RESOURCE MANAGEMENT AGENCY
COUNTY OF TULARE
AGENDA ITEM

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

PETE VANDER POEL
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: June 2, 2009

Public Hearing Required	Yes ☐	No ☒	N/A ☐
Scheduled Public Hearing w/Clerk	Yes ☐	No ☒	N/A ☐
Published Notice Required	Yes ☐	No ☒	N/A ☐
Advertised Published Notice	Yes ☐	No ☒	N/A ☐
Meet & Confer Required	Yes ☒	No ☐	N/A ☐
Electronic file(s) has been sent	Yes ☐	No ☐	N/A ☐
Budget Transfer (Aud 308) attached	Yes ☐	No ☐	N/A ☒
Personnel Resolution attached	Yes ☐	No ☐	N/A ☒
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes ☐	No ☐	N/A ☒

CONTACT PERSON: Celeste Perez PHONE: (559) 733-6291

SUBJECT: Tulare County Williamson Act Program: Options for Fiscal 2009/2010 Work Program

REQUEST(S):

That the Board of Supervisors:

1) Review options for modification of the Williamson Act Program; and

2) Provide direction to staff for future research in pursuing available options for a Williamson Act Work Program for the 2009/2010 fiscal year.

SUMMARY:

This presentation by Resource Management Agency (RMA) staff reviews options for modification of the Tulare County Williamson Act Program. This presentation will include a brief summary of possible changes to the Program.

Some Williamson Act Work Program Options:

In the first presentation before your Board (April 7, 2009), RMA staff provided a report on a General Overview of the Williamson Act Program. In the second presentation (June 2, 2009), RMA staff and Assistant County Assessor Roland Hill provided a report on fiscal impacts of the Tulare County Williamson Act Program. In this third presentation (June 2, 2009), RMA staff addresses some potential options for modifying the Tulare County work program including several possible strategies:

a) County-initiated nonrenewal of substandard Williamson Act parcels;
b) County-initiated nonrenewal of all Williamson Act contracts if State subvention payments are cancelled;
c) Moratoriums on new agricultural preserves;
d) Other possible strategies; and
e) Kings County model for County-Initiated Batch nonrenewals.

With regard to substandard lands, RMA staff have identified several categories of Tulare County Williamson Act contracted lands that are substandard according to one or more of the following factors:

- minimum parcel size requirements
- location (located within Urban Development Boundary (UDB))
- land use inappropriate (e.g. ranchettes)

Attachment 1 provides goals and policies from the Draft Tulare County General Plan Update relating to Williamson Act lands and proposals for nonrenewal of substandard contracts.

a) County-Initiated Nonrenewal of Substandard Parcels

Fiscal impacts of nonrenewal of substandard parcels are included in Table 3. Some or all of the parcels identified above as being substandard could be targeted for County-initiated nonrenewal. The following table calculates fiscal impacts of nonrenewing several substandard categories of Williamson Act lands. Nonrenewal results in an immediate loss of subvention revenue (shown in Table 3).

However, the loss of the subvention funds would be partially offset as the properties entered nonrenewal. Note that parcels located within UDB are slated for future development, which would potentially increase assessed values on developed land. Other expenses associated with the approach would include staff time involved.

Table 3 Nonrenewal of Substandard Williamson Act Parcels (*Active)

Category Substandard (*Active)	Acres	Lost Subvention Revenue**	Williamson Act Value***	Estimated Tax Revenue to General Fund (16% of 1%) †	Year 1 nonrenewal Estimated Tax Revenue to General Fund††
Prime < 10 acres	7,811.21	$35,150.45	$163,339,715	$ 261,343.54	$426,512.66
Nonprime < 40 acres	12,347.73	$11,112.96	$ 82,863,588	$ 132,581.74	$216,373.40
FSZ < 10 acres	38.54	$ 277.49	$ 124,809	$ 199.69	$325.89
UDB prime	5,224.82	$23,511.69	$ 25,396,554	$ 40,634.49	$66,315.49
UDB nonprime	50.71	$ 45.64	$ 12,368	$ 19.79	$32.30
Total	25,473.01	$70,098.22	$271,737,034	$ 434,779.25	$709,559.74

** Active Williamson Act parcels are those not currently in nonrenewal*
*** Calculated at the rate of $1/acre nonprime, $5/acre prime, $8/acre farmland security zone, multiplied by 90% (future State subvention payments will be reduced by 10%).*
**** Williamson Act Values are calculated by adding the land value and the improvement value totals for these categories of properties*
† Tax revenue is estimated as 1% of property value. The General Fund receives 16% of the tax revenue (or .01 x .16=.0016)
†† In the first year of nonrenewal, tax assessed values increase by an estimated 40% of the difference between Williamson Act tax assessed values and market assessed values (estimated to be higher than Williamson Act values by a factor of 2.58).

b) County-initiated nonrenewal of all Williamson Act contracts if State subvention payments are cancelled

Should the State discontinue the subvention payments permanently, the County might consider one of two additional options that would effectively discontinue the program:

- 14,234 total parcels entered in Williamson Act contracts
- 13,643 Williamson Act parcels are currently active (not undergoing nonrenewal)

c) Moratoriums on New Agricultural Preserves

The County could choose a moratorium on new Williamson Act contracts, and/or require a clause in the contract that invalidates the contract if the State no longer provides subvention reimbursement.

Note: The current contract has a clause indicating that the County will no longer provide tax breaks if the State ceases to pay subvention payments to the County. This may be adequate. In any event, relatively few new Agricultural Preserves are formed each year—there were only four new preserves approved by the Board of Supervisors with January 2009 start dates.

Fiscal impacts of County-Initiated nonrenewal would include the staff time needed to process what could be a massive number of documents. The following section describes the Kings County approach taken to batch nonrenewals of substandard Williamson Act parcels.

d) Other Possible Strategies

- Consider a requirement for larger minimum sizes for Williamson Act contracts or agricultural preserves
- Prohibit further subdivision of Williamson Act parcels.
- Remove homesite parcels from Williamson Act through partial nonrenewal or cancellation
- Adopt other zoning changes (RVLP, agricultural zoning)

e) Kings County model for County-Initiated Batch nonrenewals

The April 7, 2009 report to the Board included an assessment of the Fresno County Williamson Act Work Program. Following is information on Kings County Williamson Act Work Program, which has used County-initiated batch nonrenewals to remove substandard parcels from the program.

Kings County Model for County-Initiated Batch Nonrenewals

Information on this was provided by Greg Gatzka, Deputy Planning Director for Kings County. Kings County developed a streamlined process targeting Williamson Act substandard size parcels (See Attachment 2 for details). Substandard sized parcels were identified with GIS, and forms were generated semi-automatically, combining a Word document template with information from the Assessors Office (similar information is available in our GIS database "parcels" theme). Kings County sent County initiated nonrenewal forms to targeted owners, who had an option to protest (few did). Automatically generated nonrenewal forms used abbreviated legal descriptions from the Assessor's database. The forms were then signed by the Chairman of the Board of Supervisors and recorded. This part of the procedure is likely to take the same amount of time.

Attachment 2 includes more information on the Kings County County-Initiated Batch Nonrenewal Program.

Conclusions

Several options for modifying the Williamson Act Program were addressed in this report:

1) County-initiated nonrenewal of substandard Williamson Act parcels is a strategy supported by both State and County policies, although one that will produce relatively little income.

2) Should the State cancel subvention payments altogether, additional options may be considered, including the option of County-initiated nonrenewal of all Williamson Act contracts. The tax revenues will increase over a period of 9 years before reaching market rates.

3) Moratoriums on new agricultural preserves are also an option.

4) Several strategies were presented that could help reduce fragmentation of agricultural lands:
   - increasing minimum parcel sizes of Williamson Act contracted lands,
   - eliminating the creation of new homesite parcels on Williamson Act lands,
   - requiring nonrenewal of existing homesite parcels, and
   - adopting a policy restricting land subdivision of Williamson Act lands.

5) In addition to these strategies, other strategies to prevent fragmentation of agricultural lands might be changes to the zoning ordinance (agricultural zone requirements) and/or changes to the Rural Valley Lands Plan requirements.

Next Steps: Request from RMA Staff for Direction from the Board for Fiscal Year 2009/2010

1. Work Program: Provide general directions to further explore different options to increase farmland protection while eliminating substandard parcels from the Williamson Act program; or

2. Other Direction as deemed appropriate.

FISCAL IMPACT/FINANCING:

There is no net County cost associated with this research, beyond staff time required for the research.

SUBJECT: Tulare County Williamson Act Program: Options for Fiscal 2009/2010 Work Program

DATE: June 2, 2009

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

The Williamson Act Program is consistent with Strategic Initiative 2: Economic Well-Being. Agricultural Preserves are one method of protecting the County's agricultural economy.

ALTERNATIVES:

1) Provide direction to staff for future research in pursuing available options for a Williamson Act Work Program for the 2009/2010 fiscal year.

2) Recommend that staff do further research prior to recommending options.

3) Receive the report; make no recommendations for pursuing options.

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

Tulare County Assessor's Office
County Administrative Office

ADMINISTRATIVE SIGN-OFF:

Jake Raper, Jr., AICP
Assistant Director, Planning

cc: Auditor/Controller
County Counsel
County Administrative Office (2)

Attachment(s)

1. Tulare County Goals and Policies Related to Substandard Williamson Act Parcels

2. Kings County Work Program

BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF)
Tulare County)
Williamson Act Program) **RESOLUTION NO.** _____
Fiscal Impact Update) **AGREEMENT NO.** _____

UPON MOTION OF SUPERVISOR _____, SECONDED BY SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD June 2, 2009 BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

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That the Board of Supervisors:

1) Reviewed options for modification of the Williamson Act Program; and

2) Provided direction to staff for future research in pursuing available options for a Work Program for the 2009/2010 fiscal year.