Detailed Research Findings

Effectiveness of the Williamson Act:

A Spatial Analysis:

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Executive Summary

Although there are a number of Federal, State, and local programs in place to protect farmland in California, the Williamson Act is responsible, by far, for the most acreage. But how effective has this land conservation act been over its 40-year history? In this research we seek to more fully understand the impact the Williamson Act has had on the protection of agricultural lands over time, and also to assess it’s the Act’s continuing long-term viability in the face of tremendous population pressure.

Research Approach

We examined the Williamson Act over time while at the same time analyzing urban growth. By populating a GIS with not only different time layers of land use but different time layers of Williamson Act protection we have been able to observe how both urban and Williamson Act farmlands have effected each other over the years.

This was accomplished through the painstaking gathering of state documents that were then matched up with Assessor’s databases, oftentimes by referring to old maps, to build a dataset that reflects not only current Williamson Act lands but also those lands that were once in the Williamson Act and have since terminated their contracts. This data was overlain on top of urban and other land uses to create a GIS environment that allows us to not only observe these phenomena but to build products usable by modeling tools.

SLEUTH, a land use change model designed by Dr. Clarke, is one of the most credible land use change models currently available. We have used this tool to analyze our GIS data products. The outputs available in this report explore several different scenarios as well as various assumptions concerning growth pressures. Along with these maps are associated tables that offer up acreages as well as subvention payments according to the various scenarios.

Farmland Loss in California

Agriculture is the number one industry in the State. With a 2002 market value of over $26 billion, California is the most agriculturally productive state in the Union, if not the world. Unfortunately, the land from which this bounty is yearly extracted, is under tremendous development pressure. The lands under greatest threat are those in the Central Valley where a Post-World War II housing boom has been reinvigorated by economic refugees from the outrageously expensive California coast. In all, the State has
lost well over 11 million acres of farmland since its peak in the 1950s. In the past, much of that loss was along the Coast and was mitigated by intense agricultural development in the Central Valley. With no new valley to rescue California’s agriculture sound methods of protecting what is left become paramount.

But before exploring the various policies in play it is important to understand the dynamics of farmland loss, in both its causes and its effects. First, cities have a tendency to expand outward and along road networks. This puts pressure on those farmlands that are situated in these areas. Presenting both a carrot and a stick to abandon their rural life, farmers along urban fringes must not only resist the tremendous profit they make by selling their land but they must also contend with newly arrived suburban and exurban neighbors who resent the noise of their tractors and the smell of their pesticides. To make matters worse, trespassing teenagers, mischievous dogs, and outright theft are often a problem as well.

One Santa Barbara farmer puts it best, “Why risk your life, doing a dangerous job, working 60 hours a week, when you could make more money doing nothing?” Statewide the current trend of agricultural conversion is accelerating. The period 1992 to 1994 saw 30,000 acres paved over while the 2002-2004 figures report 94,000 acres converted, a three-fold increase, and a disturbing trend. Second, most of the best farmland rings urban areas and is in the direct path of expanding land-hungry cities. California’s Farmland Mapping and Monitoring Program’s statistics reveal that over 85,000 acres of prime farmland were urbanized during this decade and, given a base of 4.3 million acres in 1992, prime land averaged an urbanization rate of nearly 0.2 percent a year, almost three times faster than the rate for more remote grazing lands.

Protection Programs

The concern over farmland loss dates back to the days of the Depression when President Roosevelt’s administration promulgated the Soil Conservation Act. By the 1960s State governments, including California, also took up the cause. The State has two major methods of conservation: agricultural easements and differential tax assessment programs (the Williamson Act). Known collectively as PACE (Purchase of Agricultural Conservation Easements), outright conservation of agricultural lands is employed by State and local governments across the country, though with varying levels of intensity. Maryland has protected nearly 23% of all of its farmland, using this perpetual method. California, on the other hand, has conserved only 75,000 acres and that includes efforts at the local level. Since the State has, therefore, permanently protected only 0.26% of its farmland, the efficacy of the Williamson Act becomes much more critical.

The California Land Conservation Act, popularly known as the Williamson Act to honor its assemblyman author, was instituted in 1965. It offers tax reductions for farmers in exchange for their contractual commitment to not develop their land. Instead of being assessed the real estate value of their property farmers are assessed a tax based on their
farm income. The Act is administered locally and only the local jurisdiction can zone areas for possible Williamson Act enrollment. The State partially compensates the local coffers foregone tax revenue by paying the local governments a flat rate based on the amount and type of acreage enrolled in each county.

Currently there are about 16.6 million acres of enrolled lands in the Williamson Act. This number is actually on the increase, which may seem like good news for California’s farmland. Unfortunately, cursory examinations of aggregate figures do not reveal what the maps we have assembled do: the Williamson Act does not provide adequate long-term protection for edge farmers.

The map below displays the Visalia Metropolitan Area, just one example of metropolitan areas throughout the Central Valley. Shown in red, the map reveals the tremendous number of acres that have left the Act near the city and along the roads. Notice, also, that some of these red outlines are found on top of currently developed land. In other words, these are lands that went from being protected farmland to unprotected farmland to developed lands.

Visalia Metropolitan Area 2002 (Tulare County)
For these lands, in particular, the Williamson Act did not work. Moving from the past to the future, we have employed this same data for use in the SLEUTH land use change model in order to explore various future scenarios. This report reveals that the Williamson Act does indeed reduce the loss of farmland and prevents greater urban sprawl, at least in the short term, but it does not adequately protect those parcels near urban edges since the pressure on them is greater than the tax incentives the Williamson Act offers. Therefore, under its current condition, urban spread will peel back the layers of protection on its edges, advance, and peel back one more layer. In this sense, then, the Williamson Act has merely slowed down the urban creep along roads and from urban centers. Nevertheless, as will also be seen, it is valuable in its prevention of leapfrog development.

Of the many possible futures explored in this report, one aspect is clear: keeping landowners in the Williamson Act is crucial for controlling growth. The challenge, therefore, is to attempt a greater Williamson Act retention for those lands under greatest threat. Along these lines we have developed a number of policy recommendations.

Policy Recommendations
Following are our policy recommendations:

California prides itself on its agricultural industry but, paradoxically, allows it to be slowly nibbled away by the counties that directly administer the principal program meant to prevent this. Since many of the Williamson Act terminations are carried out by the counties themselves, they are not always the greatest champions of farmland protection. Sometimes the confluence of these involuntary acreage removals and the minimum acreage requirements as set forth by the state can have unfortunate circumstances. For instance, a farmer in Lompoc had a road condemned through his property and this lowered his threshold for minimum acreage requirements. He was no longer able to stay in the Act and this made his property taxes prohibitively expensive. He was forced, therefore, to sell his land to developers and move away. Therefore, our first recommendation:

1. The State must make an effort to insert itself more directly into the administration of the Williamson Act. This is the most important policy recommendation and, indeed, must be implemented first before many of the subsequent suggestions below can be carried out.

Returning to the farmer mentioned above, as long as a parcel is a working farm we recommend that the State be more flexible in its acreage requirements. This is particularly crucial since those parcels in the greatest danger of being converted are those smaller ones on the edge of urban areas. Along these lines, we recommend the State not demand Agricultural preserves be at least 100 acres since it will only restrict a certain number of farmers who otherwise would be able to join. Consequently, our second recommendation:

2. Greater flexibility in acreage requirements.

Those farmers who wish to be in the Williamson Act but do not fall in an agricultural preserve should be allowed to join directly through the State. They will not save as much money as they would if they were given tax breaks but if the subvention payments went directly to those in this predicament it may be just enough to keep some of them in business, and their lands intact.

3. Administer the Act directly to those who want to join but do not lie in Agricultural Preserves.

As for the subvention payments themselves, unless the recommendation immediately preceding this one is followed, the farmers themselves do not see any of the subvention money themselves. The difference, therefore, in the amounts can only be used to affect the choices of the local authorities. When the County Board is deciding where to place Agricultural Preserves, making edge lands (whether prime or not) more attractive by increasing the subvention payments to these lands could influence the Board to place more preserves there. Unlike Farmland Security Zones, which cost them more money, local governments make no more tax revenue by allowing a Costco on prime farmland rather than ranch land. Their decision is based more on where the current zoning permits such development, which is usually close to town. Therefore, by competing with this
instinct to build commercial development, offering higher subvention payments to spare these lands may be helpful. Since much prime farmland is close to urban areas already this recommendation does not radically compete with the current subvention structure.

4. To save money, scale payments based on likelihood of development and not the productive value of the land.

By offering even lower tax breaks in return for permanently keeping a parcel in agriculture, the State may finally answer those who claim that Differential Assessment programs don’t work because they are voluntary and, ultimately, temporary. This would exist with the parcel and not change, regardless, of who buys it. There may not be many counties willing to enroll at first but we believe that many of those who have enrolled in Farmland Security Zones would also be willing to join a permanent Williamson Act Program, since they are in a mindset already of permanence but could only join the most permanent plan available, Farmland Security Zones.

5. Initiate a pilot Permanent Williamson Act program.

These are our policy recommendations but the best offering we have is the powerful version of SLEUTH we have designed to explore urban, farmland, and Williamson Act futures for the State of California. There are an infinite number of scenarios and assumptions we can run and, given that we have learned much in the work necessary to write of this Williamson Act model.