



Monterey County

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Board Report

Legistar File Number: 15-1029

September 29, 2015

Introduced: 9/18/2015

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Set a public hearing for October 13, 2015 at 1:30 PM to Consider County-initiated Notices of Non-Renewal for portions of thirteen (13) Williamson Act Agricultural Preserve Land Conservation Contracts due to not meeting Williamson Act Program and County Land Conservation Contract requirements and/or at the Property Owner's request.
- b. Direct the Clerk of the Board of Supervisors to publish Notice of Hearing for the Public Hearing to take place on October 13, 2015 at 2:15PM, for County-initiated Notices of Non-Renewal for portions of thirteen (13) Williamson Act Agricultural Preserve Land Conservation Contracts due to not meeting Williamson Act Program and County Agricultural Preserve and Land Conservation Contract requirements and/or at the Property Owner's request.

(REF150064 - County initiated Notices of Non-Renewal 2016 - Portions of Williamson Act Agricultural Preserve Land Conservation Contracts)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Set a public hearing for October 13, 2015 at 1:30 PM to Consider County-initiated Notices of Non-Renewal for portions of thirteen (13) Williamson Act Agricultural Preserve Land Conservation Contracts due to not meeting Williamson Act Program and County Land Conservation Contract requirements and/or at the Property Owner's request.
- b. Direct the Clerk of the Board of Supervisors to publish Notice of Hearing for the Public Hearing to take place on October 13, 2015 at 1:30 PM, for County-initiated Notices of Non-Renewal for portions of thirteen (13) Williamson Act Agricultural Preserve Land Conservation Contracts due to not meeting Williamson Act Program and County Agricultural Preserve and Land Conservation Contract requirements and/or at the Property Owner's request (Attachment A).

SUMMARY:

A Williamson Act contract is an agreement between a property owner and the State (Department of Conservation) and County whereby the landowner may receive a reduced property tax assessment by agreeing that their property is to be utilized solely for commercial agricultural production and, potentially, a limited number of "compatible uses." The County's annual Williamson Act Questionnaires were mailed to all Williamson Act Property Owners on January 2, 2015. The purpose of these Questionnaires is to provide the Assessor's Office with information used to evaluate tax assessments pursuant to California Revenue and Taxation Code Section 441(d) and California Department of Conservation Williamson Act Program reporting requirements, as well as to provide the Planning Department with information to

confirm ongoing compliance with Williamson Act Program and Land Conservation Contract requirements.

Staff has received several completed Questionnaires where Property Owners have clearly stated that the subject property is not in commercial agricultural production in accordance with Williamson Act Program and corresponding Contract requirements. Additionally, forty-three (43) Property Owners have not returned their Questionnaires in accordance with California Revenue and Taxation Code Section 441(d). A follow-up "courtesy letter" has been sent to these non-responders and staff has subsequently received (and continues to receive) their completed survey forms. Two (2) of the properties owned by these non-responders were initially included in the Williamson Act program as a part of a larger group of parcels and are now separately owned as individual parcels which staff determined, are incapable of supporting commercial agricultural production (Oil field and riverbed). Therefore, staff recommends non-renewal of these parcels in accordance with Williamson Act Program and corresponding Contract requirements.

On October 13, the County will hold a hearing and staff will be recommending that the Board of Supervisors approve thirteen (13) County-initiated Notices of Non-Renewal for all or portions of the subject Agricultural Preserves and Land Conservation Contracts. The list of parcels with reasons for recommending non-renewal is provided in an attached matrix titled "List of potential County-initiated Notices of Non-Renewal" (Attachment B). These thirteen (13) Agricultural Preserves and Land Conservation Contracts or portions thereof proposed for County-initiated Notice of Non-Renewal total thirty-seven (37) parcels and approximately 5,412 acres. On August 20, 2015, staff mailed each of the thirteen (13) Property Owners a registered letter to inform them of the County's intent to initiate Notice of Non-Renewal of the subject Agricultural Preserves and Land Conservation Contracts or portions thereof, as applicable. This letter also informed the Property Owners of the October 13, 2015 hearing date for consideration of this matter, as well as their right to request reconsideration of the County's intent to initiate a Notice of Non-Renewal pursuant to Government Code Section 51245. The current list of potential County-initiated Notices of Non-Renewal is subject to reduction prior to the October 13, 2015, hearing date in the event that relevant evidence is submitted to County Staff by the Property Owners regarding commercial agricultural activity or the intent to re-establish said activity.

DISCUSSION:

Williamson Act Contracts are binding agreements between landowners and the County that assume the terms of the Contract continue to be met in exchange for restricted property tax assessments. As such, landowners must remain in compliance during the entire life of the Contract, even after Notice of Non-Renewal has been initiated.

The County is required, under the State regulations of the Williamson Act program, to monitor the County Williamson Act Program by periodically reviewing the continued eligibility and compliance of Williamson Act lands. Accordingly, property owners must demonstrate to the County, upon request, continued eligibility. Methods for identifying and reviewing the continued eligibility of properties include the annual Williamson Act Questionnaire, review of proposed development and activity, and parcel audits. To ensure compliance with the requirements that Williamson Act properties are restricted to commercial agricultural production

of food or fiber, and a limited number of compatible uses, staff distributes an annual Williamson Act Questionnaire to all Williamson Act Property Owners. Landowners are required to complete and return this annual Williamson Act Questionnaire as well as maintain records of annual productive acreage and production value.

Reporting requirements are set forth in California Revenue and Taxation Code Section 441(d) which states: “...*At any time, as required by the Assessor for assessment purposes, every person shall make available for examination information or records regarding his or her property or any other personal property located on premises he or she owns or controls. In this connection details of property acquisition transactions, construction and development costs, rental income, and other data relevant to the determination of an estimate of value... are to be considered as information essential to the proper discharge of the assessor's duties.*”

Williamson Act program regulations require the Clerk of the Board of Supervisors to record County-initiated Notices of Non-Renewal on or before November 1, 2015 and to provide a copy of the recorded Notices of Non-Renewal to the Department of Conservation, Williamson Act Program. The Non-Renewal periods will commence on January 1, 2016. The hearing has been scheduled for October 13, 2016 which provides sufficient time to comply with these noticing requirements

OTHER AGENCY INVOLVEMENT:

The following agencies constitute the Monterey County Agricultural Preserve Review Committee (APRC) which is tasked to oversee implementation and compliance of the Williamson Act Program:

- Planning Department
- Office of the County Counsel
- Agricultural Commissioner’s Office
- County Assessor’s Office

The APRC has reviewed this proposal and supports the recommended County-initiated Notices of Non-Renewal.

The Monterey County Agricultural Advisory Committee (AAC) will review the proposed non-renewals at their September 24, 2015 meeting. Their recommendation to the Board of Supervisors will be provided at the October 13, 2015 hearing.

FINANCING:

Initiating Non-Renewal will begin a process that may result in an increase of the appraised value of the property equating to a significant property tax increase in the first year following the effective date of the Notice of Non-Renewal, with further annual property tax increases throughout the remaining term of the Contract (nine [9] years for Contracts initiated in 1968, nineteen [19] years for all other Contracts). The parcels that are being reviewed for non-renewal are either owner requested or non-producing agricultural lands. Therefore, the Assessor’s office determined that no financial impact would be recognized by either party. If the Board is interested in the financial implications, staff from the Assessor’s office will be at the meeting to answer any questions.

The cost to prepare and send the annual Williamson Act Questionnaires is part of the Williamson Act Program cost, which has been included in the FY2015-16 adopted budget for RMA-Planning, Unit 8172, Appropriation Unit RMA001.

Prepared by: Steve Mason, Assistant Planner ext. 5228 *S.M.*

Approved by: Mike Novo, Director, RMA-Planning, ext. 5192
Carl Holm, Director Resource Management Agency *CH*

This report was prepared with assistance by Mary Grace Perry, Office of the County Counsel.

cc: Front Counter Copy; Board of Supervisors (5); Office of the County Counsel; Agricultural Preserve Review Committee (Steve Mason, Mary Grace Perry, Robert A. Roach, Gregg MacFarlane); Mike Novo; Carl Holm; Property Owners; The Open Monterey Project; LandWatch; Project File REF150064

The following attachments are on file with the Clerk of the Board:

Attachment A Notice of Public Hearing

Attachment B List of potential County-initiated Notices of Non-Renewal