



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Planning and Building



Date: September 22, 2015
Board Meeting Date: October 6, 2015
Special Notice / Hearing: 10-Day Notice
Vote Required: Majority

To: Honorable Board of Supervisors

From: Steve Monowitz, Community Development Director

Subject: County-Initiated Notice of Non-Renewal of California Land Conservation Contracts

County File Number: PLN 2015-00422

RECOMMENDATION:

Adopt a resolution authorizing the Planning and Building Department to file a Notice of Non-Renewal of California Land Conservation Contracts (En Masse) pursuant to the San Mateo County Land Conservation (Williamson) Act Uniform Rules and Procedures for the identified non-compliant parcels.

BACKGROUND:

In 2013, the Board of Supervisors adopted the San Mateo County Land Conservation (Williamson) Act Uniform Rules and Procedures (Program) under which the Department administers the Program and performs audits to ensure contract compliance. Program compliance requires ongoing commercial agriculture and allows agriculturally compatible uses (e.g., single-family residences) to a limited extent on contracted lands.

In July of 2015, the Department received the Assessor's Office annual Agricultural Preserve Questionnaire data for contract compliance review. Department staff has reviewed the data and has identified non-compliant parcels based on non-submittal of the most recent Questionnaire to the Assessor's Office since staff is unable to evaluate commercial agricultural activities for Program compliance absent the Questionnaire. On July 31, 2015, staff mailed letters to the affected landowners in order to provide an additional opportunity to submit the Questionnaire followed by subsequent letters informing the landowners, who were unresponsive to staff's initial letter, of the intent to record a notice of non-renewal and a final opportunity to submit the Questionnaire.

A total of 46 parcels owned by 11 landowners are identified for non-renewal.

Report Prepared By: Melissa Ross, Senior Planner, Telephone 650/599-1559

Owners: Identified property owners of Williamson Act contracted lands

Applicant: County of San Mateo Planning and Building Department

Location: Multiple

APNs: Multiple. Refer to the list included as Attachment A to this report.

Size: Various

Existing Zoning: Planned Agricultural District/Coastal Development (PAD/CD), Resource Management (RM), Resource Management-Coastal Zone/Coastal Development (RM-CZ/CD)

General Plan Designation: Agriculture, Open Space

Environmental Evaluation: Exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3); no potential for causing a significant effect on the environment, therefore, not subject to CEQA.

Chronology

<u>Date</u>	<u>Action</u>
Annually (February-March)	- Assessor's Office Agricultural Questionnaire mailings.
July 17, 2015	- Assessor's Office Agricultural Questionnaire data transmitted to the Planning and Building Department.
July 31, 2015	- Letter to affected landowners providing a second opportunity to submit the Assessor's Office Agricultural Questionnaire.
August 28, 2015	- Subsequent letter to affected landowners informing of the intent to non-renew and a final opportunity to submit the Questionnaire.
October 6, 2015	- Board of Supervisors public hearing.

DISCUSSION:

A. KEY ISSUES

1. California Land Conservation Act of 1965

The California Land Conservation Act, commonly known as the Williamson Act, allows the County to enter into agreements with landowners whereby land is restricted to agricultural and compatible uses in exchange for an alternative method of calculating property taxes that typically results in a lower tax for the life of the contract. The contract is a ten-year, annually self-renewing contract encumbering the land.

2. County Williamson Act Program

The adopted 2013 Program requires contracted lands to be dedicated to commercial agriculture, commercial grazing or commercial horse breeding. Additional contract eligibility criteria include General Plan and Zoning land use designations, minimum parcel size, income requirements for commercial agriculture, land utilization requirements for commercial grazing and a minimum annual broodmare requirement for commercial horse breeding. The Program also identifies compatible uses on contracted lands as those uses allowed by the underlying zoning district, subject to zoning permits, where applicable, and restricts the amount of compatible uses to ensure qualifying agriculture remains the primary use on contracted lands. Further, the Program requires the Department to conduct parcel audits to ensure contract compliance on a regular basis (at least once every five years).

3. 2015 Compliance Review

The Department has conducted an audit of parcels with active contracts (e.g., not previously non-renewed) using the most recent Assessor's Office annual Agricultural Preserve Questionnaire data collected in early 2015 and transmitted to the Department on July 17, 2015. Submittal of information by the landowner to the Assessor's Office for assessment purposes is required under California Revenue and Taxation Code Section 441(d) and the Program's General Policies and Administration allows the use of Questionnaire data for Program compliance review. The Questionnaire is used by the Department to determine the type and quantity of agricultural activities occurring on contracted parcels.

In reviewing the data, staff has identified 46 contracted parcels for which Questionnaires were not submitted and, as such, staff is unable to evaluate the agricultural uses of the parcels for compliance and therefore has deemed these parcels non-compliant.

Staff mailed the affected landowners a letter on July 31, 2015, requesting Questionnaire submittal. Of the landowners who were unresponsive to staff's July letter, a subsequent letter on August 28, 2015, was mailed informing the landowners of the County's intent to non-renew the contracts and to provide a final opportunity to submit the Questionnaire. Further, where lands had been known by staff to have been farmed and where staff had contact information, staff reached out by email or phone to these landowners to verify Questionnaire non-submittal. In these cases, landowners stated that the Questionnaires were not returned because they intended that their contracts not be renewed.

All Questionnaires received by the Department were forwarded to Assessor's Office staff.

A list of the contracted parcels identified as non-compliant is included as Attachment A to this report.

4. Authority to Non-Renew Contracts

Pursuant to Uniform Rule 4 of the Program and Government Code Section 51245, a landowner or county may non-renew a contract provided written notice is served by the other party in advance of the renewal date (a County-initiated non-renewal notice requires at least 60 days prior to the renewal date). If the County files a notice of non-renewal, the landowner, upon receipt of the notice, may file a written protest of the notice of non-renewal. The County may withdraw the notice prior to the renewal date.

5. Non-Renewed Contracted Parcels

Should the Board authorize the County-initiated notice of non-renewal, the Department will prepare an en masse notice for recordation with the County Assessor's Office. A form of such notice is included with the materials provided to the Board in connection with this matter. Copies of the recorded notice will be mailed to the affected landowners along with a form that they can use to make a written protest. Recordation will result in a property tax reassessment of each non-renewed parcel by the Assessor's Office. Tax benefits associated with the contract will phase out over a nine-year period with the contract terminating at the end of the non-renewal period.

If a landowner believes the notice of non-renewal has been recorded in error with or without just cause, a written protest must be filed with the Department within 60 days of the non-renewal recordation. Once the Department transmits the written protest to the Assessor's Office, the written protest will effectively stay the increase in property tax assessment resulting from the recordation of the notice of non-renewal for up to three years (California

Revenue and Taxation Code Section 426(b)) during which time the written protest must be resolved.

During this time, the landowner must submit documentation to the Department substantiating compliance with the Program (e.g., quantifiable commercially viable agriculture is occurring, as required and defined). If such documentation is submitted, the Department will withdraw the notice of non-renewal. In absence of such documentation, the annual property tax assessment will increase incrementally each year until the contract expires at the end of nine years.

Pursuant to Section 51246(a) of the Government Code, development restrictions on non-renewed contracted parcels will remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract.

Parcels for which notices of non-renewal have been recorded are not prohibited from entering into new contracts provided the landowner submits evidence of commercial agriculture satisfying the requirements set forth in the adopted Program. If a notice of non-renewal has been recorded on a parcel for which qualifying commercial agriculture is present, the County will withdraw its notice of non-renewal and process a new updated contract.

6. Future Compliance Reviews

The Department will continue to audit contracted parcels until all contracted parcels have been reviewed. After that time, the Department anticipates audits to continue on an annual basis with 20% of the contracted parcels audited for compliance yearly. As reviewing becomes more complex given the type and amount of agricultural and compatible uses present on each contracted parcel, the Department will seek the recommendations of the Agricultural Advisory Committee and Agricultural Commissioner where necessary (e.g., exemption requests and compatible uses determinations) as identified in the Program.

B. ENVIRONMENTAL REVIEW

The project is exempt from environmental review pursuant to the California Environmental Quality Act (CEQA), Section 15061(b)(3); no potential for causing a significant effect on the environment, therefore, not subject to CEQA.

C. REVIEWING AGENCIES

County Counsel

County Counsel has reviewed and approved the Resolution as to form.

Non-renewal of the identified non-compliant parcels contributes to the 2025 Shared Vision outcome of a Livable Community by assuring Land Conservation Contracts and development are not in conflict.

FISCAL IMPACT:

Costs associated with processing the non-renewals include staff time, which, over time, will be offset by the increase in property tax reassessment of those parcels exiting the Williamson Act Program.

ATTACHMENTS:

- A. List of Identified Non-Compliant Parcels
- B. Map of Identified Non-Compliant Parcels
- C. Notice of Non-Renewal of California Land Conservation Contract (en masse)