

8: AGRICULTURE

8.1 Legislative Policies

8.1.1 Coastal Act Policies

30005.5 Nothing in this division shall be construed to authorize any local government, or to authorize the commission to require any local government, to exercise any power it does not already have under the Constitution and laws of this State or that is not specifically delegated pursuant to Section 30519.

30007.5 The Legislature further finds and recognizes that conflicts may occur between one or more policies of the division. The Legislature therefore declares that in carrying out the provisions of this division, such conflicts be resolved in a manner which on balance is the most protective of significant coastal resources. In this context, the Legislature declares that broader policies which, for example, serve to concentrate development in close proximity to urban and employment centers may be more protective, overall, than specific wildlife habitat and other similar resource policies.

30010 The Legislature hereby finds and declares that this division is not intended, and shall not be construed as authorizing . . . the Commission . . . or local government acting pursuant to this division, to exercise their power to grant or deny a permit in a manner which will take or damage private property for public use, without the payment of just compensation therefor . . . .

30108 "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

30113 "Prime agricultural land" means those lands defined in paragraphs (1), (2), (3), or (4) of subdivision (c) of Section 51201 of the Government Code.

30241 The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the area's agricultural economy, and conflicts shall be minimized between agricultural and urban land uses through all of the following:

- (a) By establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses.

- (b) By limiting conversions of agricultural lands around the periphery of urban areas to the lands where the viability of existing agricultural uses is already severely limited by conflicts with urban uses or where the conversion of the lands would complete a logical and viable neighborhood and contribute to the establishment of a stable limit to urban development.
- (c) By permitting the conversion of agricultural land surrounded by urban uses where the conversion of the land would be consistent with Section 30250.
- (d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands.
- (e) By assuring that public service and facility expansions and nonagricultural development do not impair agricultural viability, either through increased assessment costs or degraded air and water quality.
- (f) By assuring that all divisions of prime agricultural lands, except those conversions approved pursuant to subdivision (b), and all development adjacent to prime agricultural lands shall not diminish the productivity of prime agricultural lands.

30242 All 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 consistent with Section 30250. Any such permitted conversion shall be compatible with continued agricultural use on surrounding lands.\*

30250(a) New residential, commercial, or industrial development, except as otherwise provided in this subdivision, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it, or where such areas are not able to accommodate it, in other areas with adequate public services, and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. . . .

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\*Since there are no timberlands or soils suitable for timberlands in the City of Half Moon Bay, Coastal Act Section 30243 is inapplicable. If applied to lands suitable for agricultural use, Coastal Act Section 30243 would be either redundant or would conflict with the specific protective policies of Sections 30241 and 30242.

8.1.2 Government Code Policies

51201 (a) "Agricultural commodity" means any and all plant and animal products produced in this State for commercial purposes.

(b) "Agricultural use" means use of land for the purpose of producing an agricultural commodity for commercial purposes.

(c) "Prime agricultural land" means any of the following:

(1) All land which qualifies for rating as Class I or Class II in the Soil Conservation Service land use capability classifications.

(2) Land which qualifies for rating 80 through 100 in the Storie Index Rating.

(3) Land which supports livestock used for the production of food and fiber and which has an annual carrying capacity equivalent to at least one animal unit per acre as defined by the United States Department of Agriculture.

(4) Land planted with fruit- or nut-bearing trees, vines, bushes, or crops which have a non-bearing period of less than five years and which will normally return during the commercial-bearing period on an annual basis from the production of unprocessed agricultural plant production not less than two-hundred dollars (\$200) per acre.

8.2 Statutory Construction

Sections 30241 and 30242, the sections of the Coastal Act which establish certain policies with respect to agricultural preservation, employ two significant terms, "prime agricultural land" and "agricultural use" in stating their respective policies of (1) maintaining the maximum amount of prime agricultural land in agricultural production to assure the protection of the area's agricultural economy (Section 30241), (2) minimizing conflicts between agricultural land uses and urban land uses (Section 30241), and (3) discouraging conversion of all other lands suitable for agricultural use (Section 30242).

The definition of prime agricultural land in Section 30113 of the Coastal Act incorporates by reference the definition in Government Code Section 51201. The Coastal Act does not include an express definition of agricultural use; however, Section 51201 of the Government Code defines agricultural use to mean "use of land for

the purpose of producing an agricultural commodity for commercial purposes."

The Government Code definition of agricultural use is not only consistent with all of the factors which, in practice, either encourage or discourage the use of land for agricultural purposes, but also with Sections 30241 and 30242 of the Coastal Act. For example, if the purpose of maintaining prime agricultural lands in agricultural production is to assure the protection of the area's agricultural economy, these lands must be capable of producing an agricultural commodity for commercial purposes.

In pertinent part, Section 30241 reads as follows:

"The maximum amount of prime agricultural land shall be maintained in agricultural production to assure the protection of the area's agricultural economy, and conflicts shall be minimized between agricultural and urban land uses through all of the following:

(a) By establishing stable boundaries separating urban and rural areas, including, where necessary, clearly defined buffer areas to minimize conflicts between agricultural and urban land uses.

(b) By limiting conversions of agricultural lands around the periphery of urban areas to the lands where the viability of existing agricultural use is already severely limited by conflicts with urban uses . . .

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(d) By developing available lands not suited for agriculture prior to the conversion of agricultural lands.

(e) By assuring that public service and facility expansions and non-agricultural development do not impair agricultural viability, either through increased assessment costs . . . ." (Emphasis supplied).

Section 30241 does not require the preservation of prime agricultural land regardless of whether it is suitable for agricultural use; but rather the maintenance of agricultural production on those prime agricultural lands where agricultural production for commercial purposes is viable (i.e. economically and otherwise feasible).\*\* A statute should be interpreted in a way consistent with its purposes. In the very language of Section

\*\*That economic feasibility is one criteria by which to judge the viability of continued agricultural production on prime soils is readily apparent from a reading of Section 30241(e), where increased assessments for public improvements (i.e. increased costs of production ) are cited as one example of factors that could threaten "agricultural viability".

30241, the Legislature tells us that the purpose of the section is ". . . to assure the protection of the area's agricultural economy." If the purpose of maintaining prime agricultural land in production is to assure the protection of the area's agricultural economy, the land must be suitable for agricultural use; i.e. capable of producing an agricultural commodity for commercial purposes.

It is apparent from a reading of the remainder of Section 30241 that it is directed to the maintenance of existing, feasible agricultural production on prime agricultural land. Subsection (b) speaks in terms of ". . . the viability of existing agricultural use . . ." and subsection (e) makes it clear that "viability" includes economic feasibility.

In furtherance of this goal, Section 30241 requires that conflicts shall be minimized between agricultural use of land and urban use of land by, among other things, first developing lands not suited for agriculture; i.e. not suited for the production of an agricultural commodity for commercial purposes.

Section 30241(c) supports the conclusion that the Coastal Act establishes a policy of maintaining agricultural production on those prime agricultural lands where agricultural production for commercial purposes is viable, rather than a policy of preserving all prime agricultural lands regardless of whether they are suitable for agricultural use; for it permits the conversion of even prime agricultural lands suitable for agricultural use if they are surrounded by urban uses and the conversion would be consistent with the policy of Coastal Act Section 30250(a) to locate development within, contiguous with, or in close proximity to, existing developed areas. Coastal Act Section 30241(c) would apply to virtually all of the lands located within the limits of the City of Half Moon Bay.

Like Section 30241, Coastal Act Section 30242 is intended to protect other lands capable of producing an agricultural commodity for commercial purposes by discouraging the conversion of other land suitable for agricultural use to nonagricultural use unless agricultural use is not feasible.

The express wording of Sections 30241 and 30242 indicates that economic feasibility is relevant, indeed material, to a determination of whether land should be reserved for agricultural use. The recognition of the materiality of economic considerations in Sections 30241 and 30242 is consistent with the recognition of the materiality of economic considerations throughout the Coastal Act (e.g. Sections 30001(d), 30001.2, 30001.5(b), 30004(b), 30108, 30200, and 30230).

The Coastal Act is a statute; and as such it is subject to, and must be construed to conform to, the State and Federal constitutions which provide that a landowner may not be denied the economic use of his property without due process and the payment of

just compensation. Were the City to require that land unsuitable for agricultural use must be reserved for agricultural use, the City would deny the landowner any economic use of his property in direct violation of the State and Federal constitutions. However, Section 30241 need not be so construed, since the Act itself specifically recognizes the "constitutionally protected rights of private property owners." (Section 30001.5(c); and see Sections 30005.5, 30010, and 30210).

### 8.3 Agriculture: A Summary

The policies set forth at the end of this Chapter II, Part 8, represent the City's application of Coastal Act policies to all of the agricultural evidence in the record of the City's LCP proceedings to date, including not only these amended LUP proceedings, but also the 8 public hearings, 9 study sessions, and 4 combined City Council and Planning Commission meetings conducted by the City prior to March 31, 1981, the many public discussion meetings on the 10 LCP Study Papers which preceded them, the 4 public hearings held through May 5, 1982 by the Central Coast Regional Commission and the State Coastal Commission, and all of the oral and written testimony and other evidence submitted in connection therewith.

That evidence includes, among other things, the following reports and studies:

Agriculture, A Study Paper For Public Review And Comment, Half Moon Bay Local Coastal Program, John M. Sanger & Associates, Inc., July 13, 1979, and additional sources cited therein;

Economic Consideration of California Coastal Agriculture, An Analysis of Feasibility, Acreage Requirements, and Dual Land Use for Selected Crops and Geographic Areas, University of California Cooperative Extension Service, October 1979;

The Important Farm Lands Inventory for the San Mateo County Coastside, Soils Conservation Service of the United States Department of Agriculture and the State Land Use Task Force of the California Rural Development Committee; and

Inventory and Analysis of Existing and Potential Agricultural Use of Lands Within the City of Half Moon Bay, The Agribusiness Group, October 23, 1981, and additional sources cited therein.

That evidence also includes the oral and/or written testimony of many former and virtually all of the present food and field flower growers and greenhouse operators in the City, many food and field flower growers and greenhouse operators located outside the City in the unincorporated areas of the San Mateo County coastside, representatives of lending institutions familiar with the financial needs and problems of food, field flower, and greenhouse operators in the City and on the coastside generally including Bank of America, San Jose Production Credit Association, and Wells Fargo Bank, members of the Agricultural Advisory Council to the San Mateo County Farm Bureau, San Mateo County Farm Supply, Half Moon Bay Growers Association, and the California Floral Council, agricultural experts such as representatives of The Agribusiness Group, and representatives of such interested groups as the Natural Resources Defense Council, the Loma Prieta Chapter of the Sierra Club, and the Committee for Green Foothills.

The most complete and detailed single source of information about agriculture in the City is The Agribusiness Group Report, which includes a history of the decline of agriculture in the City, and a parcel-by-parcel inventory and analysis of existing and potential agricultural use of lands within the City. The interviews with current and former farmers, flower growers, greenhouse operators, landowners, lenders, and others described in the report accurately reflect the oral and written testimony presented to the City and the Coastal Commission during the LUP proceedings. The findings and conclusions in the report are consistent with and support the findings and conclusions on which the agricultural policies in this Plan are based. The City has relied upon the report in the proceedings before the State Coastal Commission.

In order to establish the data base necessary to adopt agricultural policies consistent with the Coastal Act, the City first identified all of the land within the City currently in some form of agricultural use and all of the vacant land within the City which consists of Class 1, 11 or 111 soils. Of the ±1,200 acres included within the City's initial inventory of lands which might be suitable for agricultural use, ±430 acres are currently in some form of agricultural use, and ±770 acres of vacant lands consist of Class 1, 11 or 111 soils. The remainder of the vacant lands within the City consist of Class IV soils or worse. The various categories of land within the City identified in connection with the preparation of the initial inventory are described in the following tables.

TABLE 8.1

LANDS EITHER EXCLUDED OR INCLUDED  
WITHIN INITIAL SOILS INVENTORY

Total Acres Within City	±4,100 Acres
Lands Already Developed Plus Vacant Lands Consisting of Class IV Soils or Worse	±2,900 Acres(1)
Lands Currently in Some Form of Agricultural Use Plus Vacant Lands Consisting of Class 1, 11 or 111 Soils	±1,200 Acres
Total Acres Within City	±4,100 Acres

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(1) Developed lands include existing residential, commercial and industrial uses, public buildings, roads and other improvements, the state beaches and City parks. In addition to the poor quality of their soils, the vacant lands consisting of Class IV soils or worse are unsuitable for agricultural use for all of the reasons set forth in Footnote (3) on the following pages.

TABLE 8.2

INITIAL SOILS INVENTORY

Initial Inventory of Lands Within the City Which Might be Suitable for Agricultural Use	+1,200 Acres
Lands Currently in Some Form of Agricultural Use	
Irrigated Food Production	± 115 Acres
Irrigated Field Flower Production	± 225 Acres
Greenhouse/Potted Plant Operations	± 90 Acres
Subtotal	± 430 Acres
Vacant Lands Within the City(2) Consisting of Class 1, 11 or 111 Soils	
Class 1 and 11 Soils	± 295 Acres
Class 111 Soils	± 475 Acres
Subtotal	± 770 Acres
Initial Inventory of Lands Within the City Which Might be Suitable for Agricultural Use	
Total	±1,200 Acres

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(2)See footnote (3) on the following pages.

The City then examined each parcel within this initial inventory to determine which parcels actually have some potential for agricultural use. On the basis of its examination and analysis, the City has concluded that the ±770 acres of vacant Class I, II and III soils have no potential for agricultural use for a myriad of independent and self-sufficient reasons.(3)

The City also examined and analyzed each parcel of land within the City currently in some form of agricultural use.

Approximately 115 acres of irrigated farmland is currently being used by six farmers for production of food crops as follows: Artichokes on ±62 acres; Brussels sprouts on ±25 acres; and greens on ±25 acres. Two of the six farmers are owners. The other four are tenant farmers who are able to continue to operate only because their land rents are artificially low since the parcels are restricted to agricultural use. The acreage in production for each operation ranges from a low of ±9 acres to a high of ±45 acres. Under the best of circumstances, a minimum parcel size of 200 usable acres is required to maintain a commercial vegetable farming operation. The viability of existing agricultural use on each of the six parcels is severely and irreparably limited by conflicts with urban uses such as trespass and vandalism including damage to crops, irrigation equipment, machinery, and fences, caused by local residents and visitors to the State Beaches, their motorcycles, off-road vehicles, horses and dogs, restrictions on the types and methods of application of pesticides and on hours of tractor and machinery operation because of noise and dust, and infestations of the plume moth attracted by the lights of surrounding development.

All of these urban impacts reduce yields while raising costs. None of the six parcels is suitable for agricultural use because of inadequate parcel size, inadequate supplies of affordable irrigation water, low yields and high costs arising from severe urban impacts, and little or no return-on-investment despite entry costs substantially lower than those which would be incurred to establish a new or renewed food production operation today.

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(3)Those reasons include: (1) lack of affordable irrigation water; (2) land preparation costs too high for economically feasible operation; (3) unavailability of necessary financing; (4) high land costs and property taxes; (5) severe urban impacts; (6) inadequate parcel size; (7) no farmers willing to purchase for agricultural use (8) poor drainage; (9) crop-limiting climatic factors; (10) scattered ownerships in existing subdivisions; (11) location within riparian habitats; and (12) inclusion within Wavecrest Restoration Project which has been approved for development by the Commission, the Coastal Conservancy and the City. These reasons are discussed in more detail in the text.

The ±225 acres currently in field flower production are divided among eleven parcels and eight operators. Five of the parcels are operated by the owners; and six of the parcels are operated by tenants who are able to continue to operate only because their land rents are artificially low since the parcels are restricted to agricultural use. The acreage in production for each operation ranges from a low of ±7 acres to a high of ±52 acres. With the exception of the ±18-acre field flower operation in the Hester-Miguel, all of the existing field flower operations have been severely and irreparably limited by the same conflicts with urban uses that have severely and irreparably limited the existing food production operations. Most of the eleven parcels are not suitable for agricultural use because of inadequate parcel size, inadequate supplies of affordable irrigation water, low yields and high costs arising from severe urban impacts, and little or no return-on-investment, despite entry costs substantially lower than those which would be incurred to establish new or renewed field flower operations today. A few of the eleven parcels are viable today, based on the low entry costs of the operators and their willingness to continue to farm despite severe urban impacts and marginal net returns. Because of the severity of urban impacts and the low marginal returns to the existing operators, none of these parcels could be sold to a new operator for continued agricultural use. These parcels may continue to be operated by the existing farmers until they retire or until the competitive advantages of other domestic and foreign growing areas become too great.

There are approximately 90 acres of land currently being used for greenhouse/potted plant operations in the City. The greenhouse industry in the City is a viable industry at this time. The existing local operators are concerned about the lack of affordable housing for employees, the high costs of energy which make the operations non-competitive with coastal areas further south, the prospect that future traffic associated with the Ox Mountain refuse disposal site will delay deliveries and interfere with scheduling, and the growing competitive advantages of other domestic and foreign production areas. These advantages include lower land costs, lower water costs, lower heating costs, lower property taxes, fewer building restrictions, and the availability of farm labor housing.

The greenhouse industry in Half Moon Bay consists, without exception, of family operations by second-generation family members. If these operators had to purchase their land and finance their improvements today, none of these operations would be economically feasible. Prospects for future expansion of the greenhouse industry in the City are minimal because of the high costs for land, water, and energy, and the narrow margins on sales which are estimated to be two percent (2%) per dollar of sales by existing operators. New entries would be faced with very high costs that would prevent any return-on-investment. Given the high costs of land, the high costs of building in an urban environment, the high cost and limited availability of water, the narrow profit

margin of existing operators, and the growing competitive advantages of other production areas, expansion of existing operations in the City or the entry of new operators is not likely. There has been no new entry in over 17 years. Present operators regard prospects for further growth of their own operations in the City as minimal. Preferred locations for both new and expanded operations are available outside the City and in other regions.

A successful farming operation requires more than good soil. Other necessary factors include: (1) adequate parcel size to justify mechanization and other economies of scale; (2) ample supplies of good quality low cost irrigation water; (3) a favorable climate; (4) financing for land and equipment acquisition and production costs; (5) local farm support facilities and services; (6) an adequate labor supply; (7) a non-urban location which will permit the use of a wider range of pesticides and aerial applications; (8) freedom from urban impacts such as trespass, vandalism, and neighborhood complaints about noise and dust; and (9) most important of all, a farmer willing to devote the time, energy, and money necessary to operate a parcel. There are some parcels with good soil in the City, and the climate is favorable for some crops. However, few, if any, of the other necessary factors exist for a farming operation in the City.

Without an ample supply of high quality low cost irrigation water, even the best soils in the City are not suitable for agricultural use. All of the wells, streams, and run-off reservoirs that can be used for irrigation water are already being fully used to meet just the minimum requirements of the ±340 irrigated acres in production in the City. There is no other source of affordable irrigation water available for the remaining undeveloped acreage within the City. Stream and well water production for the existing operators are declining while pumping costs are rising. At least one former operator has experienced salt-water intrusion. There are no other sources of good quality competitively-priced irrigation water. The cost of a new run-off reservoir would be prohibitive. A minimum storage capacity of at least 1.5 acre feet would be required for each acre in production. A 50-acre foot run-off storage reservoir and related appurtenances could cost as much as \$300,000.\* The marginal returns to existing operators indicate that agricultural use of lands in the City could not generate the necessary income to finance these costs. Food farmers and field flower growers cannot afford the Coastside County Water District price of approximately \$488 per acre foot, which is 8 to 15 times more expensive than irrigation water elsewhere in California, including Santa Cruz and Monterey Counties. Whether CCWD builds the Crystal Springs pipeline or a dam and reservoir on the coastside, any additional supplies will be at least as expensive as existing supplies. Use of reclaimed waste-water would be unacceptable to the State from a

\*All reservoir construction previously completed within the City of Half Moon Bay was substantially paid for by the Federal Government - Soil Conservation Service. Construction of new reservoirs, privately financed, would be prohibitive.

health standpoint and to the flower growers from a quality standpoint.

It would also be economically infeasible because of the substantial costs which would be required to build a storage reservoir and distribution system capable of delivering reclaimed waste-water to scattered small parcels. Finally, substantial urban development would be required to produce the additional 1.5 to 5 acre feet per year of reclaimed waste-water necessary to place each additional acre of undeveloped land into production.

Under the best of circumstances, commercial vegetable growers require at least 200 acres of land to achieve the minimum economies of scale required to meet the costs of mechanical equipment and compete in the marketplace. Because urban impacts decrease yields while increasing costs, even larger parcels would be required for food farming operations in the City. There are no parcels this size in the City. A field flower grower might be able to operate viably on a smaller parcel if it is located in a non-urban area and if it is being farmed by a small family-type operator. There are only two such operators left in the City. Their operations have been severely limited by urban conflicts and they have indicated they would relocate if their lands were not presently locked into agricultural use. No new small operators have come into the City in over 17 years.

With but one exception, the viability of all of the existing food and field flower operations in the City has been severely limited by urban conflicts. Fences, equipment, and growing crops are repeatedly damaged or destroyed by trespass, vandalism, and theft, thereby decreasing yields and increasing costs. Given the existing level of urbanization and the existing use of the City's beaches as a regional recreational center, these urban conflicts are irreversible and can be expected to increase. In order to protect human health, the more effective pesticides cannot be used, which further reduces yields. For the same reason, aerial and other efficient methods of pesticide application are prohibited, which further increases costs.

The City lacks the necessary local services and facilities required to support agricultural land use. The City has one automobile dealer who also sells trucks and one farm supply store which relies on a large garden supply clientele to survive. Firms capable of servicing farm equipment do not exist in the City. Marketing facilities are also non-existent. The closest town with agricultural support facilities and services is Watsonville, approximately 75 miles from Half Moon Bay. As a result, the City's farmers and flower growers must pay more for supplies and services.

The financing necessary to buy land, equip a farm or field flower operation, and cover production costs is not available for land in the City that is restricted to agricultural use. Reasons given by lenders include small parcel size, scarcity and high cost of water, high cost of energy, high costs and low yields arising from

restrictions on the use of pesticides, lack of farm labor housing, competitive advantages of other areas, and a history of marginal or negative returns for existing operations.

All of the crops which have been, or are being, grown in the City, including Brussels sprouts, artichokes, field flowers, and potted plants, can be grown in other areas with distinct advantages over the City, including adequate supplies of high-quality competitively-priced water, greater efficiency through larger agricultural units, lower land costs and property taxes, availability of farm labor housing, less urban intrusion, higher yields, fewer restrictions on pesticide use and applications, less restrictive building standards than those necessary in an urban environment, and lower fuel costs in the case of greenhouse/potted plant operations.

Finally, farmers and field flower growers are not willing to invest in food or field flower operations in the City. Land rents paid by those few tenant farmers still operating on leased lands in the City are artificially low because the lands are restricted to agricultural use. At best, landowners like the Matteucci's barely cover property taxes. The net annual return to the Matteucci's for their 12-acre parcel is \$2.68 after the payment of taxes. The land rent received by the L. C. Smith Estate is less than one-half the amount of its annual property taxes. Restriction of their lands to agricultural use would deprive the existing landowners of all value for their properties. Those few tenant farmers still operating in the City are doing so only because their land rents are nominal and because they are farming other lands outside of the City. Since they already own all of the necessary equipment, the return from the leasehold operations need not cover equipment costs. None of these tenant farmers is interested in purchasing land in the City restricted to agricultural use, nor are they willing to make any investment in equipment, irrigation facilities, or other capital improvements. All have indicated that they will continue to operate only so long as their land rents remain nominal. Several have indicated that despite the nominal land rents, their returns may not justify continued operations. None of the leasehold operations has any area economic significance.

The use of land within the City for the production of food crops is no longer feasible. Some of the irrigated acreage currently being used for field flower production is, at the present time, land suitable for agricultural use. However, as the competitive advantages of other production areas increase, the maintenance of field flower production on most of these irrigated prime soils will no longer be feasible. New or renewed field flower production within the City is not feasible. The ±90 acres currently being used for greenhouse/potted plant operations is, at the present time, land suitable for agricultural use. However, if the competitive advantages of other domestic and foreign production areas continue to increase, the existing owner/operators may relocate. Prospects for the expansion of existing greenhouse/potted

plant operations are minimal and the entry of new operators is not feasible.

The ability to convert land to alternative uses, should agricultural use be infeasible, is essential in order for field flower growers and farmers to finance continued operations. Lenders will not accept as collateral for loans lands within the City restricted to agricultural use. Many of the existing field flower operators and farmers have indicated a desire to sell their lands and relocate their operations to larger parcels in non-urban areas. However, because their lands are presently restricted to agricultural use, they are unable to do so. If the City were to deny these experienced and willing floricultural operators and farmers the opportunity to sell unsuitable lands at urban values and to use the proceeds to acquire suitable lands and necessary equipment for efficient operations elsewhere, the City would prevent expansion of agricultural production on prime agricultural lands outside of the City without maintaining agricultural production within the City.

There is no "fallow" land within the City (i.e. land which has been plowed but not seeded during a growing season in order to make the soil richer, conserve moisture supply, kill weeds, or otherwise preserve and enhance the land for agricultural use). None of the vacant land in the City, regardless of soils type, is suitable for agricultural use. The land is vacant because it would be economically infeasible to farm.

#### 8.4 Planning Issues

##### Economic Significance

The only agricultural production in the City of economic significance is floriculture/horticulture, which accounts for about 20% of the total coastside flower production and 98% of the gross value of agricultural production and agricultural employment in the City. Virtually all full-time agricultural employees are in floriculture/horticulture. Direct employment accounts for about 45% of total employment in the City.

The only floriculture/horticulture operations of economic significance are the existing greenhouse/potted plant operations (which are not soils dependent) and those few field flower operations which are viable at the present time because of the low entry costs of the operators and their willingness to continue operations despite marginal returns. Although the existing greenhouse/potted plant operations account for the bulk of both agricultural income and employment in the City, they occupy only 21% of the land currently in production. Floriculture/horticulture is more land and labor intensive than vegetable production.

Coastal Act. The mountain slopes, steep hillsides, and hardy shrubs further north constitute a natural buffer.

The only other parcels of prime agricultural land with available irrigation water immediately adjacent to the City limits are a few scattered small parcels adjacent to the southern portion of Hester-Miguel where Frenchman's Creek and required riparian set-backs constitute an adequate buffer.

There is no agricultural use of County lands adjacent to the northern City limits where urban build-out and the highway constitute obvious boundaries. Were County lands south of the City and east of the Coast Highway suitable for agricultural use, Arroyo Canada Verde and required riparian set-backs would constitute an adequate buffer.

The County lands west of the Coast Highway adjacent to the southern City limits would constitute an adequate buffer if County lands further south were suitable for agricultural use. The land immediately south of the City limits is not suitable for agricultural use. It consists of Class III soil and has no available source of irrigation water. Nevertheless, because this land is designated Planned Agricultural District in the County's certified LCP, the City, with the consent of the owner of the land immediately north of the southern City limits, will impose as a condition to permitted development the establishment of a buffer zone along the southern City limits adequate to preserve the potential for agricultural use of the adjacent County land. (See Chapter 2, Part 9.3.7).

Establishment of the City boundary as the Urban/Rural Boundary will assure that future urban development occurs within the City and does not encroach on lands outside of the City suitable for agricultural use. In accordance with Coastal Act policies, future development will be concentrated within the City, and the City boundary will constitute a stable Urban/Rural Boundary.

### Agricultural Phasing

The land use designations and agricultural policies in this Plan establish a logical scheme for phasing the conversion to urban use of lands currently in some form of agricultural use. The phasing scheme is not based on an arbitrary time frame, but rather on the actual needs and capabilities of the City. Subject to the availability of the necessary public works infrastructure and the phasing policies elsewhere in this Plan, those lands which are clearly no longer suitable for agricultural use have been designated for development on the Land Use Plan Map and will be developed first. Subject to the minimum time frames established by Policy 8-5, those lands designated Urban Reserve because they now may be, or very shortly can be expected to be, unsuitable for agricultural use, will be developed only after substantial build-out of the lands designated for development on the Land Use Plan

Map. Those lands designated Open Space Reserve because continued agricultural use may remain viable for the short term will be developed only after all of the remaining lands in the City suitable for development have been developed or committed to other uses. Finally, those lands designated Floriculture/Horticulture Business because continued agricultural production is likely to remain feasible for the long term will be maintained in agricultural production for the foreseeable future in order to assure the protection of the area's agricultural economy.

#### Maintenance in Production of the Maximum Amount of Land Suitable for Agricultural Use

In order to assure the protection of the area's agricultural economy, the City's Agricultural Phasing Program will (a) encourage the long-term maintenance of agricultural production on those lands designated Horticulture Business and (b) encourage the maintenance of agricultural production for as long as possible on the lands designated Open Space Reserve and Urban Reserve by prohibiting conversion of Open Space Reserve lands to urban uses until all of the developable lands within the City have been developed, and by prohibiting conversion of Urban Reserve Lands to urban uses (i) for a minimum period of 10 years or (ii) until substantial development has occurred in areas designated for development on the Land Use Plan Map, whichever is longer. Tables 8.3 and 8.4 compare the acreage within the foregoing reserve categories with the acreage currently in some form of agricultural use.

#### Horticulture Business

In order to assure the long-term maintenance of the only agricultural production in the City of any area economic significance, the City has designated as Floriculture/Horticulture Business a total of ±139 acres. Of the 315 acres currently in greenhouse/potted plant operations and field flower production, ±101.3 acres, or approximately 32%, have been designated as Floriculture/Horticulture Business. This figure includes ±79 acres currently in greenhouse/potted plant operations and ±22.3 acres currently in field flower production. Although the existing greenhouse/potted plant operators and field flower growers do not foresee expansion within the City, in order to preserve the potential for expansion, the City has designated as Floriculture/Horticulture Business an additional ±37.7 acres which are not now in production, ±21 acres of which are owned by existing greenhouse/potted plant operators, and ±12.1 acres of which are owned by existing field flower growers. Lands designated Floriculture/Horticulture Business may be used only for open field agricultural production, nurseries and greenhouses.

The City has designated all of the lands suitable for long-term agricultural use as Floriculture/Horticulture Business. The remaining undeveloped lands within the City are unsuitable for

long-term agricultural use. Since these lands are located within, contiguous with, or in close proximity to, existing developed areas, and since their development would serve to complete logical and viable neighborhoods and contribute to the establishment of a stable Urban/Rural Boundary, their eventual development is consistent with Coastal Act Sections 30241, 30242 and 30250(a).

#### Open Space Reserve

Nevertheless, since some of these lands may be able to continue in agricultural use for the short term, provided the existing operators are willing and competitive disadvantages do not become too severe, the City has designated as Open Space Reserve  $\pm 73.6$  acres, or approximately 17%, of the lands currently in some form of agricultural use. This figure includes  $\pm 41.4$  acres, or approximately 13%, of the  $\pm 315$  acres currently devoted to greenhouse/potted plant operations and fieldflower production, and  $\pm 32.5$  acres, or approximately 28%, of the  $\pm 115$  acres currently devoted to vegetable production.\* The City has also designated as Open Space Reserve an additional  $\pm 8.8$  acres not now in production, which constitutes a portion of a single  $\pm 25.5$  acre parcel, the remainder of which is currently devoted to field flower production. Lands designated Open Space Reserve may not be converted to urban uses until all other land in the City suitable for development has been developed or committed to other uses. The Open Space Reserve land use designation is consistent with the policy of the Coastal Act to develop available lands not suited for agriculture prior to the conversion of agricultural lands.

#### Urban Reserve

Even though they may no longer be suitable for even short term agricultural use, the City has designated as Urban Reserve another  $\pm 105.8$  acres, or approximately 25%, of the lands currently in some form of agricultural use. This acreage, all of which is devoted to field flowers, constitutes approximately 34% of the  $\pm 315$  acres of land in the City currently devoted to greenhouse/potted plant operations or field flower production. The City has also designated as Urban Reserve an additional  $\pm 19.08$  acres owned by existing field flower growers but not now in production, for a total of  $\pm 124.88$  acres. Lands designated Urban Reserve include those open field flower operations clearly within the perimeter of existing urban development. They constitute a logical reserve for infill development after substantial development has been accommodated on lands designated for new development on the Land Use Plan Map. Lands designated Urban Reserve which are subject to Williamson Act contracts may not be converted to urban uses until expiration of the contract. The City will not consent to cancellation of a Williamson Act contract. Other lands designated

\*The City has designated as Open Space Reserve a total of  $\pm 797$  acres.

Urban Reserve may not be converted to urban uses for a period of at least ten years from the effective date of this Plan. Regardless of the expiration of a Williamson Act contract or the passage of the ten year period, lands designated Urban Reserve will not be permitted to convert to urban uses until substantial development has occurred in areas designated for development on the Land Use Plan Map.

#### Lands Designated For Development

Of the ±430 acres of land within the City currently in some form of agricultural use, ±149.9 acres, or approximately 35%, are designated for development on the Land Use Plan Map. All of this acreage is either wholly surrounded by or contiguous with high density residential development and urban impacts have become intolerable.

#### Greenhouse Development

Under the Coastal Act, greenhouse production is both an agricultural activity and a type of development. As a form of development, its impacts on soil productivity, preservation of the area's agricultural economy, and impacts on coastal water, habitat, and scenic resources must be considered. The significance of greenhouse production to the City and County agricultural economy is well-documented. Therefore, it is important to protect greenhouse/potted plant operations to maintain that economic base. The Plan attempts to address the most critical single issue for the greenhouse/potted plant operators: an adequate high-quality water supply. Assurance of adequate water for continued operations should enhance conditions for maintenance of the existing greenhouse/potted plant operations in Half Moon Bay. Greenhouses, however, raise other Coastal Act issues which must be addressed by the Plan.

Greenhouse development, like other development, has an impact on water run-off, affecting levels of groundwater recharge and water quality. Due to the high cost of water, much of the water used in greenhouses is recycled for additional use. In addition, the Plan reduces the likelihood of any significant additional impact by limiting expansion of greenhouses to parcels already committed to greenhouse use, consistent with operators' indications of future potential requirements.

The existing greenhouse/potted plant operations will be protected and encouraged to continue as a mainstay of the City's economic base by means of the Floriculture/Horticulture Business designation. This designation is consistent with the semi-industrial nature of such operations.

The industrial appearance of greenhouses, as viewed from Highway 1, other public ways, and recreational areas, must be considered in terms of Coastal Act scenic area objectives. Design approval is not currently required by the City for such developments. The plan provides for design review and landscaping or alternative methods to mitigate the visual impacts of all new greenhouse structures and additions. Since the existing locations of greenhouses, to which future expansion will be limited, do not involve substantial visual intrusions into scenic corridors or obstruct coastal views, any expanded use is not expected to conflict with scenic values, given landscaping requirements. Greenhouses also have a symbolic visual place in the City due to their significance to the local economy.

## 8.5 Policies

### Policy 8-1:

The City recognizes agriculture as a valuable economic resource to the region. The maintenance of the City's economic base partially depends on the continued strength of the horticulture industry.

### Policy 8-2:

The City will not consent to cancellation of Williamson Act contracts of lands designated Urban Reserve prior to the expiration of the contract in accordance with State law.

### Policy 8-3:

The City will continue to offer agriculture preserve status and Williamson Act contracts to those owners desiring to maintain agricultural use within the City.

### Policy 8-4:

The City will phase development so as to maintain land in field flower production as long as feasible (as defined in Section 30108 of Coastal Act).

### Policy 8-5:

Lands designated Urban Reserve on the Land Use Plan Map shall not be eligible for development approval and shall not receive a permit for development, other than for uses permitted under the designation Urban Reserve, except upon the happening of one of the following conditions:

- (a) In the case of land which is within an agricultural preserve and subject to a Williamson Act contract as of July 1, 1980, expiration of the Williamson Act contract.
- (b) In the case of land which is not subject to a Williamson Act contract, the expiration of 10 years from the effective date of this Plan.

### Policy 8-6:

Lands designated Open Space Reserve on the Land Use Plan Map shall not be eligible for development approval and shall not receive a permit for development, other than for uses permitted under the designation Open Space Reserve, unless and until there are no alternative areas appropriate for infilling within the City for the proposed use and no division of such lands shall be permitted until development approval is obtained pursuant to this policy.

Policy 8-7:

The City will designate existing greenhouse developments, those open field irrigated operations which are most likely to remain viable for the long term, and areas within the same ownerships as Horticulture Business, in order to protect, maintain, and accommodate the needs of floriculture as a significant part of the City's economy.

Policy 8-8:

The City will aggressively support expansion of water supplies necessary and suitable for horticulture with reservation of required amounts to meet expected needs. (See Public Works, Section 10, p. 171).

Policy 8-9:

All new greenhouse projects, both additions and new projects, shall be subject to design review and approval.

Policy 8-10:

No greenhouse, hothouse, or accessory structure shall be located closer than 50 feet from the boundary line of a lot zoned residential.

Policy 8-11:

Landscaping and screening shall be installed within six months of completion of new greenhouses and/or accessory buildings. Such landscaping shall reasonably block the view of the greenhouse structures and parking areas within five years of project completion, provided that screening of greenhouse shall not be necessary if set back at least 100 feet where abutting a public street and the setback area is in agricultural use.

Policy 8-12:

The Urban/Rural Boundary shall be the City Limit boundary of the City of Half Moon Bay.

Policy 8-13:

The City will support the Coastal Conservancy and other public or private agencies in their efforts to implement agricultural enhancement programs. These programs may include but are not limited to:

Coastal Conservancy purchase of development rights or fee interest in agricultural lands from willing sellers.

Transfer of development credits among willing property owners.

Direct support and improvement of agricultural operations by partial site development where this is permitted by the LUP.

Deferral of in-lieu fees (i.e. parks and recreation) on those lands remaining in agricultural use where partial site development occurs.

