



County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING

File #: 20-835

Board Meeting Date: 11/10/2020

Special Notice / Hearing: None
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 Numbers: PLN2020-00224 (Sorich Trust)
PLN2020-00225 (Segelstad)

RECOMMENDATION:

Adopt a resolution authorizing the Planning and Building Department to file a Notice Of Non-Renewal Of California Land Conservation Contracts pursuant to the San Mateo County Land Conservation (Williamson) Act Uniform Rules and Procedures for parcels 080-400-030 and 081-360-010.

BACKGROUND:

As part of the Planning and Building Department's (Department) annual compliance review of Williamson Act contracted lands under the 2013 Williamson Act Program (Program), the Department has sorted and reviewed the Assessor's Office Agricultural Questionnaires for commercial grazing operations, which is the focus of the 2020 compliance review. As part of the compliance review, the Department mailed letters to 12 landowners (total of 12 parcels) with grazing operations who had previously been identified for review, but where review was unable to be completed. Letters were mailed in February 2020 requesting supporting documentation for the commercial agricultural operation(s) as well as to provide the opportunity for landowners to voluntarily request non-renewal and to request exceptions to minimum Program requirements (e.g., minimum land utilization, etc.), if needed.

Responses were requested within 30 days. Where landowners needed additional time to respond, additional time was given. In instances where landowners did not respond to the February letters, a subsequent letter was sent in May to provide another opportunity to submit documents.

Of the 12 landowners, 8 have met the Program requirements and remain under contract; 2 have been granted minimum Program requirement exceptions, based on recommendation by the Agricultural Advisory Committee, and remain under contract; and two are recommended to this Board for non-renewal due to lack of commercial agriculture on their respective parcels.

Due to the number of landowners identifying commercial grazing operations, the Department is processing compliance reviews in batches.

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File Number: PLN 2020-00224	
Owner	William Sorich Trust
Location	22330 Skyline Blvd., La Honda
APN	080-400-030
Parcel Size	64.54 acres
Existing Zoning	Resource Management (RM)
General Plan Designation	Open Space
Prime Soils	Not present

File Number: PLN 2020-00225	
Owner	Harold Segelstad
Location	3300 Bear Gulch Rd., Unincorporated Woodside
APN	081-360-010
Parcel Size	324.48 acres
Existing Zoning	Resource Management-Coastal Zone District /Coastal Development District (RM-CZ/CD) and Resource Management (RM)
General Plan Designation	Open Space
Prime Soils	Not present

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 (December)	- Assessor's Office mails Agricultural Questionnaire.
January 16, 2020	- Assessor's Office Agricultural Questionnaire data transmitted to the Planning and Building Department.
February 4, 2020	- Letter sent to landowners of identified grazing operations requesting supporting documents as outlined in the Williamson Act Program (e.g., site plan, tenant lease agreements).
May 8, 2020	- Letter sent to landowners who did not respond to previous letters providing a second opportunity to submit supporting agricultural documents.
August 10, 2020	- Agricultural Advisory Committee public hearing
November 10, 2020	- 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 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 designation, 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.

4. Department Review of the Subject Parcels

The Department has conducted a review of parcels with active contracts using the most recent Assessor's Office Annual Agricultural Preserve Questionnaire data collected in early 2020. 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). The Program allows the Department to use the Questionnaire data for Program compliance review. The Department uses the Questionnaire to determine the type and quantity of agricultural activities occurring on contracted parcels.

For the 2020 review, the Department focused on commercial grazing operations that were not reviewed in 2017-2018. Compliance review by the Department includes a review of the agricultural operation, existing agricultural and compatible development, and minimum parcel requirements as identified in the Program. To facilitate this review, the Department requested documents from grazing landowners, including (1) a site plan identifying the area dedicated to the commercial grazing operation and all existing development (e.g., buildings, roads, and uses), fencing and water; (2) tenant lease agreement(s); and (3) parcel information (e.g., acreage).

The Department is proposing non-renewal of those parcels where landowners were unable to demonstrate compliance with the Williamson Act regulations.

a. PLN 2020-00224 (Sorich Trust)

Department Review

Staff reviewed the Agricultural Questionnaire and documents submitted by the landowner. The landowner responded to the February 2020 letters by returning the Department's verification of commercial agriculture checklist with the agricultural portions crossed out and the following statement:

"My land lies at the headwater spawning ground of Peters Creek Steelhead Trout run. I am private open space adjacent to Long Ridge Open Space Preserve."

Staff recommends that the contract be non-renewed because staff is unable to determine if ongoing commercial agriculture is present on the property as required by the Williamson Act Program.

Agricultural Advisory Committee Recommendation

At its August 10, 2020 public hearing, the AAC recommended that the Board file a Notice of Non-renewal for the parcel due to the lack of commercial agriculture.

- b. PLN 2020-00225 (Segelstad)

Department Review

Staff reviewed the Agricultural Questionnaire and documents submitted by the landowner. The landowner responded to the February 2020 letters by returning the Department's verification of commercial agriculture checklist with the statement that the landowner is not grazing cattle. The landowner also included a letter indicating that the property is being used for silviculture. Silviculture is not a qualifying agricultural use under the Williamson Act regulations.

Staff recommends that the contract be non-renewed because the landowner has indicated no qualifying commercial agricultural is present on the property.

Agricultural Advisory Committee Recommendation

At its August 10, 2020 public hearing, the AAC recommended that the Board file a Notice of Non-renewal for the parcel due to the lack of commercial agriculture.

5. Authority to Non-Renew

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 is required to be sent 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.

6. Process for Non-Renewal of Contracted Parcels

Should the Board authorize the County-initiated notice of non-renewal, the Department will prepare a notice for recordation with the County Assessor's Office. A form of such notice (Attachment B) 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.

7. 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. 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.

FISCAL IMPACT:

The proposed non-renewals will, over time, result in an increase in property tax assessments of those parcels exiting the Williamson Act Program.

ATTACHMENTS:

- A. Map of Identified Non-Compliant Parcels
- B. Notice of Non-Renewal of California Land Conservation Contracts