



Monterey County

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Board Report

Legistar File Number: 16-1064

October 04, 2016

Introduced: 9/9/2016

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

REF160033 County initiated Notices of Williamson Act Non-Renewal 2017

- a. Set a public hearing for October 25, 2016 at 1:30 p.m. to Consider County initiated Notices of Nonrenewal for portions of four (4) 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 25, 2016 at 1:30 p.m. for County initiated Notices of Nonrenewal for portions of four (4) 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.

(REF160033 - County initiated Notices of Non-Renewal 2017 - 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 25, 2016 at 1:30 p.m. to Consider County initiated Notices of Nonrenewal for portions of four (4) 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 25, 2016 at 1:30 p.m. for County initiated Notices of Nonrenewal for portions of four (4) 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).

PROJECT INFORMATION:

Planning File Number: REF160033

Project Location: Various

APN(s): See "Attachment B"

Plan Area: South County

CEQA Action: Exempt per Section 15321 of the CEQA Guidelines

SUMMARY:

A Williamson Act contract is an agreement between a property owner and the 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 in January, 2016. 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 Agricultural Preserve Review Committee with information to confirm ongoing compliance with Williamson Act Program and Land Conservation Contract requirements.

Staff mailed out 925 surveys and had a 73% return rate. Staff received approximately .004% 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, 27% of Williamson Act Property Owners have not returned their Questionnaires in accordance with California Revenue and Taxation Code Section 441(d). A follow-up courtesy letter was sent to approximately 250 non-responders. Staff has subsequently received and continues to receive their completed survey forms.

On October 25, 2016, the County will hold a hearing for the Board of Supervisors to consider County initiated Notices of Nonrenewal for portions of the subject Agricultural Preserves and Land Conservation Contracts. The Agricultural Preserve Review Committee (APRC) is recommending nonrenewal of five (5) parcels that are part of four (4) contracts. The list of parcels with reasons for recommending nonrenewal is provided in an attached matrix titled “List of potential County initiated Notices of Nonrenewal” (Attachment B). These four (4) Agricultural Preserves and Land Conservation Contracts or portions thereof proposed for County initiated Notice of Nonrenewal total five (5) parcels and approximately 371 acres.

By way of registered letter, with receipt of said letter confirmed, Staff has notified the Property Owners of the October 25, 2016 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 Nonrenewal pursuant to Government Code Section 51245. The current list of potential County initiated Notices of Nonrenewal is subject to reduction prior to the October 25, 2016 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 Nonrenewal has been initiated.

Pursuant to State Williamson Act provisions, the County is required to monitor its 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.”

A noticed public hearing is required for any action which may change the exterior boundary of an existing agricultural preserve. In addition, State Williamson Act provisions and County Williamson Act Program and County contract provisions require that the County provide sixty days notice of nonrenewal to landowners, that the Clerk of the Board of Supervisors record said County initiated Notices of Nonrenewal sixty days in advance of the January 1 contract renewal and property tax lien date, which is on or before November 1, 2016 and, that the Clerk of the Board provide a copy of the recorded Notices of Nonrenewal to the Department of Conservation, Williamson Act Program. The nonrenewal periods will commence on January 1, 2017. The hearing has been scheduled for October 25, 2016 which provides sufficient time to comply with these noticing and recording requirements.

The parcels being considered for nonrenewal are part of larger contracts. Contracts must maintain minimum acreages depending on the type of contact. The four (4) contracts in question (73-034, 96-004, 75-018, 69-017) would retain adequate acreage for the remaining parcels to continue under the Williamson Act program.

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

On September 1, 2016, the APRC reviewed this proposal and recommends County initiated Notices of Nonrenewal for five (5) parcels that are part of four (4) Agricultural Preserves and Land Conservation Contracts or portions thereof, for a total of approximately 371 acres.

The Monterey County Agricultural Advisory Committee (AAC) will review the proposed County initiated Notices of Nonrenewal at their September 22, 2016 meeting. The AAC was originally scheduled to consider the proposed County initiated Notices of Nonrenewal on

August 25, 2016. However, due to a lack of quorum, the AAC's August 25, 2016 meeting was cancelled and this item was continued to the next regular AAC meeting in September. The AAC's recommendation to the Board of Supervisors will be orally provided at the October 25, 2016 hearing.

FINANCING:

Initiating Notice of Nonrenewal 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 Nonrenewal, with further annual property tax increases throughout the remaining term of the Contract (nineteen [19] years). Relative increases in revenue are formalized by the particulars of each contract. The parcels that are being reviewed for County initiated Notice of Nonrenewal 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 FY2016-17 adopted budget for RMA-Planning, Unit 8172, and Appropriation Unit RMA001.

Prepared by: Steve Mason, Associate Planner
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Approved by: Carl Holm, Director Resource Management Agency

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

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 Nonrenewal for 1-1-2017
- Attachment C - Location Map

cc: Front Counter Copy; Board of Supervisors (14); Office of the County Counsel; Agricultural Preserve Review Committee (Steve Mason, Nadia Amador, Mary Grace Perry, Robert A. Roach, Gregg MacFarlane); Carl Holm; Property Owners; The Open Monterey Project; LandWatch; Project File REF160033