



# Planning and Development Department

## Long Range Planning Division

### Transmittal Memorandum

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**DATE:** October 20, 2010

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**TO:** GavPAC Members

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**FROM:** David Lackie, Supervising Planner  
Brian Tetley, Planner

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**CC:** Supervisor Doreen Farr, 3<sup>rd</sup> Supervisorial District  
Vicki Parker, Deputy Director, Long Range Planning

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**SUBJECT:** GavPAC Meeting No. 21

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This memorandum supplies some information requested as well as following upon the discussions that took place during GavPAC meeting 20 as part of the Meeting 20, 21, & 22 joint agenda. GavPAC Meeting No. 21 is to be held Wednesday October 27, 2010, 6:30 p.m. at the Vista de Las Cruces School auditorium:

The goal for meeting 21 is to continue the deliberations on the planning priorities for agriculture. Once these priorities are agreed-upon, the GavPAC will deliberate on planning tool preferences to address those priorities. Finally, the GavPAC will consider the nomination of a subcommittee to continue work on specified tasks.

Staff has provided some additional background information on some land use programs that aim to preserve agricultural land while allowing for additional residential development on agricultural land.

#### **Agricultural Cluster Development (ACD)**

The ACD concept is designed to create additional density for residential subdivision while minimizing impacts to remaining agricultural acreage through permanent agricultural easement and cooperative management on non-Williamson Act contracted lands. The following summary describes the County's effort to enact an ACD concept which was ultimately not successful.

An ACD program can be one alternative to traditional large parcel subdivisions that are often denied due to impacts to agricultural production or loss of agricultural land, inconsistencies with the Agricultural Element of the Comprehensive Plan and/or with the intent of the Williamson Act. ACD is intended to benefit both the property owner (by providing a mechanism to maintain agricultural production through development of non-agricultural uses), the County's agricultural industry (by preserving resources necessary to sustain this important business sector), and the community at large through preservation of agricultural and open space.

During draft ACD Ordinance development, some agriculturalists and property owners in the County conceptually supported the ACD Program while expressing concern that specific provisions in the draft ordinance did not address their needs. Staff recommended implementation a pilot program basis. A voluntary public-private partnership enabled interested property owners to receive preliminary environmental review of proposed projects on their site. Pilot projects were developed for Mission Oaks Ranch in the Santa Ynez Valley and Rancho Todos Santos in the San Antonio Valley west of Los Alamos.

The Rancho Todos Santos ACD pilot project would have maximized residential and non-residential development with a Development Cluster Area and included a mix of on-site agricultural uses (cultivated agriculture and grazing). The Mission Oaks Ranch ACD pilot project included development of 47 residences and two common area equestrian lots on approximately 130 acres and the retention of 3,747 acres in an **Williamson Act Easement Exchange**

Some questions have arisen about the long-term effectiveness of the Williamson Act program as compared with Conservation Easements and other programs to preserve land from development while providing value for the landowner. One existing option is the Williamson Act Easement Exchange program as summarized below.

Since 1998 another option within the Williamson Act Program is the rescission process to cancel a Williamson Act contract and simultaneously dedicate a permanent agricultural conservation easement on other land. The easement exchange process offers the advantage of keeping cancellation fees working in the local area to preserve agricultural land, instead of paying the fees to the State General Fund. A board or council must make specified findings in order to cancel a contract. The appraised value of the easement land must be equal to or greater than the cancellation fee required to cancel the contract. In addition, the easement land must be of equal size or larger than the Williamson Act contracted land. Williamson Act easement exchanges must meet criteria established under the California Farmland Conservancy Program (CFCP).

The process is entirely voluntary for all parties: the owner of the Williamson Act contracted land, the owner of the land to be encumbered by the conservation easement, the organization that holds, monitors, and enforces the easement, and the city or county. The landowner must submit a petition for a Williamson Act easement exchange proposal to the local governing city or county. Upon making the required findings and determining that the eligibility criteria has been met and evaluating the easement pursuant to the selection criteria, the city or county may approve the proposal. The proposal is then submitted to the Department of Conservation for review and final decision. If the Department of Conservation (DOC) approves the proposal, the city or county may enter into an agreement with the landowner to rescind the Williamson Act contract and simultaneously place the other land in an agricultural conservation easement.

An "agricultural conservation easement" is a less than fee simple interest in land. It includes the permanent prevention of development or improvement of the land for any purpose other than agricultural production. The easement is granted by the landowner to the local government or a qualified non-profit organization that has conservation of agricultural land as one of its primary purposes. The land restricted by the easement remains in private ownership. Aside from the separation of specified development rights, the landowner retains all other rights to the land, including the right to deny public access and to manage the land for agricultural uses.

#### *Santa Barbara Ranch Project Agricultural Conservation Easement Exchange*

Santa Barbara Ranch, LLC proposed cancellation of its Williamson Act Contract and to simultaneously: (i) place 2,003 acres that were under contract ("WA Remainder") into a permanent agricultural conservation easement, along with 393 additional non-contract acres that were unprotected, thereby bringing the total to 2,684 acres of agricultural acreage protected in perpetuity ("WA-ACE Easement Exchange"); and (ii) place the WA Remainder in a new contract ("New WA Contract"). These inter-related matters were proposed as concurrent actions under the non-renewal provisions of the Williamson Act regulations. The proposed site encompassed portions of Santa Barbara Ranch and Dos Pueblos Ranch, together totaling 3,254 acres and 85% of the lots comprising the official map of Naples town site. The two ranches are zoned for AG-II-100 and Unlimited Agriculture.

#### **Transfer of Development Rights (TDR)**

A TDR program is another vehicle for realizing the landowner value of properties targeted for preservation by displacing potential development rights to properties considered more suitable for development by virtue of existing infrastructure and proximity to urban uses.

The County developed a TDR program as an outgrowth of the Santa Barbara Ranch (Naples) Project. The intent of the program was to transfer development potential from eligible Naples lots to eligible receiving sites along the South Coast of the County in furtherance of Coastal Land Use Plan Policy 2-13<sup>1</sup>. The overriding purpose was to extinguish the rights to develop Naples lots determined to have the greatest public benefit by the Board.

A TDR program was proposed as a market-driven program involving willing sellers and willing buyers. Landowners are not obligated to use the program but may participate voluntarily. It allowed eligible sending site (lots targeted for preservation) landowners to sever development rights, from rights associated with land ownership. Sending site landowners would be compensated at fair market value for the lost development potential through sales of those development rights. Once the rights were sold, the land is protected in perpetuity from future development in perpetuity through conservation easements. Sending site landowners are incentivized to participate since they can forego lengthy and costly development process yet receive payments commensurate with the realized profits of their property built to its highest and best use.

The Santa Barbara Ranch Project consisted of a large lot residential development and other uses totaling 485 acres, which included most of the area known as the Naples town site. Proposed development included 54 detached single-family residences; an equestrian center with employee duplex; agricultural support facilities; and public recreation amenities including an access road, parking lot, restroom, multi-use trails, educational kiosk, and coastal viewing and access stairway. The project would also include a private agricultural conservation easement and a separate open space conservation easement over portions of the property.

This TDR program, as part of the Santa Barbara Ranch project, would have allowed the geographic reach to extend into rural areas only at such time as the Board of Supervisors (BOS) determined that potential receiver sites in urban areas have been exhausted. While there is general agreement on the priority given to urban areas, there were disparate views on how much and by what means development might be allowed to extend beyond the urban/rural limit line. The program reflected input provided by a stakeholder working group, with further refinements suggested by County Counsel and the Auditor-Controller.

### **Other Jurisdictions**

Staff is currently communicating with other counties, including Sonoma, Calaveras, Amador, San Luis Obispo, Monterey and Pima County, AZ to obtain information on different approaches to promoting agricultural economic viability and to gather feedback on the effectiveness of such initiatives.

San Luis Obispo County is currently updating parts of its Land Use Ordinance, Coastal Zoning Ordinance, and Agriculture Element to reflect new Agricultural Cluster Subdivision and Density Standards and residential density standards on existing parcels with an Agriculture designation. Creation of an Agricultural Cluster Subdivision requires an applicant to 1) obtain Conditional Use Permit (CUP) approval; and 2) conduct environmental review (CEQA) This program is not applicable on Williamson Act contracted land or land greater than two miles from Urban Reserve Lines (URLs). By comparison, approximately 80 percent of the Gaviota Coast Planning area is under Williamson Act contract and the Naples property is approximately two miles west of the City of Goleta's urban boundary limit.

Additional findings from research on the above mentioned counties will be presented at the GavPAC meeting for Schedule for October 27, 2010.

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<sup>1</sup> CLUP Policy 2-13: *The existing town site of Naples is within a designated rural area and is remote from urban services. The County shall discourage residential development of existing lots. The County shall encourage and assist the property owner(s) in transferring development rights from the Naples town site to an appropriate site within a designated urban area which is suitable for residential development. If the County determines that transferring development rights is not feasible, the land use designation of AG-II-100 should be re-evaluated.*

## **RAU/RSU Comparison & Agricultural Uses and Permit Levels**

The intent of Residential Second Units (RSUs) is to encourage a more efficient use of specified residential and agricultural zones where because of a decrease in average household size homes are being underutilized. RSUs provide housing opportunities for low-income households or those desiring less maintenance responsibilities such as single or elderly households. The intent is also to ensure a safe and attractive residential environment by promoting high standards of site development. Within agriculturally zoned land, RSUs are only allowed in AG-I-5, -10, and -20 zones. A lot may contain only one attached or detached RSU. Before an RSU can be permitted, an existing principal dwelling must be present or an application for an RSU must be submitted in conjunction with the application for the principal dwelling. In addition, the owner of the lot must reside on the lot, in either the principal dwelling or in the RSU, with a few minor exceptions. If an RSU has been approved or currently exists on a lot, a guesthouse or similar structure is not allowable unless the RSU is removed.

The Residential Agricultural Unit (RAU) Program provided additional housing and income opportunities by allowing both attached and detached RAUs on agricultural lands zoned AG-I-40 and AG-II, outside of the Coastal Zone. The RAU program only applied to legal, conforming lots under Williamson Act Contracts or parcels that are restricted to agricultural use. If a lot was non-conforming, it had two years to become conforming after developing an RAU. Before an RAU could be permitted, an existing principal dwelling had to be present or an application for an RAU must have been submitted in conjunction with the application for the principal dwelling. The RAU could not be occupied before occupation of the principal dwelling and the lot owner or a person who devoted a substantial portion of his/her time to the agricultural use of the subject lot had to reside on the lot. In addition, the RAU had to be located entirely on the same lot that contained the principal dwelling. The program was intended to support family farms by providing additional housing and rental income opportunities; it was not linked to the County's existing RSU program.

Although approved by the BOS and implemented by the County, the Ordinance expired in 2009 and was not renewed by the BOS.

A comparison table between RSU and RAU development standards is provided in Attachment 2.

In addition to this packet, please bring the GavPAC documents binder with you to the meeting.

All GavPAC materials are also available for download from the following webpage:  
<http://longrange.sbcountyplanning.org/planareas/gaviota/gaviota.php>

### **Attachments:**

1. October 13, 2010 Meeting Minutes
2. RAU/RSU Comparison Table
3. Agricultural Uses & Permit Level Table