



**BOARD OF SUPERVISORS  
AGENDA LETTER**

Agenda Number:

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Department Name:** Long Range & Strategic  
Pllng  
**Department No.:** 990, 051  
**For Agenda Of:** 11/14/2006  
**Placement:** Set Hearing  
**Estimate Time:** 2.5 hours, 12/5/06  
**Continued Item:** NO  
**If Yes, date from:**  
**Vote Required:** Majority

**TO:** Board of Supervisors  
**FROM:** Department Director(s) Michael F. Brown, County Executive Officer, 568-3400  
John McInnes, Director, Long Range & Strategic Planning, 568-3552  
William Gillette, Agricultural Commissioner, 681-5600  
Contact Info: David Lackie, Principal Planner, 568-2023

**SUBJECT: Uniform Rules Update Project**

**County Counsel Concurrence:**

As to form:  Yes  No  N/A

**Auditor-Controller Concurrence:**

As to form:  Yes  No  N/A

**Other Concurrence: N/A**

As to form:  Yes  No  N/A

**Recommended Action(s):**

That the Board of Supervisors set a hearing for December 5, 2006 to consider amendments to the Uniform Rules for Agricultural Preserves and Farmland Security Zones.

Staff recommends that the Board of Supervisors:

1. Adopt the Findings and Statement of Overriding Considerations for approval of the amended Uniform Rules (Attachment A);
2. Certify the Final Environmental Impact Report (04-EIR-08), including the EIR Revision Document (04-EIR-08 RV1) and Mitigation Monitoring and Reporting Plan (Attachment B);
3. Adopt the Resolution to amend the *Uniform Rules for Agricultural Preserves and Farmland Security Zones, Santa Barbara County, December 2006* (Attachment C).

**Summary:**

The Board of Supervisors is the decision making body for administrative actions implementing the County's agricultural preserve program. The Uniform Rules implement the Williamson Act by defining eligibility requirements and compatible uses that each participating landowner must adhere to in order to receive a reduced tax assessment. The Uniform Rules do not authorize any development on agricultural land that is not otherwise permitted by the applicable zone district. Often the Rules are more restrictive than the underlying agricultural

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zoning requirements. However, the Rules do not supersede the County's land use requirements contained in the Comprehensive Plan and zoning ordinances, nor obviate the need for permits. The Agricultural Preserve Advisory Committee (APAC) is responsible for reviewing a land use application for consistency with the Uniform Rules and the Williamson Act, but does not make a decision on the permit. The land use permit must be reviewed and approved by the appropriate decision-maker in the permit process.

The Uniform Rules Update Project proposes changes to several aspects of the Uniform Rules in order to meet the following objectives:

- 1) Bring the Uniform Rules into conformance with recent legislative amendments to the Williamson Act;
- 2) Address discrepancies in the Uniform Rules that were identified in a 2001 audit of the County's Agricultural Preserve Program by the California Department of Conservation;
- 3) Ensure the continued integrity of the Agricultural Preserve Program; and
- 4) Increase the clarity and flexibility of the Uniform rules to ensure continued and expanded participation in the County's Agricultural Preserve Program.

### **Background:**

The California Land Conservation Act (1965), known as the Williamson Act, enables cities and counties to implement local agricultural preserve programs for the purpose of long-term protection of agricultural land through a system of voluntary contractual agreements and tax incentives to landowners. Most counties and some cities have such a program. Combined, their efforts protect approximately 53% of agricultural lands statewide. In Santa Barbara County, approximately 73% (or 555,000 acres) of agriculturally-zoned land is enrolled in the County's Agricultural Preserve Program.

Williamson Act contracts restrict land uses on parcels to agriculture and open space uses in exchange for lower property tax assessments. Contracts are automatically renewed each year following the first year of a 10-year Williamson Act contract (or 20-year contract for Farmland Security Zones) unless the owner or County serves a notice of nonrenewal or the contract is terminated as provided for by the Act.

The Williamson Act requires every participating local government to have a set of rules for implementing its agricultural preserve program in an equitable manner consistent with the requirements of the Act. The *Santa Barbara County Uniform Rules for Agricultural Preserves and Farmland Security Zones* (Uniform Rules) is the set of rules by which the County administers its Agricultural Preserve Program. Periodically, the legislature amends the Williamson Act requiring local governments to amend their rules. The last amendment to Santa Barbara County's Uniform Rules was in 1999, which a) provided for a new contract option allowed under the Act, called farmland security zones, and b) included provisions for residential agricultural units on contracted premises. Other than the 1999 revisions no other revisions to the Rules have occurred since 1984.

In April 2003 the Board of Supervisors directed the Comprehensive Planning Division to assist the Agricultural Preserve Advisory Committee (APAC) to draft an update to the Uniform Rules, and in doing so, to consider proposed revisions to the Uniform Rules from the agricultural community along with recent legislative amendments, and Department of Conservation audit results.

The initial process entailed working with the APAC, the public and representatives from the agricultural community to discuss all the suggested changes. This process extended over a 13-month period and culminated in a single set of proposed amendments to the Uniform Rules which subsequently served as the project description for environmental review. Following environmental review, the APAC reconsidered the proposed amended Uniform Rules in light of comments received on the Draft EIR and proposed mitigation measures resulting from the CEQA process, and discussions with the Department of Conservation.

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On October 6, 2006 the APAC voted unanimously to recommend the Board of Supervisors approve the amended Uniform Rules (Attachment C).

*Key Amendments:* The Uniform Rules include the following key amendments to eligibility requirements, residential opportunities and compatible uses (a summary table of these amendments is included as Attachment D):

- Principal dwellings – increase housing options to meet the needs of multi-generation farm families by allowing additional housing opportunities on non-prime land (subject to zoning and parcel size limitations) and allowing for increases to the development envelopes on superprime land if more land is devoted to agricultural production.
- Small-scale guest ranches – allow an option on premises with parcels 40 acres or larger in size to operate a small guest ranch to supplement agricultural income (maximum 15 guests accommodated within an existing structure).
- Large-scale wineries – progressively increase the acreage cap for wineries on premises of 600 acres or more up to a maximum of a 20-acre development envelope
- Preparation facilities – expand the development envelope relative to parcel size up to a maximum 30-acre development envelope.
- Small-scale processing – allow for boutique-scale processing beyond the raw state of produce grown on the premises.
- Commercial composting – allow for commercial composting facilities to locate on contracted land as long as the operation provides a substantial benefit to agriculture.
- Agricultural Industry Overlay – allow AIO on contracted land providing more options for processing facilities and agricultural support industries.
- Eligibility – add additional land use designations (Mountainous Area and Other Open Lands) and zone districts (Mountainous and Resource Management).
- Definition and size of premises – clarify size requirements for parcels, preserves and contract holdings (premises).
- Production requirements – increase agricultural production and reporting requirements primarily on prime and superprime land.
- Principles of compatibility – incorporate the principles of compatibility from the Williamson Act to provide guidance when evaluating use compatibility on contracted land.

As previously stated, the above amendments do not authorize any development on agricultural land that is not otherwise permitted by the existing zoning ordinances. Further, the amendments do not supersede the County's land use requirements contained in the Comprehensive Plan and zoning ordinances, nor obviate the need for land use permits.

### **Environmental Review Process**

The Notice of Preparation (NOP) was issued August 2004 and one year later in August 2005 the Draft EIR was released for public review and comment. The initial 45-day comment period was extended an additional 45 days and comment closed on October 31, 2005. On August 24, 2006 the proposed Final EIR was publicly released.

The Draft EIR identified significant and unavoidable impacts (Class I) in the following categories: Agricultural Resources, Visual Resources, Traffic, Air Quality and Groundwater Resources. With respect to agricultural resources, the potential loss of productive agricultural soils to development was identified as a significant impact (Class I). While many of the proposed compatible uses would benefit agriculture by increasing efficiency and viability, large-scale agricultural support facilities would remove soil from being used to produce agricultural products.

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In response to the identified Class I impacts, staff proposed nine mitigation measures (seven for agricultural resource impacts and two for visual resource impacts) in the DEIR. As a result of public comments, staff and the APAC are recommending that three proposed mitigation measures be deleted and six others be modified in the proposed FEIR. The proposed revisions to the mitigation measures are explained further in the *Findings and Statement of Overriding Considerations* (Attachment A).

### **California State Department of Conservation**

The Department of Conservation (DOC) stated in written communications and meetings with the County of Santa Barbara that the County's proposed Uniform Rules allowing for additional principal dwellings per contract (proposed Rule 1-4.1.C.1) and development of small-scale guest ranches (proposed Rule 2-4), as originally proposed and analyzed in the Draft EIR, would be inconsistent with the Williamson Act. The Department of Conservation has stated that development subject to the Williamson Act "must be incidental to the primary use of the land for agricultural purposes..." and further, "a use is incidental when it is required for or is part of the agricultural use and is valued in line with the expected return of the agriculture on the parcel." (Department publication "AB 1492 - Frequently Asked Questions") Buildings, including residences, which are not related to the agricultural use, by virtue of the occupation of the residents or are related but disproportionate in value to the cash income from the contracted land, are not permitted.

In response to the Department of Conservation's comments, the APAC has recommended changes to the rules to bring them into conformity with the Williamson Act. Specifically, proposed Rule 1-4.1.C.1 has been amended to allow additional principal dwellings per contract to be occupied only by immediate family members and assurance must be provided in a written agreement that the entire premises will be managed for agricultural use for the duration of the contract. Also, Rule 2-4 has been amended to limit small-scale guest ranches only within existing structures.

Two additional issues raised by the DOC are the allowance in the County's existing Uniform Rules for a residential agricultural unit (RAU) and animal boarding and breeding facilities on contracted land. These uses have been part of the County's Rules for many years and are not substantively revised as part of this update. Consequently, these issues will need to be addressed through continuing dialogue with the DOC and may require future clarifications or updates.

Finally, the DOC expressed concern with the County's current administrative procedure for issuing replacement contracts. The County requires a replacement contract anytime the external boundaries of the contract are modified (e.g. a parcel from the original contract is sold). According to the DOC, development rights are statutorily attributed to existing Williamson Act contracts and cannot be replicated or expanded through use of replacement contracts to facilitate additional residential development. County Counsel's opinion is that the Department of Conservation's interpretation overstates the restrictions of the Williamson Act, and that the County may replace a contract covering multiple parcels with two or more new contracts that each independently afford the same development rights as the original contract provided the new premises continue to be eligible for contract and the development continues to be compatible with the Williamson Act. Therefore, no changes to the Uniform Rules are required concerning this matter.

### **Planning Commission Briefing – Summary of Comments**

On October 4, 2006, a Planning Commission briefing was held to provide the Commission with an overview of the proposed Uniform Rules amendments. While the Board of Supervisors is the decision making body for administrative actions implementing the County's agricultural preserve program, the Planning Commission expressed interest in receiving a project briefing prior to Board of Supervisor hearings since many of the applications which come before the Commission involve projects on agricultural preserve contracted land. Since this was a briefing, no official action was taken by the Commission. Listed below is a summary of comments received from individual commissioners and members of the public.

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Winery Production Requirements and Source of Grapes: The existing Uniform Rules require at least 51% of the winery case production to come from grapes grown on the contracted land where the winery is located. Proposed Uniform Rule 2-2.1.B.2 would allow the 51% case production requirement to be from grapes grown on the premises and/or from other contracted land under the same ownership in Santa Barbara County. In addition, the rule would require at least 20% of the case production to be from grapes grown on the parcel with the winery.

Several commissioners expressed concern that this change could result in larger wineries on smaller agricultural parcels since the Rule change would allow a greater percentage of the winery case production to come from off-site sources. In addition, the Commissioner's suggested adding language to the Rules clarifying that commercial production eligibility requirements (Rule 1-2.3) may require a winery to have additional planted acreage beyond the 20% minimum cited in Rule 2-2.1.B.2. The APAC has incorporated language in the amended Uniform Rules to clarify this requirement.

Relationship to Permit Process: Many of the questions and comments relating to enforceability and individual project approval (i.e., potential small-scale guest ranches or farm employee dwellings) highlighted the need to clarify the relationship between the Uniform Rules and the County's permit approval process. As stated earlier, the Uniform Rules implement the Williamson Act by defining eligibility requirements and compatible uses which each participating landowner must adhere to in order to receive a reduced tax assessment. The APAC has incorporated language in the amended Uniform Rules to clarify the relationship between the Uniform Rules and the County's permit process.

Sports fields as a Compatible Use: Proposed Uniform Rule 2-5, Recreation (and Uniform Rule 4-3 B), includes explicit language stating "sports fields" are recreational uses deemed not compatible on contracted land. Two Commissioners and a member of the public suggested removing the explicit language referring to "sports fields", and instead review each request on a case-by-case basis.

The Agricultural Preserve Advisory Committee explored options with DOC for allowing playing fields in agricultural preserves. The DOC concluded that land uses and recreational activities that result in the significant interference with or cessation of agricultural pursuits on contracted land or adjacent agricultural land "clearly undermines the [Williamson Act] program's integrity and should not be allowed on contracted parcels" (DOC Letter, 2005).

The Williamson Act requires that recreational use be on land in its "agricultural or natural state" (Gov. Code 51201(n).) Even if the land could be used in its agricultural state for sports fields, the potential conflicts posed by temporary increases in the non-agricultural population, potential for nuisance complaints against agricultural operations, potential for exposure to pesticide drift and other agriculturally-related hazards, have the potential to result in significant interference with and/or cessation of commercial agricultural pursuits on the land or surrounding agricultural area. For these reasons, the APAC ultimately concluded that playing fields could not be included in the Uniform Rules as a compatible use.

EIR Cumulative Impacts: A member of the public stated the Uniform Rules EIR should include a cumulative impact analysis of the various ordinance amendments on AG-I and AG-II zoned lands being contemplated through efforts with the Process Improvement Oversight Committee and Planning and Development. These draft amendments are considering: 1) downshift farm employee and farm labor camp permits, 2) allow residential second units on large AG-II lands (e.g. AG-II-40, 100, 320 acre minimum parcel size), 3) increase development plan trigger (currently 20,000 square feet) on larger agricultural parcels (potentially increase development plan trigger to between 40,000 and 100,000 square feet), and 4) ordinance amendment to allow home occupation businesses on agricultural lands.

In order to provide some level of stability to the environmental review process, CEQA Guidelines sections 15125(a) and 15126.2(a) state the lead agency should normally limit its examination to changes in the existing

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physical conditions at the time the Notice of Preparation (NOP) is published. The Uniform Rules EIR considered pending and reasonably foreseeable projects in the cumulative impact analysis at the time the NOP was released (August 2004) consistent with CEQA requirements and County environmental review practices. Reasonably foreseeable projects include project descriptions which have been sufficiently developed and stable as to be meaningful in the environmental review process. The list of potential zoning ordinance amendments discussed above was too speculative at the NOP release date to be considered in the Uniform Rules EIR. The Uniform Rules EIR cumulative impact analysis was prepared consistent with state and County CEQA Guidelines. Therefore, it is unnecessary to include a cumulative analysis of the various agriculturally-related zoning ordinance amendments prior to Board of Supervisor certification of the Uniform Rules Final EIR.

### **Requested Land Uses not included in the Amendment**

At the beginning of this project the list of proposed changes compiled from the agricultural community, legislative amendments, the DOC audit and the APAC, was approximately 45 to 50 items. Some items were involved administrative updates to clarify the current text while others suggested substantial changes to the eligibility or compatible use provisions. It is noteworthy that the APAC and representatives from the agricultural community were able to come to an acceptable agreement on the vast majority of the items on the list. However, some of the requested changes would have required companion changes to either or both the Comprehensive Plan and zoning ordinances. Since the need for many of the proposed changes was long overdue, the APAC decided to exclude from this update to the rules those items that would have expanded and extended the process by involving changes to other regulations in addition to the Uniform Rules. However, the APAC agreed to bring the remaining items to the attention of the Board of Supervisors for consideration in the future. These items include the following uses not currently allowed in AG-I and/or AG-II zone districts:

- Storage of water well drilling equipment.
- Commercial propane gas storage and distribution.
- Currently all guest ranches in the AG-II zone are allowed with a Major CUP. The Board may wish to consider a future zoning ordinance amendment to establish a lower permit path (e.g. minor CUP) for small-scale guest ranches on contracted land to provide a permit path commensurate with their restricted size and scale.

The Board of Supervisors could direct Planning and Development or the Long Range and Strategic Planning Department to consider including these ordinance amendments in their future work programs.

### **Environmental Coordinator Review**

Pursuant to guidance established by the Board of Supervisors in November 2005, Rob Almy, Water Agency Manager, has served as the Environmental Coordinator for preparation of the Uniform Rules Update Environmental Impact Report. The Environmental Coordinator has determined that the Final EIR including findings, statement of overriding considerations, and FEIR revision document have been satisfactorily prepared in compliance with CEQA, the County's thresholds of significance and County CEQA guidelines.

### **Performance Measures:**

The County's Agricultural Preserve Program has maintained a high level of participation, with approximately 1,200 contracts covering approximately 550,000 acres. This represents 73% of agricultural land in the County. The amended Uniform Rules will strengthen the integrity of the County's Agricultural Preserve Program and help ensure the continuation of agriculture as a viable industry in Santa Barbara County.

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**Fiscal and Facilities Impacts:**

Budgeted:  Yes     No

**Fiscal Analysis:**

<b><u>Funding Sources</u></b>	<b><u>Current FY Cost:</u></b>	<b><u>Annualized On-going Cost:</u></b>	<b><u>Total One-Time Project Cost</u></b>
General Fund	\$ 50,827.00	\$ -	\$ -
State			
Federal			
Fees			
Other:			
Total	\$ 50,827.00	\$ -	\$ -

The Uniform Rules Update Project is in the adopted FY 2006-2007 Long Range and Strategic Planning Department's budget, with a General Fund source of \$81,900.

**Staffing Impact(s):**

**Legal Positions:**

N/A

**FTEs:**

N/A

**Special Instructions:**

Clerk of the Board shall post legal notice in the Santa Barbara News Press and Santa Maria Times at least 10 calendar days before the hearing.

**Attachments:**

- A. Findings and Statement of Overriding Considerations
- B. EIR Revision Document (04-EIR-08 RV1) and Mitigation Monitoring and Reporting Plan
- C. Resolution to amend the *Uniform Rules for Agricultural Preserves and Farmland Security Zones, Santa Barbara County, December 2006*
- D. Key amendments table

**Authored by:** David Lackie, Principal Planner, 568-2023