



County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING

Board Meeting Date: 11/5/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: Steve Monowitz, Community Development Director
Subject: Consideration of an Agricultural Preserve and California Land Conservation (Williamson) Act Farmland Security Zone Contract

RECOMMENDATION:

Recommendation that the Board of Supervisors:

- A) Find the request to establish an Agricultural Preserve to be consistent with the County General Plan, Planned Agricultural District/Coastal Development District, the California Land Conservation Act, and San Mateo County Land Conservation Act Uniform Rules and Procedures; and
- B) Adopt a resolution establishing an Agricultural Preserve and authorizing execution of Farmland Security Zone Contract.

PROPOSAL

The applicant, Peninsula Open Space Trust (POST), is requesting to establish an Agricultural Preserve and the execution of a California Land Conservation (Williamson) Act Farmland Security Zone contract on a 73.87-acre parcel. The parcel is developed with a barn, greenhouses, two sheds, farm stand, four farm labor housing units, and irrigation pond. Approximately 48 acres of the parcel are currently in agricultural production and include 34 acres of mixed row crops and 14 acres of sheep pasture. The parcel is bordered by La Honda Road to the north and San Gregorio Creek to the south and contains 71 acres of prime agricultural land and three acres of non-prime agricultural land.

BACKGROUND:

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

Applicant/Owner: Peninsula Open Space Trust

Location: 950 La Honda Road, San Gregorio

APN: 081-250-020

Size: 73.87 acres

Existing Zoning: PAD/CD (Planned Agricultural District/Coastal Development)

General Plan Designation: Agriculture

Local Coastal Plan Designation: Agriculture

Sphere-of-Influence: None

Williamson Act: Not presently contracted

Existing Land Use: Row crops, sheep pasture, farm labor housing, barn, greenhouse, other ancillary agricultural buildings and structures.

Water Supply: Existing domestic well and irrigation pond.

Sewage Disposal: Existing septic system.

Flood Zone: Multiple. Zone X (area of minimal flooding) for majority of parcel and Zone A (floodplain; no base flood elevations established) along property line adjacent to San Gregorio Creek. FEMA FIRM panel 06081C0359F; effective August 2, 2017.

Environmental Evaluation: Categorically exempt pursuant to California Environmental Quality Act Section 15317, Class 17 *Open Space Contracts or Easements* which exempts the establishment of agricultural preserves.

Setting: The parcel is located approximately 400 feet from the intersection of Stage Road and La Honda Road and bordered by La Honda Road and San Gregorio Creek. Adjacent lands are similarly used for agricultural and rural development. Adjacent lands to the north and southwest of the subject property are currently contracted or had been contracted in the past (non-renewed contracts).

DISCUSSION

A. KEY ISSUES

1. Compliance with General Plan Policies

The proposed agricultural preserve is consistent with the parcel's General Plan Land Use Designation of "Agriculture."

Policy 9.28 (*Encourage Existing and Potential Agricultural Activities*) seeks to encourage the continuance of existing agricultural and agriculturally-related activities and Policy 9.31 (*Protection of Agricultural Lands*) seeks to apply methods which assist in the retention and expansion of lands with agricultural activities such as density bonuses and

enforceable restrictions (e.g., easements, contracts or deed restrictions, or other appropriate methods).

Designating the parcel as an Agricultural Preserve and executing a Farmland Security Zone (FSZ) contract in conformance with the California Land Conservation Act and San Mateo County Williamson Act Program for this property is consistent with these policies. The contract will enforceably restrict the use of the land to ongoing commercial agriculture, agriculturally related uses, and compatible uses in exchange for a property tax benefit that encourages retaining the property in agricultural production.

2. Compliance the Local Coastal Program Policies

The establishment of Agricultural Preserves and execution of Land Conservation Act contracts is not defined as development in the County's Local Coastal Program. Thus, these actions are not subject to the issuance of a Coastal Development Permit, though this request is consistent with Local Coastal Program policies.

3. Compliance with Zoning Regulations

The agricultural preserve and contract request is consistent with the Planned Agricultural District and Coastal Development District regulations which seek to preserve and foster existing agricultural operations in order to keep the maximum amount of prime agricultural land and all other lands suitable for agriculture in agricultural production. As defined in the zoning and Local Coastal Program regulations, the property contains approximately 71 acres of prime agricultural land that will continue in agricultural operation for the foreseeable future.

4. Compliance with the California Land Conservation Act and San Mateo County Williamson Act Uniform Rules and Procedures

a. Agricultural Preserve Requirements

Landowners who desire to enter into Williamson Act contracts with the County must first have their parcel included in an Agricultural Preserve. Agricultural Preserves are areas devoted to agricultural uses and must not be less than 100 acres unless a smaller preserve is necessary due to the unique characteristics of the agricultural enterprises in the area and that the smaller preserve is consistent with the General Plan (GOV § 51230).

Once included in the Agricultural Preserve, a landowner and the County may enter into a contract processed concurrently with the Agricultural Preserve application.

POST has requested establishment of the Agricultural Preserve and contract. Adjacent lands within existing Agricultural Preserves consist of grazing lands north of La Honda Road and south of Seaside School Road, but these lands do not contain prime soils and no other contracted crop growing lands are adjacent to the subject parcel nor are other lands under common ownership. Establishing an agricultural preserve of less than 100 acres on this property is consistent with the

County's Uniform Rules and General Plan (Agricultural land use designation) since no other lands nearby are of similar agricultural operations or under common ownership and the preserve is consistent with the General Plan as described in Section A.1.

Pursuant to Government Code Section 51233, a notice of the proposal to establish an agricultural preserve for this property was sent to the Local Agency Formation Commission (LAFCo) on August 15, 2019. The response from LAFCo is found under Section C.3. of this report.

b. Farmland Security Zone

Pursuant to Article 7 of the California Land Conservation Act and Uniform Rule 2.B of the San Mateo County Williamson Act Program, a landowner may request a FSZ designation and contract instead of a standard Williamson Act contract in order to further protect farmland with a longer duration contract provided the land is placed in an Agricultural Preserve and predominately contains one or more of the following as identified on the State of California Important Farmland Series map for San Mateo County: Prime Farmland, Farmland of Statewide Significance, Unique Farmland, or Farmland of Local Importance. Approximately 56.6 acres of Prime Farmland and 3.3 acres of Farmland of Statewide Importance are mapped within the property.

Farmland Security Zone contracts have an initial term of 20 years as opposed to the standard 10-year Williamson Act contract. Farmland Security Zone contracts may be non-renewed pursuant to the same process as a standard Williamson Act contract. Cancellation of FSZ contracts are also processed similar to cancellation of standard contracts. However, the cancellation fee is greater, at 25 percent of property valuation as determined by the Assessor's Office based on Tax and Revenue Code with valuation certified by the Board of Supervisors. A determination of tentative contract cancellation is also determined by the Board of Supervisors, but approval of the cancellation rests with the Director of the California Department of Conservation.

c. Contract Application and Minimum Eligibility Requirements

As required by Uniform Rule 3 *Application Procedure*, the applicant has submitted a legal parcel description; site plan identifying parcel boundaries, agricultural uses; location and uses of all existing buildings; existing utilities; and watercourses and water impoundments. The parcel is legal with development occurring on the parcel in the early 1900s, prior to the County's authority over building permits, and in subsequent years with approved building permits. Additionally, the Statement of Agricultural Uses, including gross parcel acreage, acreage of agricultural production by operation, water source and irrigation methods, compatible use calculations, and gross agricultural income (Schedule F) were submitted or verified by staff.

Staff has reviewed the applicable documents for minimum eligibility requirements, see below. The application is compliant with these requirements and qualifies under Crop Income as the agricultural use for the contract.

	Williamson Act/Farmland Security Zone Program Requirements	Planning Review	Compliance
Important Farmland Series Map	Mapped: Prime, Statewide Importance, Unique, or Local Importance.	Prime Farmland and Statewide Importance	Yes
Land Use Designation	Open Space or Agriculture	Agriculture	Yes
Zoning ¹	PAD, RM, or RM-CZ	PAD	Yes
Parcel Size ²	40	73.87 acres	Yes
Prime Soils ³	--	71 acres	--
Non-Prime Soils	--	3 acres	--
Crop Income ^{4,5}	\$17,862.50	Completed	Yes
1. Zoning designations: "PAD" (Planned Agricultural District), "RM" (Resource Management), and "RM-CZ" (Resource Management-Coastal Zone).			
2. Parcel size taken from the San Mateo County Assessor's Office records.			
3. Prime soils: Class I or Class II (U.S. Department of Agriculture Soil Conservation Service Land Use Capability Classification), Class III lands capable of growing artichokes or Brussels sprouts, and lands qualifying for an 80-100 Storie Index Rating taken from the Planning and Building Department GIS data.			
4. Required income calculated per Income Requirements for Crops (Uniform Rule 2.A.6).			
5. Crop income and grazing data taken from Assessor's Office Agricultural Preserve Questionnaire response using the highest income and grazing acreage of the previous three years for purposes of this review.			

The parcel is compliant with the minimum income for the commercial agricultural operation and meets the mapping requirements to qualify for a Farmland Security Zone contract.

Agricultural Uses

Existing commercial agricultural operations include five fields on a total of 48.12 acres (Attachment C):

Field No.	Acres	Agricultural Commodity
Field 1	12.48	Squash, Beans, Onions
Field 2	21.61	Brussels Sprouts, Artichokes, Strawberries
Field 3	7.21	Sheep Pasture (100 Sheep)
Field 4	2.88	Sheep Pasture (100 Sheep)
Field 5	3.94	Sheep Pasture (100 Sheep)

Compatible Uses

All development on the parcel (barns, greenhouses, farm stand, farm labor housing, sheds, and irrigation pond) are compatible uses under the Williamson Act Program but are exempt from the Maximum Allowance of Compatible Uses calculation

(Uniform Rule 2.A.5.b.3.), which excludes agricultural support structures and farm labor housing from this calculation. As such, all Compatible Uses are compliant with the Williamson Act Program.

B. ENVIRONMENTAL REVIEW

The project is categorically exempt from the California Environmental Quality Act (CEQA), pursuant to Section 15317, Class 17 *Open Space Contracts or Easements*, which exempts the establishment of agricultural preserves.

C. REVIEWING AGENCIES

1. San Mateo County Agricultural Advisory Committee

The Agricultural Advisory Committee heard the item at its September 9, 2019 public hearing and recommended approval of the agricultural preserve and FSZ contract.

2. San Mateo County Assessor's Office

The Assessor's Office comments are found under Section D of this report.

3. Local Agency Formation Commission

The project was referred to the Local Agency Formation Commission pursuant to Government Code Section 51233 for the establishment of the agricultural preserve. The property is located within a rural area of San Mateo County and not located within the service boundaries of a city or special district, nor is it within a sphere of influence of a city or special district. The subject property is zoned for agriculture use, which is proposed to be continued on the property.

The property is within the Cabrillo Unified School District and it would be anticipated that the reduction in property tax to the District, due to the Williamson Act Contract, would be minimal.

3. Planning Commission

On October 9, 2019, the Planning Commission heard the item and recommended approval of the Agricultural Preserve and contract.

D. FISCAL IMPACT

The Assessor's Office was sent a referral requesting the estimated tax loss to the County resulting from approval of the project, refer to table below. Prior to the 2009-2010 State budget, the State annually appropriated funds to partially offset the property tax loss to local governments. Since that time, subvention funds have been eliminated from the budget. Although the State no longer provides subventions to local jurisdictions, the amount of tax loss resulting from this project is offset by the approximately 215 parcels exiting contracts and returning to standard tax assessment since 2007 as a result of both landowner and County

initiated contract non-renewals (the majority of contract non-renewals will have concluded by 2020).

Jurisdiction	Yearly Amount of Tax Loss
San Mateo County	\$31,064.01
Cabrillo Unified School District	\$5,311.00
San Mateo Junior College District	\$2,541.00
County Office of Education	\$1,322.00
Total	\$40,238.01

ATTACHMENTS

- A. Findings
- B. Vicinity Map
- C. Statement of Agricultural Operations
- D. Statement of Agricultural Operations Map