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RE: Preliminary Study - Delta Farmland Conversions: Water Supply, Flood Control, and Habitat Projects

Dear Dan Ray,

The Delta Stewardship Council (Council) appreciates the opportunity to comment on the *Preliminary Study – Delta Farmland Conversions: Water Supply, Flood Control, and Habitat Projects* (Study) prepared by the Delta Protection Commission (Commission).

The Council is an independent State of California agency established by the Sacramento-San Joaquin Delta Reform Act of 2009. (Wat. Code, § 85000 et seq.; Delta Reform Act.) The Delta Reform Act charges the Council with furthering the state's coequal goals of providing a more reliable water supply and protecting, restoring, and enhancing the Delta ecosystem. (Wat. Code, § 85054.) The Delta Reform Act further states that the coequal goals are to 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. The Council achieves this

mandate through the adoption and implementation of the Delta Plan, a comprehensive long-term management plan for the Sacramento-San Joaquin Delta and Suisun Marsh (collectively, the Delta). (Wat. Code, § 85300.)¹

The Delta's historically tidal wetlands, once sustainably managed by Indigenous tribes, now form the heart of the state's freshwater conveyance system. During the 1850's in the period known as the Reclamation Era, wetlands were drained, channels dredged, and a network of levees constructed to convert the region into agricultural land, or farmland. These modifications changed the landscape such that only approximately 3% of the original tidal wetlands remain today². These changes, in part, led the Legislature, through the enactment of Delta Reform Act, to balance ecosystem restoration while also recognizing and preserving the Delta as a unique and evolving place.

Council staff appreciate the Commission's ongoing efforts to protect, maintain, and enhance the Delta's unique environment and economy. These efforts support the importance of agriculture, recreation, and natural resources to Delta communities as outlined in (Wat. Code, § 85020, subd. (b).) The Commission's work also aligns with the Council's commitment to achieve the coequal goals in a way that protects and enhances the Delta as an evolving place and restore the Delta ecosystem, including its fisheries and wildlife, as the heart of a healthy estuary and wetland ecosystem (Wat. Code, § 85020, subd. (c).) As such, Council staff are encouraged that the Commission is conducting the Study. This effort to examine the impacts of water supply reliability, flood control, and habitat restoration projects on existing agricultural land is a meaningful and necessary step in ensuring that future decisions are grounded in a balanced understanding of both the state's ecological and water management needs and the region's agricultural heritage.

This letter discusses Delta Plan policies and recommendations related to the Study, evaluates Study data sources and methods, provides input on the topic of

¹ Though the Delta Reform Act grants the Council specific regulatory and appellate authority over certain actions of state or local public agencies that take place in whole or in part in the Delta, (Wat. Code, §§ 85210, 85225, 85225.10.) the Study is not a covered action because it does not meet the definition of a covered action pursuant to Water Code section 85057.5.

² Delta Stewardship Council. 2025. Tribal and Environmental Justice in the Sacramento-San Joaquin Delta: History, Current Perspectives, and Recommendations for a Way Forward.

agricultural mitigation, and recommends certain actions that Council staff believe will improve the Study.

Related Delta Plan Regulatory Policies and Recommendations

On July 15, 2025, and July 17, 2025, the Commission organized Farmland Conversion Workshops (July Workshops) to present and discuss the Study. Several questions came up relevant to Delta Plan regulatory policies and recommendations related to the Study, including **ER P2**, **ER P3**, **ER RB**, **DP P1**, **DP P2**, and mitigation measures specified in **G P1(b)(2)**. The following summary addresses these Delta Plan policies and recommendations to clarify their content and requirements and describes how they relate to the Study.

ER P2 requires that project proponents disclose the elevations of habitat restoration projects, conservation actions proposed as part of the project, and whether conservation actions are appropriate to the elevation. (Cal. Code Regs., tit. 23, § 5006.) Appropriate habitat elevations were discussed briefly in the July Workshops in the context of how priority habitat areas are defined. Delta Plan Figure 4-5 and Appendix 4A can be used as a guide for implementing conservation actions at the appropriate elevations. ER P2 does not consider or require that all restoration-appropriate elevations would be subject to conversion. Conservation actions can also deviate from Appendix 4A elevation bands if project proponents provide a rationale based on best available science in their certification of consistency.

ER P3 identifies priority habitat restoration areas (PHRAs) in the Delta and requires that adverse impacts on the opportunity to restore habitat within PHRAs be avoided or mitigated. Projects should not preclude or otherwise interfere with the ability to restore habitat in PHRAs (see Delta Plan, Figure 4-7). (Cal. Code Regs., tit. 23, § 5007.)³ The Study notes that only 6% of the total acreage of agricultural land, or farmland, converted in PHRAs would be restored through identified projects (DPC Preliminary Study – Delta Farmland Conversions, 2025). To clarify, ER P3

³ Priority habitat restoration areas were identified by the Department of Fish and Wildlife (CDFW), U.S. Fish and Wildlife Service, and National Marine Fisheries Service for a 2011 CDFW report. Areas were selected based on appropriate elevations and locations (e.g., migratory corridors).

neither considers or requires that *only* habitat restoration occur in these areas, nor suggests that the full extent of these areas be restored.

ER RB recommends that restoration projects use the <u>Good Neighbor Checklist</u> when planning and designing restoration projects. The <u>Good Neighbor Checklist</u> encourages early conversations with neighboring landowners about project planning, siting, construction, operations, and maintenance. The Study refers to the Commission's 2030 Strategic Plan action to "promote and disseminate 'good neighbor' policies to protect Delta farms... (DPC Preliminary Study – Delta Farmland Conversions, 2025)." ER RB aligns with the Commission's Strategic Plan by encouraging project proponents to use the checklist to avoid or reduce conflicts with existing uses. The Good Neighbor Checklist provides one tool for navigating these conversations between landowners and the Study presents a valuable opportunity to promote the Good Neighbor Checklist as a resource.

DP P1 requires that new residential, commercial, and industrial development projects occur in specific areas, including areas designated for this use in city and county general plans, within urban limit lines, or in unincorporated Delta legacy towns. (Cal. Code Regs., tit. 23, § 5010.) DP P1 is relevant to the Study as it limits the conversion of agricultural lands to urban uses by restricting development projects to areas near existing urban centers.

DP P2 requires that ecosystem restoration projects and flood and water management facilities be sited to avoid or reduce conflict with existing and planned future uses, as specified. (Cal. Code Regs., tit. 23, § 5011.) The concept of agricultural buffers was discussed in the July Workshops, and participants weighed in regarding their use and success. Consistent with the Commission's Land Use and Resource Management Plan (LURMP), DP P2 identifies agricultural buffers as one means of mitigating adverse effects on surrounding farmland.

GP1(b)(2) requires that covered actions not exempt from the California Environmental Quality Act (Pub. Resources Code, § 21000 et seq.; CEQA) include all applicable mitigation measures incorporated into Appendix O of the Delta Plan or include equally effective alternatives. (Cal. Code Regs., tit. 23, § 5002.) Appendix O, Mitigation Measures 7-1 (a)-(h) require projects, among other things, to protect agricultural resources by minimizing the loss of the highest value agricultural lands, conserving other farmlands in cases where a project will permanently convert

agricultural land at a 1:1 ratio, and designing projects in a way that limits the fragmentation of farmland. Agricultural mitigation measures were also discussed in the July Workshops. Referring to these Delta Plan mitigation measures in the Study would call attention to these additional layers of protection for agricultural resources.

The Delta Plan limits and mitigates the impacts of converting agricultural land to urban use. Through these policies and recommendations, the Council guides ecosystem restoration, water supply reliability, and flood control activities in the Delta in a way that minimizes impacts on agriculture and helps agriculture to coexist with other resource needs in the Delta.

Study Data and Methods Evaluation

As Council staff understand, the findings in the preliminary Study indicate that agricultural land in the Delta is converted more often for habitat restoration and flood control projects than for urban development. The Study highlights concerns regarding the cumulative loss of productive agricultural land, or farmland, and its long-term impacts on the regional economy and Delta communities, apart from urban conversion that is already being addressed by the Council's regulations (see DP P1 (Cal. Code Regs., tit. 23, § 5010.) and other contributing factors. The Study identifies 36,186 acres, about 8%, of total Delta farmland as either completed or planned conversion to flood control or habitat restoration projects. Additionally, the Study identifies that 54% of the agricultural land proposed for conversion is classified as Prime Farmland. The Study further highlights a "target of restoring" 32,000 acres of tidal marsh by 2050" (DPC Preliminary Study – Delta Farmland Conversions, 2025). The Delta Plan's restoration goals, however, calls for 30,000 acres of new tidal wetland by 2050, 30,000 acres of subsidence reversal activities by 2030, and 60,000 to 80,000 acres of restoration by 2050 (see Delta Plan, Chapter 4, pp. 24, 39-40 and 52).

Clarifying Data and Methods

Council staff appreciate the Commission's efforts to compile and analyze this farmland conversion data; however, several aspects of the Study would benefit from improved clarity and methods transparency. For example, the basis for certain percentage conversion estimates is unknown. If a 2013 baseline was used, this should be explicitly stated because knowing the baseline year is critical to

understanding what the conversions are based on. Additionally, the Study includes projects that are located on land that was used for farming within the past four years, and Council staff suggest clarifying the specific years referenced within this four-year window prior to conversion. It is important to clarify how this timeframe is applied, for example, whether the land is farmed continuously for four years, or if any farming activity during the four-year period qualifies. A specific example would help illustrate how land use is evaluated during this period. Council staff recommend that the Study clarify whether intermittent or partial farming, or shifts between agricultural and non-agricultural uses during those years, would be counted or excluded. Council staff recommend preparing a methodology section detailing the analytical approach and any quality assurance and quality control procedures completed to ensure data reliability.

Similarly, Council staff question the classification of reported restoration acreages and the criteria used to define what qualifies as restoration. For example, is the conversion from row crop to rice for subsidence reversal categorized as conversion? Council staff recommend identifying what type of use changes are considered farmland conversion. Grouping completed and planned projects together also obscures the timing and scale of farmland conversion, and Council staff recommend that the Study separate these categories. As an example, the Metropolitan Water District of Southern California's Webb Tract project includes habitat restoration, subsidence reversal, and ongoing agricultural uses. Counting the entire island as converted from agriculture to habitat restoration overstates the impact on farmland. Similarly, rice farming on Staten Island appears to be counted as restoration, despite being active agricultural land. Council staff also recommend identifying that the analysis is limited to the Delta Primary and Secondary Zones, and, thus, does not include the Suisun Marsh. That distinction is important because citations to the Delta Plan's restoration goals include the Suisun Marsh.

Identifying the Viability of Farmland

It is Council staff's understanding that the Study uses data from the 2018 Department of Conservation's Farmland Mapping and Monitoring Program to determine the presence of farmland. While the Study uses 2018 data, Council staff recommend updating the farmland data to use the 2020 farmland data, if possible. In any case, it is not clear from the Study how much of the identified farmland is still viable for farming in 2025, particularly in areas where groundwater levels and

subsidence might make the land too wet to farm. Assessing "farmable" acreage as a basis for conversion would align the Study with LURMP Policy P-2, which emphasizes avoiding conversion where *agricultural productivity* is highest. The Study also does not account for recent changes in landownership or production, though Council staff understand this is planned for the final report. Lastly, distinguishing between privately and publicly owned lands planned for restoration would provide important context about why these conversions are happening.

Agricultural Land Protection and Mitigation

Council staff concur with the Study's conclusion that the Delta needs to be evaluated holistically and in a way that considers long-term and cumulative impacts to agriculture (DPC Preliminary Study – Delta Farmland Conversions, 2025). Council staff also understand the Commission's role is to protect agricultural lands from conversion to nonagricultural uses and recognize the importance of reliable data that informs a common understanding of these trends. *The framing of this Study, however, has potential to prioritize agriculture above other aspects of the coequal goals, including "protecting, restoring, and enhancing the Delta ecosystem," rather than recognizing all components of the coequal goals as necessary efforts that can and should be achieved together.* (Wat. Code, § 85000 et seq.; Delta Reform Act.)

The Council, the Sacramento-San Joaquin Delta Conservancy, and others have invested considerable resources in recent years toward advancing a dialogue between farmers, restoration project proponents, and water agencies about how farming and restoration can successfully coexist. The Council's Delta Adapts Adaptation Plan includes adaptation strategies for both ecosystems and agriculture that are complementary. And at a local level, landowners are restoring habitat while continuing to farm side-by-side; for example, several of the habitat restoration projects included in the Study, including the Webb Tract Wetland Mosaic Landscape Project and Staten Island: Wetland Restoration Project, provide acreage for both wildlife-friendly farming and habitat (DPC Preliminary Study – Delta Farmland Conversions, 2025).

Commitment to Delta Restoration

The State of California prioritizes restoration and conservation. Governor Newsom signed Executive Order N-82-20 directing the Natural Resources Agency (CNRA) to establish a plan to achieve a state goal of conserving 30% of the state's land and

coastal waters by 2030. The Legislature enacted Public Resources Code section 21080.56, which created the <u>Statutory Exemption for Restoration Protects (SERP)</u> process that exempts certain restoration projects from being subject to CEQA. The Council adopted a target in the Delta Plan of restoring 60,000 to 80,000 acres of functional, diverse, and interconnected habitat across the Delta and Suisun Marsh by 2050. (see Delta Plan, <u>Chapter 4</u>, pp. 39-40.) That target was advanced by CNRA as an action under its <u>California Climate Adaptation Strategy</u>. The State Air Resources Board also established a target in its <u>2022 Scoping Plan for Achieving Carbon Neutrality</u> to restore 60,000 acres of Delta wetlands by 2045.

Given this statewide policy push toward restoration at a rapid pace and a large scale, Council staff acknowledge the Commission's and landowners' potential concerns about the cumulative loss of productive farmland and the adequacy of existing measures to mitigate impacts to farmland. While restoration projects that utilize SERP are exempt from CEQA and, thus, might not be required to include the Delta Plan's existing farmland mitigation requirements, other mitigation is available at the state and local levels to incentivize farmland preservation.

- The <u>Williamson Act</u> (Gov. Code, § 51200 et seq.) provides property tax savings for landowners that enter into contracts with local governments to keep the lands as agricultural or other open space uses.
- Local governments can also include farmland protection requirements within their general plans and zoning ordinances, including, but not limited to, requirements to mitigate farmland loss through in-lieu fees by purchasing conservation easements on other similar farmlands. Fees are often used as a match for Department of Conservation grants to local governments and land trusts to set up agricultural conservation easements under the California Farmland Conservancy Program.

Some participants during the July Workshops expressed that impact fees are insufficient because they are only a one-time fee and cannot offset long-term or cumulative impacts. Another concern is the need for sufficient funding from landowners to maintain the levee system, which is affected by changing land values as farmland is converted from agriculture or devalued due to subsidence. Given the current policy landscape, the need to balance agricultural and restoration priorities in the Delta and landowner concerns, the Study raises significant policy questions, including:

- 1. Are non-CEQA forms of mitigation for agricultural land conversion adequate, and do they work for Delta landowners?
- 2. If not, is there a way to address this policy gap without de-prioritizing restoration efforts?
- 3. Are there alternative economic structures available to ensure adequate funding for levee maintenance, as agricultural land transitions to other land uses?

These questions may be of interest to the Commission and could be further explored in this Study or separate policy efforts, including future updates to the LURMP.

Recommendations

As the Commission examines agricultural land, or farmland, conversion in the Delta Primary and Secondary Zones, Council staff recommend highlighting opportunities and strategies for restoration and agriculture to coexist and benefit one another, summarizing the data in a variety of ways using a consistent and documented methodology, and further exploring the policy context that influences farmland mitigation.

Framing the Study

In addition to identifying the reasons for farmland conversions and the acreage converted, Council staff recommend that the Commission include content on the importance of agriculture, restoration, water supply reliability, and flood hazard management in the Delta and how those can coexist and work together. For example, the Study could include case studies about projects that involve wildlife-friendly farming or subsidence-halting farming alongside habitat restoration. This would be consistent with landowner comments at the July Workshops that acknowledged the need for both agriculture and restoration in the Delta and that each provides economic benefits.

Data Recommendations

Council staff recommend adding a methodology section to the Study. Restoration projects should be categorized to distinguish between planned, in-progress, and completed efforts. The Study should differentiate rice fields and similar subsidence reversal efforts from habitat restoration, so that those projects are not counted as

agricultural "conversions." The Study should clarify baseline years used and disclose how restoration targets are defined for purposes of forecasting future conversions. Incorporating more current farmland and ownership information will further improve the analysis, as will identifying whether land being converted is privately or publicly owned and still suitable to farm. These improvements would enhance transparency, support public understanding, and strengthen the overall quality of the Study.

Policy Considerations

Council staff recommend that the Commission consider whether existing mitigation requirements outside of the CEQA process are adequate or could be improved to better support farmers. Council staff also recommend that the Commission approach this question in a way that continues to prioritize restoration, water supply reliability, and flood hazard management objectives alongside agriculture so that the Study provides information useful to helping assess policy needs and opportunities.

Closing

Council staff appreciate the Commission's leadership in initiating the Study and its commitment to addressing the complex intersection of agriculture, ecosystem restoration, water supply reliability, and flood hazard management in the Delta. This work is critical to supporting the coequal goals outlined in the Delta Reform Act and informing future decisions that sustain both environmental and agricultural values. Council staff hope that the recommendations and clarifications provided in this letter help strengthen the Study and look forward to continued collaboration and thoughtful dialogue as this work progresses. Should you have any questions, please contact Megan Thomson at Megan.Thomson@deltacouncil.ca.gov.

Sincerely,

Jeff Henderson

Deputy Executive Officer

Delta Stewardship Council