leading to the de facto conversion of agricultural lands to residential uses without serious agricultural undertakings associated with them.

Non-agricultural residences can often be larger and with greater site coverage, and the site may no longer be in active agricultural use, though it might remain in open space. If not used as primary residences accessory to the agricultural use, the residents may travel to employment elsewhere, thus contributing additional travel trips on rural roads. They may even propose using a helicopter to access more remote sites, raising a variety of issues for preservation of rural character (see, e.g., Hinman, A-3-SCO-00-033, recently approved in rural Northern Santa Cruz County). While approval of individual single family residences on 20 and 40 acre agricultural parcels may individually not convert agricultural lands, (assuming that agriculture is maintained on in conjunction with these uses) cumulatively over time, as more parcels are developed with residential uses not accessory to the agricultural use, it may create a greater pressure for rezoning for rural residential subdivision. Even without such rezoning, the use of such land for bonafide agricultural pursuits becomes increasingly unlikely.

The County’s current LCP provides measures intended to discourage this type of outcome, including siting restrictions and requirements for agricultural easements over remaining parcel areas. Review of these 54 residences, though, indicates that such measures are not implemented in all cases. Protection of agricultural lands from the effects of such rural residential development is difficult. In addition to implementing the

⁶⁶ McCormick, Kathleen, *Home, Home on the Ranchette*, in Planning, American Planning Association, February 1998, page 4-8

existing ordinance measures, the County could consider additional programs to encourage merger of smaller agricultural parcels to provide more viable agricultural parcel sizes. In addition, higher standards for residential development that is not associated with on-going bonafide agricultural activities, as compared to legitimate farm worker/caretaker housing, could be incorporated into the LCP.

Consistency Analysis: The County's actions implementing the LCP have not resulted in large areas of agricultural lands converted to non-agricultural uses. However, increased residential development may be adding incremental pressure in agricultural areas, ultimately leading to potential long-term loss of agriculture. The Coastal Act allows conversion of agricultural lands if on-going agricultural use is no longer feasible. In approving the supplemental and non-agricultural uses on agricultural lands, though, the County has not fully implemented sufficient measures to determine that the land is not viable for on-going agricultural activities.

As noted above, on appeal of a recent project, the Commission found that in approving non-agricultural uses on agricultural lands, the County had not adequately protected future agricultural practices. The Commission also found the proposed supplemental uses in Amendment 1-97 (North Coast Update) would convert viable agricultural land to non-agricultural uses. These actions illustrate that expanding allowable supplemental uses on agricultural lands without more thorough analysis of effects on agricultural viability may not adequately protect agricultural lands as required by Sections 30241 and 30242 of the Coastal Act.

Preliminary Policy Alternatives: As discussed above, Policy 3 and Ordinance 23.04.050(6) establish the criteria by which supplemental uses can be authorized on agricultural lands. A more consistent and rigorous application of these criteria by the County would improve the protection of agricultural lands and prevent unnecessary conversion to other uses. The Commission recognizes, though, that not all criteria may need to be met for all supplemental uses. For example, authorization of a single family residence on an agricultural parcel should not require an economic study, but should comply with the other criteria specified in the LCP. One option may be to modify the uses allowed by Table O and Policy 3 to clarify that only priority supplemental uses such as commercial recreation and low intensity visitor-serving, are allowed, subject to viability studies. (Residential typically would not be analyzed as supplemental use necessary to support agriculture.)

Efforts by the County to continue to expand the use of Williamson Act contracts as discussed earlier could also discourage need for supplemental uses. In its recent update for the North Coast Area plan, the County proposed to limit uses allowed on agricultural lands in the Ragged Point area (proposed standard 2 in rural areas). The proposed policy restricts uses on lands northwards from Hearst Ranch to "actual agricultural and public benefit uses", with the exception of allowing residential uses and bed and breakfast

facilities on non-prime soils.⁶⁷ Although the term “public benefits” may need to be clarified, this is a positive proposed restriction of uses.

In its proposed update for the Estero planning area, the County proposes several policies that directly and indirectly address the issue of supplemental uses on agricultural lands. The proposed policies are:

Provide incentives for landowners to maintain in productive agricultural use.

Prevent further urban or suburban development, especially in areas of existing small rural lots.

For Los Osos Valley, the update also includes the following policies:

Support creation of a greenbelt adjacent to the urban reserve line to clearly define the urban edge of Los Osos, prevent urban sprawl, discourage conversion of agricultural land, and protect unique and sensitive habitat.

Promote uses such as high value crop and animal specialties on existing small parcels to help maintain the agricultural integrity of the area.

The update also includes a policy supporting a greenbelt around Cayucos, in part to maintain agricultural resources. Finally, the proposed update modifies agricultural standard 1, stating that new development is to concentrate residential and agricultural structures “off of productive agricultural lands, unless there is no feasible alternative”.⁶⁸

Other options to consider include:

Preliminary Recommendation 5-8: Developing LCP standards for large residential developments on Agricultural Land. For example, consider limiting the size of single family homes in agricultural districts to a maximum of 3,500 sq. ft. total; and limiting development envelopes to 5,000 square feet.

Preliminary Recommendation 5-9: Evaluate Table O for revisions to address non-agricultural uses. Table O should be reevaluated to clarify conditional uses on agricultural land. For example, consider defining residences that are not developed in direct support of bonafide agricultural operation to be a conditional use. Require agricultural protection easements on the parcel in conjunction with residential development.

⁶⁷ San Luis Obispo County Department of Planning and Building. *North Coast Area Plan Update*. January, 2000. pg. 7-27.

⁶⁸ San Luis Obispo County Department of Planning and Building. *Estero Area Plan, Public Hearing Draft*. February, 1999. pg. 7-39.

C.4. Addressing Impacts from Intensification of Agricultural Uses.

Overview: Addressing the environmental impacts from intensification of agricultural uses is another emerging issue in San Luis Obispo County. As noted in the background section to this chapter, the County has seen an increase in the production of water-intensive crops since the mid 1980s, which has occurred primarily inland of the coastal zone. The growth in vineyards is also raising concern, particularly when it involves the conversion of grazing lands to this more intensive use. Estimates of the growth of acres in vineyards throughout the County range from 72% to a doubling in the past decade.⁶⁹ Another estimate notes that approximately 2,000 acres of rangeland in the County is converted per year.⁷⁰ While these figures are county-wide, and most of the growth has occurred outside of the coastal zone, they illustrate an important trend in agriculture that may increase in the coastal zone in the future, and that should be anticipated by the LCP planning process.

From a Coastal Act perspective, agricultural uses and changes in these uses that intensify the use of the land can have significant impacts on sensitive resources if not managed appropriately. For example, the impacts of cattle grazing on the diversity and quality of native landscapes is well documented and an on-going matter of debate on public lands across the western U.S. Grazing can reduce the diversity and amount of natural vegetation available to support native animal species. As discussed in Chapter 3, other impacts from grazing include soil erosion and water quality concerns.

The replacement of native lands or grazing lands with more intensive agricultural uses such as vineyards or truck farms may exacerbate impacts, by further reducing the natural ecological diversity of the land committed to these uses. A well-managed vineyard or lettuce field does not look or function like the natural environment that it replaces. There may be little to no habitat value to these lands. Activities such as vineyards or other intensive crop cultivation can also lead to significant landform alternation, including dramatic impacts on the scenic character of previously grazed hillsides, or native oak woodlands.

The recent growth of vineyards in other coastal counties, including Sonoma and Santa Barbara, illustrate some of the potential concerns. In Santa Barbara County, the extent of vineyards doubled since 1996, resulting in a corresponding loss of over 2,000 oak trees.⁷¹ Although this data may not be representative of future rates of loss, it illustrates the

⁶⁹ Paso Robles Vintners and Growers Association. www.pasowine.com/vitals/economic.html; Sneed, David. *A Crush on the Environment* in *The San Luis Obispo Tribune*. May 21, 2000.

⁷⁰ Brooks, Colin, Emily Ehaton, David Newburn, Adina Merenlender. *Modeling Vineyard Expansion in California's North Coast: Developing Statistical Models and Evaluating Consequences for the Surrounding Oak Woodland Landscape*. 1999. From IHRMP North Coast Research and Extension Group web site: <http://hoplandrec-001.ucnet.net/publications.htm>.

⁷¹ Santa Barbara County Planning and Development Comprehensive Planning Division and Science Applications International Corporation. *Oak Tree Protection Program, Draft Environmental Impact Report*. December, 2000.

potential loss of native habitat. In Sonoma County, an estimated 1,660 acres of oak woodland was lost to vineyard development between 1990-1997.⁷² This loss of oak woodlands is also evident in San Luis Obispo County.⁷³ The development of vineyards also leads to habitat fragmentation and a loss of wildlife corridors, particularly through the use of fencing that precludes animal movement. A related issue to the loss of habitat is the direct legal and illegal killing of animals seen as a nuisance in the vineyards.⁷⁴

As discussed in Chapter 3 (Water Quality), other major impacts can occur to water quality from agricultural development. Landform alteration, and a loss of vegetation, increases the potential for erosion, particularly in hilly areas, and can change storm runoff patterns. For example, the change in agricultural land use from grazing on native vegetation or non irrigated crops to irrigated crops such as vineyards can also lead to water quality degradation from the use of fertilizers, fumigants, and pesticides.⁷⁵ One of the most dramatic changes that the Commission has observed in this regard is the change in crops in the Elkhorn Slough watershed in Monterey County, where the conversion of hillside orchards to more intensive strawberry farming has dramatically changed sedimentation and erosion patterns. Other agricultural land uses, such as intensified animal grazing, can create other types of serious water quality concerns, such as the recent Biotech case in Santa Cruz County, where hundreds of confined goats were leading to extremely high fecal coliform counts in adjacent water bodies. Finally, in addition to the issues discussed earlier, the establishment of commercial uses such as wineries and other food processing facilities adds additional environmental concerns through increased traffic, energy use, waste products, and other related impacts.

Changes in the intensity of agricultural land uses can also lead to increased use of water if the use of agricultural land intensifies through irrigation. As discussed in Chapter 2 (New Development), most of the water in San Luis Obispo County originates from groundwater aquifers or coastal streams. Inasmuch as a number of groundwater basins in the coastal zone are at or near overdraft, an increase in agricultural withdrawals can further impact the integrity of an aquifer. Excessive water withdrawals from coastal streams will have significant environmental effects, including impacting riparian habitat and altering stream flows, thereby potentially affecting anadromous fish.

LCP Implementation: As discussed in Chapter 3 (Water Quality), agricultural developments can have significant impacts on coastal resources, particularly when land uses intensify or dramatically alter the landscape. Non-agricultural uses on agricultural lands, such as retail sales and wine tasting rooms, can also have significant impacts (see Section C.3). In recognition of this, the LCP contains a variety of standards to address specialized agricultural uses other than crop production, such as processing facilities,

⁷² *Ibid.*

⁷³ Sneed, David. *A Crush on the Environment* in The San Luis Obispo Tribune. May 21, 2000.

⁷⁴ *Ibid.*

⁷⁵ Tom Chorneau. *Environmental Effects: Opponents Fear Loss of County's Natural Habitat*. In The Press Democrat. November 2, 1999; Eco-Rating International. Eco-survey of California Vineyards and Wineries. www.eco-rating.com/sces.html

beef and dairy feedlots, and farm equipment and supplies sales. Chapter 3 discusses the water quality concerns raised by some of these types of development.

The LCP also currently contains a limited exemption for certain types of agricultural development from the requirement for a coastal development permit. Ordinance 23.03.040(d)(9) exempts “crop production and grazing” where these uses are an allowable use under Table O of the LCP, unless more than one-half acre of native vegetation is proposed to be mechanically removed. Also directly relevant are sub-sections (d)(3), which exempts open wire fences in the Agriculture or Rural Lands categories; and (d)(5), which exempts the installation of irrigation lines from permit requirements. The County’s current grading ordinance also exempts “agricultural cultivation activities” such as preparation of land for cultivation (23.05.026(d)). Similarly, Ordinance 23.05.062, which requires a coastal development permit for tree removal, exempts such removal done in preparation for agricultural cultivation and crop production (23.05.062(b)(4)).

The LCP regulates water wells and impoundments. Most generally, Coastal Watershed Policy 1 requires protection of groundwater basins in the coastal zone:

The long-term integrity of groundwater basins with the coastal zone shall be protected. The safe yield of the groundwater basin, including return and retained water, shall not be exceeded except as part of a conjunctive use or resource management program which assures that the biological productivity of aquatic habitats are not significantly adversely impacted.

More specifically, Watershed Policy 2 requires that all water extractions, impoundments, and other water resource developments obtain all necessary permits and that information about these developments be incorporated into the County’s Resource Management System (See Chapter 2 for detail). Policy 3 requires applicants for water extraction developments to install monitoring devices and participate in a water monitoring management program in basins where extractions are overdrafting groundwater basins. As discussed in Chapter 2, groundwater basins for San Simeon and Santa Rosa Creeks would fall into this category, as might the Los Osos groundwater basin.⁷⁶

In terms of LCP Ordinances, Section 23.08.178 requires a coastal development permit for “water wells and surface water impoundments, including constructed ponds, lakes or reservoirs.” Since 1988 the County has processed a number of new water wells for agricultural purposes. In addition, Ordinance 23.07.174 addresses impacts from development on streams and riparian vegetation. Consistent with Coastal Act 30240, this ordinance requires that development be sited and designed to protect habitat, as well as be compatible with the continuance of the habitat (23.07.174(a)). Streambed alterations

⁷⁶ Policies 4 and 5 address the need for groundwater management programs in the Chorro and Morro creek basins, and the Los Osos groundwater basin.

are also limited, as are stream diversion structures, such as those that might be developed for agricultural uses. Ordinance 23.07.174(c) states:

Structures that divert all or a portion of streamflow for any purpose, except for agricultural stock ponds with a capacity less than 10 acre-feet, shall be designed and located to not impede the movement of native fish or to reduce streamflow to a level that would significantly affect the production of fish and other stream organisms.

Ordinance 23.07.174(e) also allows for alteration of riparian vegetation to increase agricultural acreage, provided that such clearance would not impair the functional capacity of the habitat, cause significant erosion, have a detrimental impact on water quality or quantity, and be in compliance with Department of Fish and Game requirements.

As discussed earlier in this chapter, data suggests a general trend in the County towards more water-intensive crops. Nursery products have expanded since 1988, as have avocados, lemons, and oranges.⁷⁷ The growth in citrus crops is particularly evident in the coastal zone due to the climate needs for these crops. Since all these products are water-intensive, their growth raises concerns about the impacts of increased water withdrawals on groundwater basins and riparian habitats. Review of County data shows an estimated 67 wells approved for agricultural purposes.⁷⁸ Most of the wells are located in the Estero planning region (approximately 39). The impacts of these new water withdrawals, though, are not readily determined from the County permit actions reported to the Commission. Presumably there has been some increase in water use since 1988, and the extent of water used for agricultural practices is clearly a concern, particularly in areas where the coastal creeks may be overdrafted.

Because agricultural development is not managed as closely or regularly as urban or other non-agricultural development, it is sometimes difficult to know what impacts to coastal resources may or may not be occurring. As discussed in the Water Quality chapter, there is a need, therefore, to develop programs in cooperation with the agricultural community, and other agencies such as the NRCS, to better address agricultural development impacts. For example, sediment retention basins or riparian buffers may be easily implemented, without significant impacts to agricultural productivity, but there are few regulatory mechanisms to pursue such management measures.

There is also a need to look closely at the types of agricultural exemptions to coastal permitting requirements because some of the exempt development can result in serious

⁷⁷ Robert Hopkins. San Luis Obispo County Agriculture Commissioner. Pers. comm. 5/5/00.

⁷⁸ Figure is calculated from FLANs received by the Commission, and mapped onto agriculturally zoned lands. While the figure includes wells approved for agricultural purposes, and for agriculture/domestic uses, it excludes approvals for wells for domestic use only.

impacts. Thus, as discussed in Chapter 3, although some permits have been issued for the construction of agriculturally-related structures such as roads and barns, most agricultural use changes have not triggered a grading permit or coastal development permit, and thus the potential impacts of such activities are not being analyzed or managed. A recent case in the Morro Bay watershed illustrates this concern (Kandarian).⁷⁹ Along Los Osos Valley road a parcel in row crops was significantly altered through grading, and riparian/wetland areas were proposed for filling but ultimately this was averted. Prior to grading, the natural landform of the parcel consisted of rolling hills, with numerous drainages traversing down the hillsides, eventually flowing into Los Osos Creek and into the Morro Bay Estuary. Following an industrial agricultural model, the parcel was laser-leveled to facilitate more intensive cultivation. This grading was done without coastal development permits pursuant to the LCP's grading exemption.

Commission staff became aware of the Kandarian project when U.S. Army Corps of Engineer permit requirements were triggered by the property owner's desire to fill in portions of an existing drainage that separated two fields and to address a flooding problem associated with previous filling in of a natural drainage. The Corps determined that some areas were waters of the U.S. and notified the Commission's Federal Consistency program of the requested activity. At this point, Commission staff worked with the County staff, expressing concern that a coastal development permit also would be needed for the proposed work, and that filling of wetlands and riparian was not appropriate to expand and connect up two agricultural fields. County staff concurred and worked with the property owner to withdraw the proposal and pursue another alternative that would not require wetland fill.

The project illustrates the impacts that can occur to natural landforms and coastal watershed resources through the use of exemptions for agricultural development. The site is located in a highly scenic corridor of the Estero Area, and significant landform alteration was completed, altering this viewshed. Fortunately, potential impacts to riparian and wetland resources were averted, through close County and Commission staff coordination. Nonetheless, the case points out the need to consider LCP improvements that will better address the resource impacts from agricultural development that significantly change intensity of land use, consistent with the Coastal Act definition of development in Section 30106 of the Act.

Consistency Analysis: If intensification of land uses and landform alteration through change in agricultural uses is exempt from permit review, the County will not be able to assure that such land use change is consistent with the resource protection policies of the LCP and the Coastal Act. In previous actions statewide, the Commission has noted the concern of increased water use due to the intensification of land use through vineyards and winery operations. As a result, the Commission required future permit review for additional water wells or other withdrawals from adjacent creeks to assure that increased

⁷⁹ Because no coastal permits were ever issued for the activities described, there is no permit number for citation. Administrative records are on file with the Central Coast District Office of the Commission.

withdrawals would not negatively affect the riparian habitat or anadromous fish in the creek. The Commission also noted the increased environmental impacts from agricultural spraying and increased waste discharges from the commercial winery.⁸⁰

The San Luis Obispo County LCP currently has policies and ordinances to address potential adverse impacts to groundwater and riparian habitat, but they appear to be underutilized by the County. Similarly, exemptions for grading, particularly when land uses are changing to more intense uses, as well as exemptions for stream diversions for stock ponds of less than 10 acre-feet or less on the North Coast, mean that resource impacts are not being addressed. While the Coastal Act protects agricultural lands, it also requires that other environmental resources such as water quality and habitat be protected, and requires that landform alteration be minimized. Without adequate review of agricultural practices, protection of these resources cannot be assured. In addition, there is concern that the intensification of agricultural land uses, including expansion of infrastructure services, may ultimately lead to the conversion of these lands to non-agricultural uses. Likewise, achieving other Coastal Act objectives, including water quality protection, preserving scenic views and EHSA's, and preventing depletion of groundwater, are being jeopardized.

Preliminary Policy Alternatives: The impacts from a change to and intensification of agricultural land use are a concern facing other coastal counties in California. These jurisdictions have implemented a variety of measures to increase avoidance and mitigation of impacts. For example, several coastal counties have implemented ordinances to address vineyard development. In Sonoma County, vineyards are prohibited on slopes greater than 50% and erosion control plans are required for vineyards on slopes greater than 10%. In addition, the ordinance prohibits vines within 50 feet of streams. A Napa County ordinance prohibits vineyards on slopes greater than 50%, and requires an erosion control plan for vineyards on slopes greater than 5%.⁸¹

To address some of the current and potential environmental concerns resulting from intensification of agricultural uses, the County should take steps to strengthen its ability, consistent with statutory limitations, to require review under the LCP for certain agricultural use changes, and should work with the vintners associations, farmers, and NRCS/CSD to develop guidelines and programs that address the issues discussed above. In addition to alternatives discussed in the Water Quality chapter, possible policy options include:

Preliminary Recommendation 5-10: Amend Permit Review Process for Agricultural Development. Amend the LCP to require Permit review if intensification of agricultural land use results in any of the following: (1) substantial grading, native vegetation removal, or significant landform alteration that impacts sensitive resources; (2) agricultural uses within 100 feet of coastal streams or waters (as discussed in Chapter 3);

⁸⁰ Commission findings for coastal development permit 1-88-19. May 10, 1988.

⁸¹ *Staking Out Regulations* in The Press Democrat. 1998.

(3) an increase in water needs; or (4) alteration of environmentally sensitive habitat or new development immediately adjacent to habitat. Some of these revisions may be authorized under general planning law rather than the Coastal Act.

Preliminary Recommendation 5-11: Enhance LCP standards to Avoid/Mitigate Agricultural Development Impacts. In conjunction with permit review for changes in intensity of the use of agricultural lands, the following standards should be incorporated into ordinances to improve protection of coastal resources: (1) limiting new or expanded crop production to slopes of less than 30%; (2) incorporating erosion control measures; (3) incorporating cover crops into vineyards and hedgerows, which increase the habitat and reduce erosion potential⁸²; (4) maintaining oak trees and protecting ESHA, and planting vines away from oaks; (5) reducing the use of fumigants, pesticides, and fertilizers; and (6) assuring wildlife travel corridors through limitations on fencing or other mechanisms. These revisions may be authorized under a combination of general planning law and the Coastal Act.

Preliminary Recommendation 5-12: Strengthen Implementation of Existing LCP Water Management Requirements. Existing LCP policies that require protection of groundwater basins, protection of riparian habitat, and monitoring of water withdrawals are underutilized by the County. Enhancing management of groundwater, including coordinated management between urban and agricultural users and monitoring of groundwater withdrawals, should be pursued.

Preliminary Recommendation 5-13: Protection of Rural Grazing Landscapes
Potential conversion of rural grazing landscapes to intensive crop production that would impact scenic vistas, alter watersheds, and adversely impact habitat values should be minimized. Alternative LCP policies and standards to address this potential land use change should be developed and adopted. This could include a requirement for a coastal development permit where grazing land would be converted to a different agricultural use that involves intensified water use, landform alteration, or other activity that falls within the Coastal Act/LCP definition of development.

⁸² Railey, Raven. *Vintners and Growers Reaching Out* in The Tribune. December 8, 2000.