DRAFT Discussion Paper
BDCP and Delta Farmland

I. Introduction[1]

The State is pursuing multiple activities in the Delta that could affect Delta Farmland. These include near-term projects of the state and federal water projects to meet current endangered species requirements and future projects under the Bay Delta Conservation Program (BDCP).

This discussion paper is intended to encourage a wide-ranging dialogue among many interested parties about issues and opportunities that may result from these projects and particularly their relationship to, and potential effect on, farmland and agriculture in the Delta. It does not commit any agency to the approach discussed in this paper, but it does provide an opportunity for all parties interested in this issue to discuss whether the approach is a good one and, if so, what should DWR and other agencies consider in going forward with regard to the approach

This paper describes an integrated and collaborative approach using a variety of agricultural stewardship principles and strategies for addressing the conversion of farmland[2] to different uses, assuming the future implementation of a project. The discussion would explore a voluntary framework for the project proponents to pursue to develop working landscapes that provide environmental and habitat benefits. A critical objective of the framework would be that the project would have, at a minimum, a neutral economic effect on farmers farmland, and local government in the Delta, taking into consideration:

- the desire of individual Delta farmers to continue working on their land,
- the long-term viability of regional agricultural economies,
- the economic health of local governments and special districts, and
- the Delta as an evolving place.

The approach outlined in this document seeks to maintain agricultural and economic viability in the Delta by encouraging strategies that help provide benefits such as:

- economic choices to manage land in a way that contributes to maintaining and improving the ecological health of the Bay-Delta system;
- ways to reverse subsidence;
- flood protection;
- groundwater seepage protection; and
- improved water quality

The approach supports local government and special districts planning and helps them stay fiscally sound by providing strategies that help provide benefits such as :

- opportunities to keep county revenue neutral or positive and
- ways to minimize potential land use conflicts with local plans,

[1] This is a draft paper prepared to encourage discussion regarding the issues raised in the paper. Any comments or requests to meet to discuss the issues should be sent to kspanos@water.ca.gov.

[2] When discussing farmland or agricultural land in general terms, we have used the term "farmland" throughout this paper.

This approach also recognizes that local interests, including Delta farmers, have unique and specialized knowledge and seeks to involve these interests in the process.

POTENTIAL IMPACT*:* The permanent footprint for the tunnel option for a conveyance facility component of BDCP would be around 5,000 acres of farmland (the footprint of the conveyance facility could range from 2500 18,000 acres depending on the alternative selected). Additional farmland may be affected temporarily during construction. Habitat restoration components of the BDCP include more than 100,000 acres of restored and protected habitat, a significant percentage of which is currently farmland. Much of this farmland provides habitat for native terrestrial species.

Habitat for species*:* A separate conservation strategy is currently being developed to address the effects of changes to habitat for species adversely affected by the conversion of farmland for BDCP project purposes. This strategy is likely to call for the permanent protection (through easements or other means) of other farmland to benefit the terrestrial species that depended on the converted lands for habitat.

MITIGATION FOR FARMLAND IMPACTS*:*

Conventional Mitigation Approach: The conventional approach for mitigation for potential significant adverse environmental effects relating to agricultural resources has generally been to purchase off-site agricultural conservation easements for land of similar agricultural quality in areas that are threatened with encroaching urban development. Aside from monetary compensation for the direct loss of land, the conventional approach does little to help the individual farmer whose land was converted or otherwise impacted by the project. In addition, given the lack of development pressure in the inner Delta due to regulatory restrictions, flood threats, and the large number of acres potentially planned for restoration by DWR and other public and private entities, it is possible that the conventional approach might look for off-site land outside the Delta.

Optional Agricultural Land Stewardship Approach*:* This paper proposes consideration of an optional approach that focuses on the effect of the projects on the landowner and the Delta. This approach is designed to encourage early planning that will result in multiple-benefits and long-term partnerships with local interests that result in sustainable projects that benefit both the environmental and social-economic communities in the Delta and would include the following considerations

- The approach suggests that the parties evaluate the extent to which the project can be part of or complement existing or planned land uses for the Delta. As a threshold issue, this means thinking about ways to prevent or avoid farmland loss.

- To the extent that farmland is part of the project, , consideration should be given to developing working landscapes[3] on project lands that recognize other land use

[3] The Cal-Fed Working Landscapes Subcommittee of the Bay Delta Public Advisory Committee defined a working landscape as "*a place where agriculture and other natural resource-based economic endeavors are conducted with the objective of maintaining the viability and integrity of its commercial and environmental values. On a working landscape, both private production, as well as public regulatory decisions account for the sustainability of families, businesses and communities, while protecting and enhancing the landscape's ecological health. The working landscape is readily adaptable to change according to economic and ecosystem needs. With respect to CALFED, a working landscape is both an objective and a means to achieve it. A working landscape is efficiently managed largely by private agricultural landowners and managers who are supported and encouraged to manage their lands in ways that fulfill CALFED goals, allowing them to pursue*

activities taking place in the Delta. These activities include ones designed for mitigation and enhancement relating to aquatic and terrestrial habitat; agricultural use; recreation; agritourism; ecotourism; and flood management.

- This paper identifies a number of agricultural land stewardship strategies that could be considered with respect to project lands that could be integrated with project and other relevant land use strategies where appropriate.

- To the extent that there are still impacts to agriculture, the paper identifies other strategies to consider that may take place outside of the project property both within and outside of the Delta that could provide mitigation for impacts to the Delta.

Relationship to other programs*:* There are a number of other current and proposed activities and programs that affect Delta farmland and that are carried out by DWR and other entities. These activities are developed pursuant to legislative and administrative authorities that are different from those that guide BDCP. Although it is possible that this paper's approach or some aspects of it may be applicable to these other activities, the concepts in this discussion paper are not being considered for any activity other than those related to the BDCP.

Environmental and Economic Impacts*:* One of the key questions in approaching mitigation for conversion of farmland from one use to another for project purposes is whether the impacts identified are economic[4], environmental, or a mixture of the two. In general, it is not legally necessary to mitigate for purely economic impacts unless they lead to reasonably foreseeable secondary environmental impacts. However, because of the complex nature of farmland as a natural and economic resource, it is often difficult to determine when an impact is an economic impact and when it is an environmental impact. The framework proposed by this paper does not make an attempt to distinguish strategies based on whether they deal with environmental or economic effects, but instead considers whether they maintain the economic viability of Delta agriculture. Although these strategies are not focused on means of reducing environmental impacts on agricultural resources to a level of insignificance, these strategies may result in a substantial reduction of those environmental effects and a reduction or elimination of secondary environmental effects on Delta farmland. Nonetheless, the BDCP EIR/EIS may determine that even with these strategies in place, the potential environmental impact as a result of changing the current use of farmlands in the Delta is expected to be significant.

Relationship to other processes: This approach is not intended to take the place of other ongoing processes designed to achieve similar objectives, but rather to take advantage of processes proposed (or to be proposed) by the Delta Conservancy, the Delta Stewardship Council, the Delta Protection Commission, the California Water Plan, the California Department of Food and Agriculture's Environmental Farming Science Panel, local county, city and regional planning processes, and other conservancy programs. This approach builds upon "visioning" documents and plans that came before, such as those produced by CALFED, the Delta Vision process, the Delta Protection Commission Economic Sustainability Plan, the California Fish and Wildlife Strategic

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ecological health goals while yielding economic returns on investments, and generating tax revenues that support their local governments". (need citation)

[4] In this context, references to economic impacts may also include social or social/economic impacts.

Vision, the Department of Food and Agriculture's Agriculture Vision, the California Water Plan Agricultural Land Stewardship Strategy, the Delta Conservancy's Strategic Plan, the Delta Stewardship Council's White Paper on Agriculture, the Department of Water Resources' Climate Change Strategies for California's Water, the California Natural Resources Agency's California Climate Adaptation Strategy, the California Roundtable on Ag and the Environment and the California Roundtable on Water and Food Supply, including recommendations regarding Agricultural Water Stewardship, and on local plans for agriculture and natural habitat.

II. Background

Within state government, different agencies have taken different and sometimes conflicting approaches in addressing conversion of farmlands for ecosystem improvements, based, in part, on their missions. However, in October 27, 2004, a memorandum from the Secretaries of the Resources Agency and the Department of Food and Agriculture committed the two agencies to work together in a complementary, rather than conflicting, approach on these issues. On May 4, 2005, the Secretary of the Resources Agency followed up with a directive that "in selecting and developing resources related projects, departments under the Resources agencies should incorporate, where appropriate, the strategies identified in the CALFED EIR to reduce the impact of the CALFED Ecosystem Restoration Program on agricultural land and water use." The Secretary recommended several steps that affected departments should take in cases involving agricultural lands, including the following: (1) projects should include both restoration and agricultural preservation efforts; (2) the lead agency should analyze each situation on a case-by-case basis; and (3) CEQA documents involving resource-related projects that involve agricultural land should include a separate section that describes the social and economic consequences of a conversion.

Separate from CEQA, the 2009 Delta Reform Act and related legislation on Delta activities contemplates that these activities will involve the conversion of agricultural land to other uses and requires consideration of the agricultural values of the Delta. Notably, in Public Resources Code section 29702, the Legislature declared that the "coequal goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem . . . shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and *agricultural* values of the Delta as an evolving place." (Emphasis added.) [5] Echoing this concern for Delta agriculture, Public Resources Code section 32301[d] notes that "[t]he Delta contains more than 500,000 acres of agricultural land, with unique soils, and farmers who are creative and utilize innovative agriculture, such as carbon sequestration crops, subsidence reversal crops, wildlife-friendly crops, and crops direct for marketing to the large urban populations nearby."

Federal law, through the Farmland Protection Policy Act, recognizes that the Nation's farmland is a unique natural resource and provides food and fiber necessary for the continued welfare of the people of the United States; that each year, a large amount of the Nation's farmland is irrevocably converted from actual or potential agricultural use to nonagricultural use; that the extensive use of farmland for nonagricultural purposes undermines the economic base of many rural areas; and that Federal actions, in many cases, result in the conversion of farmland to nonagricultural uses where alternatives actions would be preferred.[6]

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[5] Similar language is found in Water Code section 85020.

[6] 7 USC 4201, Section 2; For a link to the Farmland Protection Policy Act see http://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/stelprdb1042432.pdf

Vision and Policy Documents: The paper will summarize positions, approaches, analyses and recommendations of related past and concurrent documents, including: CALFED; Delta Vision; CA Department of Conservation; CA Department of Food and Agriculture; CA Department of Fish and Game; Delta Protection Commission; Delta Stewardship Council; Delta Conservancy; the California Water Plan and local land use plans.

III. Basic Integrated Approach: Working Landscapes

This approach proposes a framework that would work on a case by case basis. Each project proponent would be encouraged to establish a working landscape for the project that integrates project activities with other uses. Properly structured, the affected landscape could produce multiple benefits and long-term partnerships among state and local interests in order not only to meet the conservation objectives and ecological benefits of the project, but also to result in more sustainable projects that also improve the social and economic basis of the Delta region.. This may be easier or more difficult depending on how the project area is defined. In some cases the project area may be all of a component such as the conveyance footprint or all of a BDCP habitat restoration area. In other cases it may a part of a component that is being developed sequentially. Each project would include an Agricultural Land Stewardship Plan (ALSP)[7] that discusses all the elements listed below. Although not the focus of this paper, it may be worthwhile to consider whether there would be a benefit to developing a overall agricultural land stewardship program for the entire Delta region that could provide a framework for individual ALSPs.

A. Describe area affected: After describing the project area, identify acreage of "Agricultural land" potentially affected. In this paper Agricultural land means prime farmland, farmland of statewide importance, or unique farmland, as defined by the United States Department of Agriculture land inventory and monitoring criteria as modified for California.[8]

B. Avoid agricultural land: Plan the project to avoid Agricultural land conversion where feasible; where choices are possible, avoid "highest quality" Agricultural land. This paper recognizes that "highest quality" may be a subjective term, but does not try to define it. This paper

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[7] The idea of an ASLP is not to have another layer of requirements that could delay implementation of the basic integrated approach, but rather to have some level of documentation that shows that all the elements have been considered. It could be a checklist or something more extensive. The scope and timing for an ASLP are several of the many items to be discussed and may change over time during implementation of the project.

[8] This definition comes from CEQA (Pub. Resources Code section 21060.1 (a)). Note also that in the Council on Environmental Quality regulations interpreting the National Environmental Quality Act (NEPA) that define the term "significantly", in the subsection that discusses the intensity or severity of impacts, there is a specific reference to prime farmland: "Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, **prime farmlands**, wetlands, wild and scenic rivers, or ecologically critical areas" (40 CFR 1508.27(b)(3)) and that the federal Farmland Protection Policy Act defines the term farmland, for the purposes of the act, to includes all land defined as follows: (A) prime farmland …, (B) unique farmland…, (C) farmland, other than prime or unique farmland, that is of statewide or local importance…." [7 USC 4201] Section 2 (c).

assumes that if choices can be made regarding different locations for a project, and still achieve the project purposes, it may be possible to avoid the areas where the "quality" of the resource is higher. How such determinations could be made would be the subject of further discussion. **Determine amount of Agricultural land that will not continue to be farmed as a result of the project.**

C. Mitigate on-site: Plan the project to mitigate on-site if feasible. This could include converting areas currently not in agriculture to agriculture or making improvements to the land that result in higher quality farmland for the land that remains in agricultural production (e.g. , improved drainage)[9]. Some of this planning may overlap with the consideration of strategies discussed in Paragraph F below. **Determine amount of Agricultural land that will not continue to be farmed as a result of the project.**

D. Determine potential impact: Analyze the individual project and the affected land to determine whether there is a potential significant environmental impact that could be reduced by feasible mitigation requirements under CEQA. This is a multi-faceted analysis that focuses on Agricultural land that is currently farmed and can continue to be farmed economically and on a sustainable basis for an indefinite period of time absent a conversion to a different use under the project. In this paper this land is called **Important Farmland**. The analysis could look at factors such as the following: the LESA[10] score, if appropriate; the sustainability of agricultural farming (e.g., whether particular properties are subject to subsidence, have an adequate water supply, are economically viable, etc.); whether the impact is temporary and use of the land for agriculture can be restored or whether it is irreversible; whether the area is designated natural habitat in a local plan; and whether there are other benefits that help preserve agricultural resources on or near the project area (e.g., improved flood protection). As a result, in some cases, it may be determined that even though some Agricultural land will be converted, the environmental effect is not potentially significant. **Determine amount of Important Farmland that will be impacted and not continue to be farmed as a result of the project. This is land that is potentially subject to a CEQA mitigation feasibility analysis**.

E. Coordinate with off-site terrestrial mitigation: Some Important Farmland that may be converted to non-farm uses may currently serve as habitat for terrestrial species. Conservation strategies may propose to mitigate for loss of agricultural habitat for certain terrestrial species through protection of off-site lands that have similar habitat value as those being impacted . Conservation strategies may also require restrictive easements on such lands to maintain certain kinds of crops that provide the desired habitat value and, in some cases, may require land to be purchased in fee title. Determine the amount of off-site land to be protected for mitigation of terrestrial species and determine what amount of this off-site land will be Important Farmland. Subtract this amount from the Important Farmland in Paragraph D. **The**

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[9] Although mitigation on site, such as conversions to agricultural use may be unlikely, this paper suggests exploring such options to the extent they are feasible. Such conversions might have other environmental impacts subject to mitigation requirements.

[10] LESA refers to the "land evaluation and site assessment" system developed by the Department of Conservation, in consultation with the United States Department of Agriculture, pursuant to Public Resources Code section 21095[b]. The project score can be part of the consideration when determining whether a project's potential impacts on agriculture are significant within the meaning of CEQA. ,

remainder is the Important Farmland that is potentially subject to a CEQA mitigation feasibility analysis as described below in Paragraph F.

F. Optional mitigation approach: As described in the beginning of this paper, the conventional approach for mitigation for significant adverse environmental effects relating to agricultural resources does little to help the individual farmer whose land was converted or otherwise impacted by the project. This paper proposes an optional working landscapes approach that, although it might include aspects of the conventional approach, focuses on the effect of the project on the landowner, local governments and the Delta.

Mitigation Option 1 (Optional Agricultural Land Stewardship Approach). The Optional Agricultural Land Stewardship Approach would seek opportunities to protect and enhance agriculture in the Delta as part of the project landscape and focus on maintaining economic activity on farmlands. The project proponent would partner with the landowners, farmers, local government and other interests either directly or through third-parties (e.g., the Delta Conservancy or NGO land trusts) with relevant expertise to integrate project activities (including mitigation and restoration) with other uses such as agriculture[11], flood management, recreation, agritourism and ecotourism. The goal would be to incorporate farmers' diverse needs for maintaining agriculture and economic vitality in the Delta while carrying out the conservation components needed to achieve the project's goals and objectives. This would be carried out by considering different agricultural land stewardship strategies. The agricultural stewardship strategies proposed to be explored are discussed below in Section IV and may include some aspects of the Conventional Mitigation Approach discussed below. Some of the strategies would involve keeping the landowner/farmer on the land being affected in a way that would eliminate or reduce a potential conventional mitigation requirement. Others would consider mitigation elsewhere in the Delta (or outside the Delta if it provided a benefit to the Delta). The Optional Agricultural Land Stewardship Approach would include reporting and monitoring actions necessary to show that the actions agreed to were being carried out. Examples of the strategies being explored include:

- pay landowners to manage converted farmland as tidal wetlands
- define wetlands privately managed for profit as agriculture in order to gain benefits given to agricultural production
- work with counties to harmonize Williamson Act preserve designations to reflect more diverse uses
- provide additional support for levee improvements or sediment removal projects which benefit Delta agriculture
- provide financial incentives for farmers to manage subsided land as managed wetlands
- purchase permanent easements on some high quality agricultural land in and near the Delta
- work with counties in an effort to provide a neutral or positive effect on county revenues.

[11] Note that some of the strategies discussed later in the paper advance a broad view of "agricultural" activities.

Some of the strategies of the Optional Agricultural Land Stewardship Approach would help reduce or mitigate some of the direct and indirect environmental effects of the project on agricultural resources in the Delta. These strategies are likely to result in a reduction of potential environmental effects and in many cases further project objectives. Nonetheless, even with these strategies in place, it is possible that there could be a determination that the environmental impact on agricultural resources is still potentially significant; decision-making agencies will then have to determine whether there are additional feasible environmental mitigation measures and/or whether to go forward with the project despite a finding of significance.

The Optional Agricultural Land Stewardship Approach would seek to involve the local community in the planning process for the project along with state and federal agencies. At its core would be involvement of the landowner and the county where the property was located. If agreement cannot be reached on the optional stewardship approach, the conventional mitigation approach described below would be used.

Mitigation Option 2 (Conventional Mitigation Approach): Mitigation for agricultural resources would most likely be coordinated with requirements to protect farmland off-site for mitigation of terrestrial species displaced from converted farmland. Different farmland mitigation projects have taken different approaches to what is provided in the way of mitigation. Some projects have purchased easements at a 1:1 (or greater or smaller) ratio, some have used more qualitative measures, and some have found that the purchase is infeasible either because of cost or distance from project. The conventional approach usually has focused on protecting land in the path of urban development. This approach does not usually consider the impacts on the farmer displaced or the county where the displacement occurred since these are economic impacts.

The Conventional Mitigation Approach could lead to a determination that the conversion of farmland is potentially significant and that the purchase of easements for all significant and unavoidable impacts may not be feasible because of the cost or availability of appropriate farmland.

IV. Agricultural Land Stewardship Strategies

This is a list of strategies proposed by different vision and policy papers that could be part of an Agricultural Land Stewardship Plan under the Optional Agricultural Land Stewardship Approach. Strategies are included that are also applicable to the Conventional Mitigation Approach since those strategies may also have a role in the Optional Agricultural Stewardship Approach. As this paper is further developed, the discussion of each strategy will probably be expanded to1-3 pages. Each strategy will be examined for feasibility, difficulties, obstacles and other potential implementation issues. Each strategy, as implemented, would also have to align and be consistent with the project, including relevant conservation strategies. After further study, some may be found to not be feasible; some may be modified; and new ones may be identified. Many of the strategies have been used in other programs; a review or evaluation of projects that have used these strategies would not only help identify different types of strategies, but may also provide some insight as to whether

the strategies work. No effort has been made to prioritize or organize strategies with the exception that strategies to keep farmers[12] on farmland are generally earlier in the list while off –site strategies is later in the list. However, it should be kept in mind that many of the strategies may apply both on-site and off-site.

Each strategy will also need to be considered in the context of what kind of land is involved, such as for example: (a) project land that is a necessary part of the facilities footprint; (b) project land that is a necessary part of the habitat conservation measures footprint; (c) project land that is mitigation land required by a conservation strategy to preserve terrestrial species displaced because of facilities or habitat restoration measures; (d) non-project land that is not part of a conservation strategy but that is kept (or put in) agriculture as a result of agricultural land stewardship strategies; and (e) project or non-project land that is benefitted by strategies (such as flood protection or improving water reliability or quality) that do not change land use but could protect or improve agricultural productivity in the Delta. Some strategies may apply only to one kind of land; others to several.

A. Farmers manage habitat land for project purposes

In some cases, existing owners/operators would be compensated to manage restored or other conserved land consistent with easements that meet the project purposes. Another option would be to pay to maintain easements on land managed by other third parties (i.e., private or public land trusts or conservancies). Where agricultural use is consistent with the conservation purpose of the easement, it is possible that these lands could be leased to farmers, as a revenue source to the land trust or conservancy and to provide proper management of the conservation lands. This could allow farmland to remain privately owned by the farmer, bringing income to the farmer and keeping the farmland as part of the tax base.

B. Work with farmers, counties and other agencies to identify and incorporate recreational, agritourism, and ecotourism components and other potential new market products in ecosystem restoration projects that could bring income to the farmer.

This could allow some farmland to remain privately owned by the farmer, bringing in income to the farmer and keeping the farmland as part of the tax base.

C. Designate for-profit habitat protection as agricultural production for specifically defined purposes.

There may be instances where there is an economic value to a farmer if the land can be shown to be involved in specific kinds of agricultural production but the definition of agricultural production may not include habitat "production". This strategy would seek to change such designations if they are a barrier to habitat production. Federal conservation reserve programs may provide an opportunity or a model. An example where this has been done was state legislation enacted in 2008 that included biofuels as a compatible use under the Williamson Act.

[12] In this paper, farmer is used as a generic term that includes farmers, ranchers, landowners, or tenants if they are currently farming the land and want to continue managing the land if it is used for project purposes, The approach suggested in this paper would not prohibit farmers from selling or leasing their land for project purposes if they do not want to continue to farm the land themselves.

This could allow farmland to remain privately owned by the farm, bringing income to the farmer and keeping the farmland as part of the tax base.

D. If management by farmer or easements on farmer's land is not feasible, consider other options

Consider purchase by state government and transfer to private or public land trusts or conservancies or purchase by state government with an agreement to pay tax equivalent. This could allow farmland to still provide a tax benefit to the counties.

E. Work with counties to include habitat lands in Williamson Act preserves

Under current law, counties decide whether recreational and habitat lands are included in Williamson Act preserves, and can serve as a basis for local contracts. Many of the current Williamson Act preserve designations by counties with land in the Delta do not include recreational or habitat lands, as primary (as opposed to compatible) uses. This may discourage farmers from converting their land to habitat use because such a use might conflict with or lose the advantage of current Williamson Act designations. Working with counties to include habitat land covered under a Williamson Act preserve could allow farmland to remain privately owned by the famer, keeping the farmland as part of the tax base.

F. Re-invigorate Williamson Act Program

State funding of Open Space Subventions that offset local property tax losses has been greatly reduced or eliminated during the past several budget cycles, although the Open Space Subvention Act remains in statute. While this and the previous strategy deal with the Williamson Act, the previous strategy would involve working with the county to maintain a tax benefit for the landowner. This strategy would involve working with the counties and others to provide an improved economic base for the counties that implement the Williamson Act. Currently, local governments bear the loss of property tax revenues on contracted land. Under this strategy, the state would work with others to re-invigorate the State Williamson Act incentives. This would include considering ways to provide incentives for counties to continue to keep and place land under Williamson Act contracts, or to permit contracts to be rescinded and replaced with either Williamson Act Open Space contracts or open space easements in ways that might provide the county with additional funding.

Priorities could be focused on land that remains under Williamson Act in an Open Space Contract, land for which the contract is rescinded and replaced with a permanent open space easement, and land that is brought into new contracts as part of a mitigation strategy. This strategy could allow farmland to remain privately owned by the farmer, and on the tax rolls, and keep it in the Williamson Act or open space easements. At the same time, it could provide economic relief for counties currently faced with loss of Williamson Act subsidies unrelated to the project.

G. Provide technical and financial assistance to support stabilization or reversal of subsidence in the Delta

This could include farming of rice or other wetland vegetation and creation of permanently flooded wetlands and may provide a potential net sink for carbon and methyl-mercury

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through particle settling and photodemethylation. This could allow farmland to remain privately owned by the farmer, bringing income to the farmer and keeping the farmland as part of the tax base.

H. Provide technical and financial assistance to support water supply reliability benefits to agricultural water users

Identify areas where water supply reliability is a concern to Delta farmers and look at ways to improve water reliability. This could allow farmland to remain privately owned by the farmer, adding value to the farmland and keeping it as part of the tax base.

I. Consider ways to improve water quality for Delta farmers.

Identify areas, both within and outside the Delta, where water quality is a concern to Delta farmers and look at ways to improve Delta water quality. This could allow farmland to be privately owned by the farmer, adding value to the farmland and keeping it as part of the tax base.

J. Provide technical and financial assistance for flood management activities which provide additional protection for agricultural activities

This could be used to provide additional funding for flood management activities proposed by local flood districts or by the state or federal government. This could allow farmland to remain privately owned by the farmer, keeping the farmland as part of the tax base, adding value to the farmland, reducing flood loss and lowering the costs of fighting floods

K. Provide technical and financial assistance for activities which prevent or reduce potential higher groundwater levels

This could be activities geared towards reducing potential seepage problems caused by project or non-project activities. This could allow farmland to remain privately owned by the farmer, keep the farmland as part of the tax base, add value to the farmland and reduce agricultural management costs.

L. Provide technical and financial assistance for sediment removal to improve agricultural diversions

In some areas sedimentation may have created problems for pumping water from the Delta. Assistance could be provided to help expedite the regulatory process and for sediment removal. This could allow farmland to remain privately owned by the farmer, keeping farmland as part of the tax base, adding value to the farmland and expediting potential regulatory measures that could reduce agricultural management costs.

M. Establish buffer zones as part of habitat restoration projects ensuring that vegetation will have minimal potential to harbor pests and diseases

This would provide assurances to owners or operators of neighboring properties that they will not be harmed by proposed projects. This could keep farmland as part of the tax base, add value to the farmland and expediting potential regulatory measures that could reduce agricultural management costs.

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N. Off-site mitigation

To the extent that off-site mitigation, in addition to off-site mitigation for terrestrial species, is determined to be appropriate, efforts should first consider helping to maintain a large "sustainable" area of high quality farmland in the Delta. Even though parts of the Delta are not in the path of urban development, there may be reasons to preserve and enhance specific agricultural areas in those parts of the Delta. Those reasons include providing a firm basis for agricultural industries and businesses, and providing a bridge to preserving neighboring farmland outside of the Delta Primary (or even Secondary) zone. At least in the context of the BDCP, the conversion of farmland can be thought of in terms of its regional significance and it may be appropriate to go beyond the project's immediately surrounding area, including considering easements outside of the Delta that might provide benefits to the Delta.

O. Consider effects on agricultural infrastructure and/or concentric economic impacts

These would most likely be considered indirect economic impacts and are likely to be harder to quantify. One possibility would be to consider whether it makes sense to suggest limiting the percentage of change in farmland use in a specific area.

P. Consider opportunities to coordinate with others in helping to maintain a sustainable agricultural social and economic community in the Delta Region consistent with ecosystem conservation and restoration activities

There are state, local and non-profit efforts directed at conserving and restoring wetlands and/or farmland. There may be ways to coordinate and enhance such efforts,[13] such as through sharing information; developing common definitions; and identifying common objectives and goals.[14] Increased funding for law enforcement might be another activity that could benefit landowner, local government and resource agency interests.

Although not the focus of this paper, it may be helpful to develop a land stewardship program for the Delta region which looks at all land uses and would provide a framework for individual projects. A programmatic approach could be developed that recognizes the value of natural habitats with agricultural components or agricultural habitats with natural components rather than treat each land use independently. Some of the strategies identified might work better if there is a coordinated approach to the development of an overall restoration/land use strategy for the Delta. Thought could also be given to working

[13] An initial list would include the five Delta counties, Central Valley Flood Protection Program, the Delta Levees Program, the Regional Advance Mitigation Program, the DFG Environmental Restoration Program, the State Wildlife Action Plan, the California Water Plan, Department of Conservation and Food and Agriculture, Delta Protection Council, Delta Conservancy, existing and planned habitat conservation plans and natural community conservation plans, Natural Resources Conservation Service programs and other non-governmental conservation and restoration plans of agencies such as the Nature Conservancy, , Ducks Unlimited, Point Reyes Land Trust.

[14] One approach to consider is the Ramsar Convention for Wetlands that includes the concept of "wise use" of wetlands described as the maintenance of their ecological character, achieved through the implementation of ecosystem approaches, within the context of sustainable development. See http://www.ramsar.org/cda/en/ramsar-home/main/ramsar/1_4000_0_

with Delta counties to coordinate restoration and preservation activities in the context of creating and funding a Delta Economic Development Corporation that would help create jobs and income growth for the Delta[15].

Q. Consider timing of components and timing of mitigation measures

Include adaptive management principles with regard to farmer involvement to accommodate new agricultural stewardship practices that meet project performance standards, and comply with the regulatory authorizations..

R. Consider ways to provide incentives for farmers to participate in proposed projects and make the regulatory system work better for individual farmers participating in conservation and restoration actions.

Look at whether there is information that could help regulatory agencies do their job better and sooner.

Provide safe harbor agreements for farmers carrying out habitat conservation and restoration.

Look at ways to provide multiple benefits from mitigation actions.

Coordinate and align regulatory reviews and reduce duplication, where appropriate.

Consider possibility of Delta-wide (or sub-region) permits.

Other options.

V. Potential Sources of Funding

A. Use funds that would otherwise be used to purchase "conventional" easements.

B. Seek funding from Cap and Trade Funds to provide research and incentives for developing technologies and practices relating to carbon sequestration.

C. Work with CARB to provide funding for a carbon-offset program for property that supports wetlands.

D. Private and public funds for developing wetlands.

E. Seek additional bond funding.

[15] This kind of corporation works towards improving the regional economy by attracting new employers, promoting local markets, and promoting the formation of new businesses. (http://www.uwex.edu/ces/cced/economies/developmentorganizations/economic_dev_corp_steps.cfm

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F. Other

VI. References

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