



The County of San Diego

Planning Commission Hearing Report

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|-------------------------|---|-----------------------|-------------------------------|
| Date: | March 7, 2014 | Case/File No.: | POD 14-001 |
| Place: | County Conference Center 5520 Overland Avenue San Diego, CA 92123 | Project: | Agriculture Promotion Program |
| Time: | 9:00 am | Location: | Districts All |
| Agenda Item: | #1 | General Plan: | Various |
| Appeal Status: | Board of Supervisors is the final decision-maker | Zoning: | Various |
| Applicant/Owner: | County of San Diego | Communities: | All |
| Environmental: | N/A | APN'S: | Various |

A. EXECUTIVE SUMMARY

1. Requested Actions

This is a request to solicit input and feedback from the Planning Commission on an approach to developing an Agriculture Promotion Program, which is intended to streamline and simplify regulations related to agricultural uses in the unincorporated area. In addition, this is a request for the Commission to make recommendations to the Board of Supervisors regarding the elements of the program and compliance with the California Environmental Quality Act (CEQA). After receiving input and feedback on the program, Planning & Development Services (PDS) recommends that the Planning Commission take the following actions by recommending that the Board:

- a. Find that developing an Agriculture Promotion Program is not subject to CEQA.
- b. Direct the Chief Administrative Officer to develop the Agriculture Promotion Program POD 14-001, and return to the Board within 24 months.
- c. Establish appropriations of \$450,000 in the PDS services and supplies budget to fund the Agriculture Promotion Program POD 14-001 based on Fiscal Year 2014-15 General Fund balance available.
- d. Provide staff direction on whether to include the winery regulations S92 option as an element of the Agriculture Promotion Program with the additional \$85,000 in funding and 6 months to complete the project.

2. Required Findings to Support Requested Actions

- a. Is the project consistent with the vision, goals, and polices of the General Plan?
- b. Is the project consistent with community and subregional plans?
- c. Does the project comply with CEQA?

B. PROJECT DESCRIPTION

1. Background

On June 26, 2013 (7), the Board of Supervisors (Board) directed the Chief Administrative Officer to identify ways to streamline regulations and provide more opportunities for agricultural ventures, such as microbreweries and cheese-making, to further support small-scale agricultural operations and promote agricultural tourism throughout the unincorporated portions of the County.

Agriculture is a leading industry in San Diego County. In 2012, the value of agriculture throughout the County totaled \$1.75 billion. Despite its importance as an economic driver, local farming faces a host of challenges that are threatening its viability. These include conflicts associated with the urban/agricultural interface, water availability and cost, the high cost of operation and pressures to sell or develop agricultural land. The program is intended to expand opportunities for agricultural operations by updating regulations and simplifying permit processes.

The resources that support agriculture in San Diego County are unique. Unlike other jurisdictions across the nation, farming in San Diego is dependent upon the region's unusual microclimates and less reliant on the quality of its soils. Farming is characterized by small farm size and high value agriculture. Much of the County's climate supports a year-round growing season that facilitates a vibrant and multi-faceted agricultural industry with small farms and crop diversification producing over 200 agricultural commodities, including high value specialty crops, nursery products, and a variety of fruits.

2. Research, Analysis and Stakeholders

In response to the Board's direction, PDS staff reviewed agriculture promotion efforts at the State level and in other jurisdictions such as Riverside, Tulare, and Napa Counties. The State has a number of programs and plans, such as *California Farm to Fork*, *Protecting the Promise of California Agriculture*, and *California Agricultural Vision 2030*, which are examples of similar initiatives that can provide useful information to inform the creation of a local program in San Diego County. Staff also met with several of the County's agriculture stakeholders, such as the County Department of Agriculture, Weights and Measures, the Farm and Home Advisor, and the San Diego Farm Bureau to gather input on formulating an Agriculture Promotion Program for the unincorporated areas of the County.

A number of new agricultural initiatives in the County, such as agricultural tourism and increasing public interest in the "farm to table" movement, are supporting local agriculture and fostering the growth of new agricultural ventures. For example, "you-pick" operations and farmer's markets are expanding in the County and creating more of a demand for local produce. There are more than 55 certified farmer's markets throughout the County, including about a dozen in the unincorporated County selling locally grown produce every week. An analysis of the Zoning Ordinance indicates that there are opportunities to update and amend regulations to keep the County's agricultural regulations in line with current trends and expand opportunities for farmers and ranchers. In addition, many uses related to animal raising have not been comprehensively updated for some time and can be updated to reflect current best management practices.

3. Potential Elements of the Agriculture Promotion Program

Staff requests the Commission's input and feedback on a proposed work program that would consist of Zoning Ordinance amendments to allow for more opportunities for the following operations:

| Agricultural Operation | Existing Limitations | Potential Changes |
|--|--|---|
| Microbrewery | Limited to commercial or industrial areas | Allow in agricultural areas with existing operations growing some organic ingredients onsite used in the brewing process |
| Cheese-making or dairy | Limited to industrial areas or onsite use in agricultural areas | Allow expanded uses in agricultural areas |
| Bees, beekeeping, and apiculture | Existing code limits bee uses with setbacks | Additional allowance for bees and bee-related uses, such as honey production |
| Cooking, canning, tanning, rendering, or reducing operations related to onsite food production | Limited to industrial areas as a general industrial use | Allow with limits in agricultural areas in conjunction with existing agricultural operations |
| Packing and processing, e.g., the preparation for market of fresh produce, flowers, feed, etc. | Limited to specific uses with onsite produce and limited to specific zones and in some cases only with discretionary permits | Allow in more zones in conjunction with agricultural uses; and amend permit requirements in existing zones to allow more uses |
| Horticultural sales accessory to agriculture nursery uses | Only allowed with minor use permit | Allow without discretionary permit |
| Animal raising, small and large animals (e.g., poultry, cattle, sheep) | Limited in some areas, animal numbers related to agriculture have not been analyzed and updated in 30 years | Update animal schedule after analyzing existing animal number limits |
| Roadside sales of agricultural products | Limited to agricultural zones | Allow in commercial zones; and update to current state code |
| Agricultural tourism, farm to table, and educational agriculture | Limited to specific zones, no temporary events allowed | Allow in more zones and in commercial areas allow more uses such as temporary events |
| Bed & breakfast, host home, and agricultural homestay | Limited to specific zones and structures, and only allowed with discretionary permits | Add more zones; amend regulations; and change permit requirements |

4. Winery Regulations

An additional option for the work plan would be for the Board to consider expanding winery uses into areas zoned with S92 General Rural use regulations. There are 634,856 acres of S92 General Rural zoned lands, which equates to about 27% of the unincorporated land in the County. The S92 General Rural use regulation currently allows agricultural use types of tree, row, and field crops. Properties zoned S92 are already allowed to grow grapes. Evaluating the expansion of winery uses in these areas as part of this program could provide a significant new opportunity for farmers. Allowing winery uses in the S92 use regulation was contemplated during initial development of the Tiered Winery ordinance, but ultimately, only the A70 and A72 use regulations were included in the project due to time and resource issues. Incorporating the S92 winery expansion into the work plan would increase the schedule by up to an additional one to six months and costs by an additional \$85,000 due to the additional environmental analysis and community outreach and coordination required. This additional cost and time is based on staff's previous experience with the Tiered Winery Ordinance and the potential for a substantial number of comment letters as well as outreach and coordination that would be necessary to complete this part of the program, should it be included.

The additional cost and time is a substantial savings in comparison to a developing the S92 winery expansion as a stand-alone project.

5. Time and Costs

As detailed in the table below, staff has prepared time and cost estimates for the Agriculture Promotion Program both with and without the expanded S92 wineries option. The time and cost estimates provided assume consultant services will be utilized for preparation of an Environmental Impact Report. PDS staff time is related to procuring contracts, consultant management, stakeholder outreach, planning group coordination, project research, preparing a draft ordinance, public review and hearing preparation.

| Time Cost Estimates | | | | |
|---------------------------------|------------------------|------------------|------------------|------------|
| Program | Time | Consultant Cost | Staff Cost | Total Cost |
| Ag Promo Program | 24 Months | \$300K | \$150K | \$450K |
| With expanded S92 Winery option | Additional 1 -6 months | Additional \$50K | Additional \$35K | \$535K |

C. ANALYSIS AND DISCUSSION

1. General Plan Consistency

The Agriculture Promotion Program is consistent with both General Plan (GP) Strategy B-3 “Promote agricultural lands for local food production” and Guiding Principle 8, “Preserve agriculture as an integral component of the region’s economy, character, and open space network”. A number of GP goals and policies apply to the Agriculture Promotion Program. Analysis of GP conformance with these policies is provided in the table below.

Table C-1: General Plan Conformance

| General Plan Component | General Plan Conformance |
|---|---|
| Goal LU-7 Agricultural Conservation. A land use plan that retains and protects farming and agriculture as beneficial resources that contribute to the County’s rural character. | The program will promote agricultural conservation by expanding opportunities for agricultural operations in order to support and encourage the continued use and development of agriculture in the County. |
| Goal COS-6 Sustainable Agricultural Industry. A viable and long-term agricultural industry and sustainable agricultural land uses in the County of San Diego that serve as a beneficial resource and contributor to the County’s rural character and open space network. | The program will promote agricultural land uses by updating and simplifying regulations to support and encourage the continued use and development of agriculture in the County. |
| Policy COS-6.1 Economic Diversity. Support the economic competitiveness of agriculture and encourage the diversification of potential sources of farm income, including value added products, agricultural tourism, roadside stands, organic farming, and farmers markets. | The program will include components to update regulations related to agricultural tourism, farm to table, roadside stands, and others, which will contribute to economic diversity. |

2. Community Plan Consistency

Staff reviewed community and subregional plans in the County. A number of communities have specific goals and policies related to agriculture and agricultural preservation that directly relate to the program. For example, a number of community plans have policies that state the agricultural goal in the community is to preserve, encourage, and enhance existing agricultural uses through promotion and development of new agricultural uses.

3. Board Policy Consistency

Board Policy I-133 Support and Encouragement of Farming in San Diego County states that the Board is committed to supporting and encouraging farming in San Diego County through establishment of partnerships with landowners and other stakeholders to identify, secure, and implement incentives that support the continuation of farming as a major industry in San Diego. It also states that it is a County policy to develop and implement programs designed to support and encourage farming in San Diego County. The Agriculture Promotion Program will further the direction of the Board found in Board Policy I-133.

4. California Environmental Quality Act (CEQA) Compliance

Developing an Agriculture Promotion Program is not subject to CEQA under Sections 15061(b)(3) and 15378 of the CEQA Guidelines because this activity is not a project as defined under CEQA and it can be seen with certainty that selecting an option for the program will have no possible significant effects on the environment. The proposed action is for the Board to accept staff's report and provide further direction regarding potential elements of an Agriculture Promotion Program. No environmental determination is required for this action. A comprehensive environmental review will be conducted in conjunction with any future Zoning Ordinance amendments resulting from this project.

D. PUBLIC INPUT

Staff has conducted public outreach that included notifications to community planning and sponsor groups (CPG/CSG) and provided their recommendations where applicable.

Below is a summary of outreach efforts.

- 1. Coordination with CPG/CSGs and CPG/CSG Input** — Staff has been contacted by some CPG/CSGs related to the Board direction and solicited input from the CPG/CSGs as part of the initial work on the project. Staff has incorporated group recommendations where applicable in developing the work plan options. For example, the Ramona CPG has recommended a number of initiatives to improve agriculture in the County, such as additional opportunities for agricultural tourism, bed and breakfast and agricultural homestay uses related to existing Ramona agricultural operations. The Potrero and Campo CPGs have been supportive of additional opportunities for wineries in the S92 General Rural use regulations.
- 2. Stakeholders** – Staff has met with a number of stakeholders, such as farmers, ranchers, and vintners, in recent years discussing options for a work program and will continue to work with them as the Agriculture Promotion Program is developed with stakeholder input.
- 3. Web Page** — A web page has been established to provide the most current information on the project as it progresses through the planning process:
<http://www.sdcounty.ca.gov/pds/advance/agriculturepromotion.html>.

E. RECOMMENDATION

1. After receiving input and feedback from the Planning Commission regarding the program, PDS recommends that the Planning Commission take the following actions by recommending that the Board:
 - a. Find that developing the Agriculture Promotion Program is not subject to CEQA.
 - b. Direct the Chief Administrative Officer to develop the Agriculture Promotion Program POD 14-001 and return to the Board within 24 months.
 - c. Establish appropriations of \$450,000 in the PDS services and supplies budget, to fund the Agriculture Promotion Program based on Fiscal Year 2014-15 General Fund balance available.
 - d. Provide staff direction on whether to include the winery regulations S92 option as an element of the Agriculture Promotion Program with the additional \$85,000 in funding and 6 months to complete the project.

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MARK WARDLAW, DIRECTOR

ATTACHMENTS:

Attachment A – Board of Supervisors Minute Order, June 26, 2013

Attachment A

**Board of Supervisors Minute Order,
June 26, 2013**

**COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS
WEDNESDAY, JUNE 26, 2013**

MINUTE ORDER NO. 7

SUBJECT: FOSTERING THE GROWTH OF MICROBREWERIES, CHEESE-MAKING AND OTHER AGRICULTURAL VENTURES (DISTRICTS: ALL)

OVERVIEW:

Agriculture is the 5th leading industry in San Diego County and accounts for a \$5.1 billion annual impact to our local economy. Despite these robust figures, local farming is facing a growing host of challenges which are threatening its viability. One major reason for the decline in agriculture is the rising cost of water. This has made it significantly harder for farmers to maintain their farms year after year.

Reducing regulations would allow property owners to do more with their land and would be an important step to promote farming and agricultural tourism. For example, this Board has already eased regulations for establishing boutique wineries and provided greater opportunities to site local farmers' markets. In addition, we are currently working on an ordinance to ease regulations for the equine industry.

Today's action will direct the Chief Administrative Officer to look at reducing regulations for other agricultural ventures, such as microbreweries and cheese-making, to further support small-scale agricultural operations and promote agricultural tourism. Today's action will also support the Small Brew Act, which would decrease taxes for small breweries so that it is easier for them to start production.

FISCAL IMPACT:

There is no fiscal impact associated with this action.

BUSINESS IMPACT STATEMENT:

N/A

RECOMMENDATION:

VICE-CHAIRWOMAN JACOB

1. Direct the Chief Administrative Officer to look at reducing regulations for other agricultural ventures, such as microbreweries and cheese-making, to further promote agricultural tourism.
2. Direct the Chief Administrative Officer to incorporate these efforts into Planning and Development Services' workplan.

- 3. Direct the Chief Administrative Officer to draft a letter expressing this Board's support for H.R. 494, the Small BREW Act, to the appropriate members of the United States Congress.
- 4. Direct the Chief Administrative Officer to include support in the County's Legislative Program for legislative efforts that would encourage Ag Tourism in the San Diego Region and benefit local businesses involved in Ag Tourism.

ACTION:

ON MOTION of Supervisor Jacob, seconded by Supervisor D. Roberts, the Board took action as recommended.

AYES: Cox, Jacob, D. Roberts, R. Roberts, Horn

State of California)
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the original entered in the Minutes of the Board of Supervisors.

THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors



By *Andrew Potter*
Andrew Potter, Chief Deputy