



COUNTY OF HUMBOLDT

For the meeting of: 1/10/2023

File #: 22-1624

To: The Humboldt County Board of Supervisors

From: Planning and Building Department

Agenda Section: Public Hearing

SUBJECT:

Hunter Ranch Agricultural Preserve and Zone Reclassification

RECOMMENDATION:

That the Board of Supervisors:

1. Introduce Ordinance No. ____ by title and waive further reading;
2. Open the public hearing, receive and consider the staff report, the Planning Commission's findings and accept public comment;
3. Close the public hearing;
4. Find that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines sections 15317 (open space contracts) and 15061(b)(3) and direct department staff to file a Notice of Exemption;
5. Adopt Ordinance No. ____ amending section 311-7 of the Humboldt County Code by reclassifying property within the proposed Hunter Ranch Agricultural Preserve currently zoned Unclassified and Agriculture Exclusive to Agriculture Exclusive with a Special Building Site combining zone specifying a minimum lot size of 160 acres (AE B-5(160));
6. Direct the Clerk of the Board to publish a summary of the zoning changes within 15 days of the date of the hearing (Attachment B);
7. Adopt Resolution No. ____ forming the Hunter Ranch Agricultural Preserve (Attachment 3);
8. Adopt Resolution No. ____ making all required findings for approval of the zone reclassification (Attachment 6); and
9. Direct the Chair to execute the Hunter Ranch Land Conservation Contract (Attachment 4).

SOURCE OF FUNDING:

The applicant has paid the fees associated with filing this project.

DISCUSSION:

An application has been submitted to establish a Class "B" agricultural preserve of approximately 14,792 acres in the Korbel area. The property is owned by Hunter Ranch LLC, utilized for cattle grazing. One of the requirements to qualify for a Class "B" agriculture preserve contract is all land in the proposed preserve must be zoned Timberland Production (TPZ) or Agriculture Exclusive with a Special Building Site combining zone

specifying a minimum lot size of 160 acres (AE B-5(160)). The application includes the rezone of approximately 10 acres from Unclassified to AE B-5(160), as well as adding the Special Building Site Combining Zone (B-5(160)) to the approximately 8,469 acres of land that is currently zoned Agriculture Exclusive to meet this requirement. With the zoning reclassifications all requirements for entry into a Williamson Act Contract will be met as detailed below. On Aug. 18, 2022, the project was heard before the Humboldt County Planning Commission, which unanimously recommended that the Humboldt County Board of Supervisors approve the Hunter Ranch, LLC zone reclassification, and enter into a land conservation contract with Hunter Ranch, LLC.

The Williamson Act is intended to preserve agricultural and open space lands by discouraging the premature and unnecessary conversion to urban uses. When entering an agricultural preserve, the property owner executes a Land Conservation Contract with the county to restrict the uses of the land to agriculture, open space and/or compatible uses. The minimum term for a Land Conservation Contract 10 years and is automatically renewed every year, maintaining a constant 10-year contract. In exchange for restricting the uses, the land is valued as open space land pursuant to open space valuation laws (Revenue and Taxation Code Sections 421, et seq.).

In order to qualify for a Class “B” Grazing Land Preserve and contract, the preserve area must contain at least 600 acres of land and no individual lot or parcel should be less than 160 contiguous acres. Any land in the preserve not zoned TPZ must be placed in the Agriculture Exclusive zoning district with a Special Building Site combining zone specifying a minimum lot size of 160 acres (AE B-5(160)). The land within the preserve must be non-prime agricultural land of statewide or local significance. The parcels must be devoted to agricultural use and have provided a gross annual income of \$12,000 from agricultural production for 3 of the last 5 years. While under contract the rights of division, including any existing legal patents, are subservient to the enforceable restriction secured by the Land Conservation Contract and Section 8 of the Humboldt County Williamson Act Guidelines.

The proposed preserve land consists of 33 assessor parcels of approximately 14,792 acres. Each parcel is more than 160 contiguous acres. The land is classified as “non-prime agricultural land of statewide or local significance” and is designated Agriculture Grazing and/or Timber Production in the Humboldt County General Plan (Inland). The land is zoned Agriculture Exclusive (AE) and Timber Production (TPZ) with the exception of approximately 10 acres on APN 315-204-004-000 which are zoned Unclassified (U). The AE and U-zoned portions are proposed as part of this application to be reclassified to Agriculture Exclusive (AE) with a Special Building Site combining zone specifying a minimum lot size of 160 acres (AE-B-5(160)). The current and proposed Agriculture Exclusive zoning and proposed contract prohibit further parcel divisions. Once zone reclassification occurs the subject land meets all the requirements for a Class “B” Grazing Land Preserve. The slope stability is considered highly unstable and the land is and has been used by Hunter Ranch for grazing. The ranch’s income exceeds the minimum gross income for a preserve for the last 3 out of 5 years.

There are no outstanding zoning violations on the subject property. While the Northwest Information Center recommended professional surveys be completed to assess potential and known archaeological sites and buildings with possible historical value there is no proposed development or changes to the land or to any of the buildings as a result of this project.

Based on a review of Planning Division reference sources and comments from all involved referral agencies, the proposed agricultural preserve meets the required findings. The Williamson Act Committee reviewed the project on June 27, 2022, and recommended approval. The Humboldt County Planning Commission reviewed the project on Aug. 18, 2022, and recommended approval.

REQUIRED FINDINGS:

The California Land Conservation Act of 1965, also known as the Williamson Act, provides the legislative authority and specifies the findings that must be made to establish Agricultural Preserves. The Williamson Act may be found commencing with Section 51200 of the Government Code. Generally, the following findings must be made to establish Agricultural Preserves.

1. That the proposed preserve is consistent with the County's General Plan (Section 51234 Government Code); and
2. That the land to be included in the agricultural preserve contract is, and will continue to be, used for the purpose of producing agricultural commodities for commercial purposes, and uses compatible with agriculture.

Additionally, to be eligible for the establishment of an Agricultural Preserve, the agricultural property must meet the criteria for one of the four "classes" (A, B, C or D) of Agricultural Preserve Contracts. A summary of the criteria for a Class "B" Preserve is listed below:

CLASS B PRESERVE:

1. The preserve area shall contain not less than 600 acres of land, and no individual lot or parcel of land shall be less than 160 contiguous acres.
2. An ordinance placing all land not zoned TPZ (Timberland Production Zone) within the agricultural preserve in the AE (Agriculture Exclusive) zoning district with a combining zone establishing a 160-acre minimum parcel size (AE-B-5(160)) must be adopted by the Board of Supervisors either prior to formation of the preserve or prior to the execution of the contract. During the term of the contract, all rights of division are subservient to the enforceable restriction secured by the Land Conservation Contract and Section 8 of Resolution No. 16-144.
3. Land within the preserve shall be non-prime agricultural land of statewide or local significance.

ZONE RECLASSIFICATION:

Humboldt County Code §312-50 specifies the findings that must be made in order to approve a Zone Reclassification. The relevant required findings are as follows:

1. The proposed change is in the public interest;
2. The proposed change is consistent with the General Plan;
3. The amendment does not reduce the residential density for any parcel below that utilized by the Department of Housing and Community Development in determining compliance with housing element law.

Other than the zoning designations which are proposed to be changed, the subject property is meets all other requirements for a Class "B" Grazing Land Preserve. The parcels have an underlying land use designation of Timberlands. Land is currently leased for grazing operations, and gross annual income per ownership unit exceeds \$12,000. The preserve will meet the minimum requirement of 600 acres, with no individual lot of less than 160 acres.

The required findings for approving the zone reclassification can be made. The zone reclassification is necessary, due to program requirements, to establish the proposed lands as an agricultural preserve. Establishing such preserves is in the public best interest to protect spaces for agricultural and open space uses. The primary purpose of the Williamson Act of 1965 was to preserve agricultural and open space lands by discouraging the premature and unnecessary conversion to urban areas. The guidelines for a Class B agricultural preserve stipulate that the land must be zoned AE-B-5(160) if it is not TPZ. The parcels on Hunter Ranch contain a small portion zoned Unclassified (approximately 10 acres) and portions zoned Agriculture Exclusive with no Special Building Site Designation (approximately 8,469 acres). Changing the approximately 10 acres zoned “U” to “AE” with a Special Building Site combining zone establishing a 160-acre minimum, and adding the B-5(160) combining zone to lands already zoned “AE”, allows these parcels and thus 8,479 more acres to be included in the preserve. The new, more restrictive, zoning district; specified minimum parcel size; and proposed Land Contract would all prohibit future parcel division and discourage conversion away from agricultural uses of the land. Conservation of agricultural lands and open spaces is in the public interest.

The Humboldt County General Plan has numerous goals and policies related to protecting and preserving its agricultural assets and economy. Chapter 4.5 of the Humboldt County General Plan “Agricultural Resources” recognizes the significance of agriculture in Humboldt County. The two goals listed under 4.5.3 include “Agricultural Production - economically viable agricultural operations contributing to the growth and stability of the economy and a strong market demand for agricultural lands dedicated to agricultural production” and also “Preservation of Agricultural Lands - agricultural land preserved to the maximum extent possible for continued agricultural use in parcel sizes that support economically feasible agricultural operations.” The land proposed for this preserve is designated in the General Plan as Agriculture Grazing and Timber Production. The portion of the parcel proposed for a zone reclassification (~8,479 acres) is currently zoned Unclassified (“U”) and Agriculture Exclusive “AE”. The rest of the parcel, and proposed preserve land is zoned TPZ. Reclassifying from Unclassified and Agriculture Exclusive to the more restrictive Agriculture Exclusive with a combining zone establishing a 160-acre minimum parcel size helps ensure the land is used for agricultural purposes and not prematurely subdivided for competing urban land uses. Entering into Land Conservation Contracts such as when creating an agricultural preserve also helps ensure the land is protected for agricultural uses. Therefore staff believes the zoning reclassification enabling an agricultural preserve land contract to be entered is consistent with the goals and policies of the General Plan.

Amendments to the zoning code and maps may be initiated by a majority vote of the Board of Supervisors based on:

1. Recommendation by any Board member
2. Recommendation of the County Planning Commission
3. Recommendation of the County Community Development Services Department
4. Receipt of a petition for amendment, pursuant to Section 312-50.5 by the owner of the property within the area proposed for reclassification.

A zoning code amendment to rezone a portion of the property zoned “U” has been recommended by the Planning Commission to allow for the establishment of an Agricultural Preserve on the subject parcels. The recommendation of the Planning Commission did not include the addition of the B-5(160) combining zone on lands zoned “AE”, however this was due to an oversight by Planning Department staff, and “AE” zoned land was intended to be included in the proposed zoning code amendment. The addition of the above referenced

combining zone to lands currently zoned “AE” has been included in the proposed zoning amendment and associated attachments.

FINANCIAL IMPACT:

According to the Humboldt County Assessor’s Office, property values for the land included in the proposed establishment of an agricultural preserve is \$7,074,114. This results in an approximate \$70,741 tax liability. Per the California Department of Conservation, the restricted values (i.e. lands under a Williamson Act contract) are estimated to save agricultural landowners from 20-75% in property liability tax each year. The restricted values are affected by income production calculations, base year values, and the State Board of Equalization’s annual yield component. The County would therefore be responsible for the loss of revenue from the differences in the taxes collected in light of the loss of state subventions.

Expenses associated with the monitoring of compliance with this program will be covered through the General Fund (Williamson Act Enforcement program), allocated in the Current Planning Division’s Fiscal Year 2022-2023 budget.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework through its core roles to enforce laws and regulations to protect residents.

OTHER AGENCY INVOLVEMENT:

The project was circulated to various State and local agencies for comments and recommendations. Both the Williamson Act Committee and the Planning Commission recommend approval.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could choose not to enter into a contract with the Property owners seeking to enroll land into the Williamson Act Program. However, the County’s Guidelines support the creation of an Agricultural Preserve and including the working agricultural lands in the program would further the agricultural goals of the General Plan. Therefore, staff does not recommend further consideration of this alternative.

ATTACHMENTS:

NOTE: The attachments supporting this report have been provided to the Board of Supervisors; copies are available for review in the Clerk of the Board’s Office.

1. Ordinance No. ___, Exhibit A (legal description), Exhibit B (map)
2. Summary of Ordinance, map to be published (Exhibit A)
3. Resolution No. ___ establishing Class B Preserve, Exhibit A (legal description), Exhibit B (map)
4. Hunter Ranch Land Conservation Contract
5. Planning Commission Resolution and Staff Report.
6. Resolution No. ___, Certifying compliance with CEQA and making the required findings for approval
7. PC Supplemental 1

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A
Meeting of: N/A
File No.: N/A

Applicant

Hunter Ranch, LLC

File #: 22-1624

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Montecito, CA 93108

Owner

Hunter Ranch, LLC
C/O MCM Real Estate Services, LLC
Attn Jeremy Heidrick
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Agent

N/A

Please contact Michael Holtermann, Planner, at mholtermann@co.humboldt.ca.us or 707-268-3737 if you have any questions about the scheduled item.