



# County of San Mateo

## Inter-Departmental Correspondence

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**Department:** PLANNING AND BUILDING

**File #:** 21-986

Board Meeting Date: 12/14/2021

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**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 Contract, pursuant to the San Mateo County Land Conservation Act Uniform Rules and Procedures, on a 426.66-acre parcel located at 640 Cabrillo Highway in the unincorporated Pescadero area.

County File Number: PLN2020-00166 (Coastways Ranch)

**RECOMMENDATION:**

Recommendation for the Board of Supervisors to:

- 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.
- B) Adopt a resolution to establish the subject property as an agricultural preserve and execute a California Land Conservation Contract for the subject property.

**BACKGROUND:**

The applicant, Charles N. Hudson for Coastways Ranch, is requesting to establish an Agricultural Preserve and execute a California Land Conservation (Williamson) Act contract on a 426.66-acre parcel in Pescadero where 82.5 acres of the parcel are currently in irrigated agricultural production and 21 acres are unirrigated pasture. The parcel is developed with various agricultural structures constructed in the early 1900's, such as storage, garages, cabins, and now unusable structures that previously served agricultural purposes. The parcel straddles Cabrillo Highway, approximately 10 miles north of Davenport, with most of the parcel on the east side of the highway.

Planning Commission Hearing: The Planning Commission considered the proposed Williamson Act Contract at its regularly scheduled public meeting on November 10, 2021, and recommended approval of the Agricultural Preserve and contract.

Report Prepared By: Delaney Selvidge, Project Planner, 650/363-1867

Applicant: Charles N. Hudson

Owner: Coastways Ranch Inc.

Location: 640 Cabrillo Highway, Pescadero, CA 94060

APN: 089-230-420

Size: 426.66 acres

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

General Plan Designation: Agriculture

Local Coastal Plan Designation: Agriculture

Sphere-of-Influence: N/A

Williamson Act: Not presently contracted. Not within an Agricultural Preserve.

Existing Land Use: Berries (32 acres), vegetables (20 acres), cow pasture (21 acres), cover crops (31 acres), structures (5 acres), barn, storage buildings, garages, and dwellings, and reservoir (10 acres).

Water Supply: The parcel has permits to divert water from New Year's Creek (Permit No. 1653 7334, License No. 6323), Finney Creek (Permit No. 7334, License No. 4955), and Elliot Creek (Permit No. 17355, License No. 11542) of various amounts to serve domestic and agricultural uses on the parcel.

Sewage Disposal: Existing septic system

Flood Zone: The majority of the parcel is Zone X (area of minimal flood hazard), but small sections of the parcel following Finney and Elliot Creeks on either side of Cabrillo Highway are Zone A (floodplain; no base flood elevations established); FEMA Panel 06081C0506F, effective August 2, 2017.

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

Setting: The parcel is located approximately 10 miles north of Davenport and 28 miles south of Half Moon Bay at the southern tip of the County. The parcel straddles Cabrillo Highway. The majority of the parcel is on the east side of the highway and all structures are located on the eastern portion of the parcel. The parcel is partially bordered by Big Basin State Park on the east and Ano Nuevo State Park/Pacific Ocean on the west. North of the parcel are other parcels under separate Agricultural Preserve Contracts. South of the subject parcel are two smaller parcels owned by the applicant, but these parcels are not currently in agricultural production.

## **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 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 restrict the use of the land to ongoing commercial agriculture, agriculturally related uses, and compatible uses in an enforceable way in exchange for a property tax benefit that encourages retaining the property in agricultural production.

### 2. Compliance with 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 which seek to preserve and promote agricultural use of land.

### 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 17.3 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 that area and that the smaller preserve is consistent with the General Plan (Government Code Section 51230).

Once included in the Agricultural Preserve, a landowner and the County may enter into a contract processed concurrently with the Agricultural Preserve application. Coastways Ranch has requested establishment of the Agricultural Preserve and contract. Establishing an agricultural preserve on this property is consistent with the County's Uniform Rules and General Plan (Agricultural land use designation).

### b. Contract Application and Minimum Eligibility Requirements

As required by Uniform Rule 3 (Application Procedure) of the County's Uniform Rules and Procedures, the applicant has submitted a legal parcel description and a site plan. The site plan identifies parcel boundaries, location of 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 1900's, prior to the County's authority over 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 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. Crop income is held confidential; review of this criterion is identified only as "Completed."

	<b>Williamson Act Program Requirements</b>	<b>Planning Review</b>	<b>Compliance</b>
<b>Important Farmland Series Map</b>	Mapped: Prime, Statewide Importance, Unique, or Local Importance	Prime Farmland and Grazing Lands	Yes
<b>Land Use Designation</b>	Open Space or Agriculture	Agriculture	Yes
<b>Zoning<sup>1</sup></b>	PAD, RM, or RM-CZ	PAD	Yes
<b>Parcel Size<sup>2</sup></b>	40 acres	426.66 acres	Yes
<b>Prime Soils<sup>3</sup></b>	--	17.3 acres	--
<b>Non-Prime Soils</b>	--	409.36 acres	--
<b>Crop Income<sup>4, 5</sup></b>	\$19,676 (\$250 per acre of prime soils and \$37.50 per acre of non-prime soils)	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 <del>Storie</del> <u>Storie</u> 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 taken from Swanton Berry Farms using gross sales and farm stand sales for years 2017, 2018, and 2019 for purposes of this review.			

### Parcel Uses

Existing commercial agricultural operations includes six fields on a total of 103.4 acres (Attachment D):

<b>Field No.</b>	<b>Acres</b>	<b>Agricultural Commodity</b>
<b>Field 1</b>	25.6	Berries, Kiwi
<b>Field 2</b>	30.7	Row Crops*

<b>Field 3</b>	20.9	Pasture
<b>Field 4</b>	18.2	Row Crops
<b>Field 5</b>	6.2	Row Crops
<b>Field 6</b>	1.8	Artichokes
*Past and existing row crops include strawberries, broccoli, cauliflower, peas, pumpkins, celery, Brussel sprouts, and artichokes.		

<b>Uses as a Percent of Land Area</b>		
<b>Use</b>	<b>Acres</b>	<b>Percent</b>
Agriculture	104	24.4%
Open Space	307	72.1%
Buildings and Reservoir	15	<1%
Total	426	100%

### Compatible Uses

All development on the parcel (barns, garages, sheds, irrigation pond, and dwellings) are compatible uses under the Williamson Act Program. The majority of this development is exempt from the Maximum Allowance of Compatible Uses calculation (Uniform Rule 2.A.5.b.3), which excludes agricultural support structures from this calculation. All compatible uses on the parcel (agricultural and non-agricultural) total less than 1 percent of the total land area, well under the 25 percent allowed under the Williamson Act Program.

Existing development on the parcel consists of barns, cabins, garages, sheds, and shops, etc., as identified in the table below and depicted in Attachment E of this staff report. As required by Uniform Rule 2 of the County's Uniform Rules and Procedures, Eligibility Requirements, for Land Conservation Act (LCA) Contracts the maximum allowance of compatible uses on a parcel cannot exceed the percentage used for agricultural purposes and is not permitted to exceed 25 percent of the parcel size. Twenty-five percent of the 426.66-acre project parcel is approximately 106.6 acres. However, only 103.4 acres are currently under agricultural production. As such, the maximum allowance of compatible uses for this parcel cannot exceed 103.4 acres.

<b>Existing Development</b>	
<b>Building</b>	<b>Size</b>
Main Ranch House	3,652 sq. ft.
Garages (2)	4,502 sq. ft.
Storage Sheds (6)	2,346 sq. ft.
Cabins (6)	5,073 sq. ft.

Granary	1,080 sq. ft.
Barn	1,427 sq. ft.
Washroom	108 sq. ft.
Shop	1,536 sq. ft.
<b>Total</b>	<b>16,724 sq. ft.</b>

For the purposes of calculating the maximum allowance of compatible uses permitted on a parcel unpaved road, farm labor housing, building/structures used to support the agricultural use (e.g., barns) and underground utilities are excluded from this calculation. Per the table above, the main ranch house, garages, cabins, and washroom are counted towards the maximum allowance and equate to 13,335 sq. ft. of building area. This is well below their maximum limit of 103 acres. All existing 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 CEQA Guidelines 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 this item at its March 8, 2021 public hearing and unanimously recommended approval of the agricultural preserve and Williamson Act contract.

### 2. San Mateo County Assessor's Office

Comments from the Assessor's Office 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 agricultural use, which is proposed to be continued on the property.

The property is within the La Honda-Pescadero 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.

The resolutions and contract have been reviewed and approved by County Counsel as to form.

**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 the table below. Prior to the 2009-2010 State budget, the State annually appropriated funds to partially offset the property tax loss to local government. 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 the 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 concluded by 2020).

Jurisdiction	Yearly Amount of Tax Loss*
La Honda-Pescadero Unified School District	\$17,317.54
San Mateo County	\$6,083.69
County Fire	\$2,948.64
San Mateo Junior College District	\$2,895.06
County Office of Education	\$1,506.63
Library	\$1,179.28
County Harbor District	\$116.98
Bay Area Air Quality Management	\$89.21
Resource Conservation District	\$16.73
<b>Total</b>	<b>\$32,153.77</b>
*Subject parcel has been granted temporary Calamity Relief (as of 08/15/2020) due to the recent Pescadero have been calculated without considering the temporary Calamity Relief.	

**ATTACHMENTS:**

- A. Recommended Findings
  - B. Vicinity Map
  - C. Prime Soils Map
  - D. Site Plan and Structure Map
  - E. Statement of Agricultural Operations
  - F. Resolutions Establishing Agricultural Preserve and Execution of Land Conservation Contract
- Attachment A



County of San Mateo  
Planning and Building Department  
**RECOMMENDED FINDINGS OF APPROVAL**

Permit or Project File Number: PLN 2020-00166      Hearing Date: December 14, 2021

Prepared By: Delaney Selvidge, Project Planner   For Adoption By: Board of Supervisors

**RECOMMENDED FINDINGS**

1.    The Board of Supervisors 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 the San Mateo County Land Conservation Act Uniform Rules and Procedures.
  
2.    Board of Supervisors adopt a resolution to establish the subject property as an agricultural preserve and execute a California Land Conservation contract for the subject property.