

Chapter 2
PRESERVATION OF AGRICULTURAL LANDS IN CONTRA COSTA COUNTY:
BEYOND THE WILLIAMSON ACT
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Introduction

The loss of productive agricultural land to suburban and industrial sprawl has steadily eroded the productive base of the California agricultural industry. This conversion is especially rapid in regions surrounding major urban areas. The Bay Area in general, and Contra Costa County in particular, is becoming more aware of this important issue. The California Land Conservation Act of 1965, the Williamson Act, was an attempt to halt the rapid conversion of agricultural land to urban uses.

This study evaluates the agricultural conservation efforts in Contra Costa County and offers suggestions for improvement. Although the Williamson Act has inherent weaknesses that limit its effectiveness, the Act can be an important tool. To increase participation in the Williamson Act, the county should adopt a long-term growth limit for the prevention of urban encroachment into agricultural lands. In addition to the Williamson Act, the county should establish a program for the purchase or transfer of development rights to compensate landowners in restricted areas.

Information for this study was obtained from published and unpublished documents from the Contra Costa County Planning Department. In addition, published studies on issues of agricultural land conversion and the effectiveness of programs and policies that restrict conversion were utilized.

The Agricultural Context

Since 1947 California has been the leading agricultural state (Dean, 1979). The agricultural industry dominates the state's economy, generating \$42.5 billion annually in products, jobs, and related services, and providing one out of every three jobs in the state (Dean, 1979). The Bay Area is a valuable component of this rich agricultural industry. Agriculture in the Bay Area provides high quality, diverse products to the surrounding cities and the rest of the country. In addition, regional farms and ranches add approximately \$2 billion to the regional economy and employ 60,000 people (POS, 1980).

With its fertile soils and variety of local climates, Contra Costa County has a long history of agriculture. The county is divided into six physiographic regions on the basis of climate and topography: the Bay Plain, the Briones Hills, the Diablo-San Ramon Valley, the Diablo Range, the

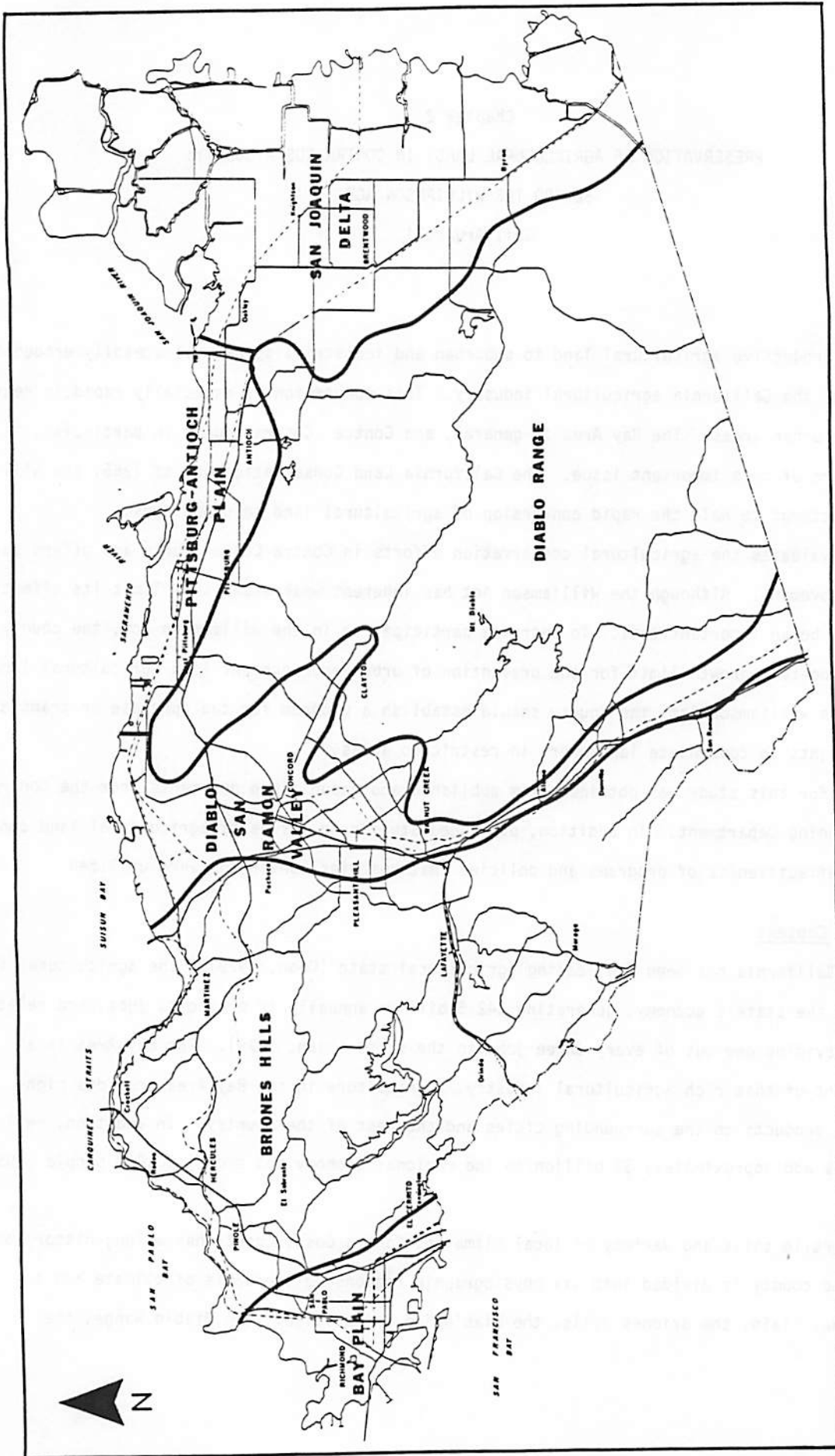


Figure 1. Physiographic Regions of Contra Costa County.

Base map: CCC, 1970.

Pittsburg-Antioch Plain, and the San Joaquin Delta (Figure 1). Historically, the Bay Plain, the Diablo-San Ramon Valley, and the San Joaquin Delta were the three important cropland belts, and the Diablo Range and Briones Hills the important rangeland of the county (POS, 1980). But with the rapid urbanization and suburbanization of Contra Costa County, only the San Joaquin Delta region now supports farming (CDC, 1984). The Diablo Range and the Briones Hills regions continue to support considerable livestock grazing (CDC, 1984), but expanding cities in these areas have reduced the amount of rangeland available. Currently, the county is a community in transition, with urban and industrial regions expanding at the expense of some of the most productive farmland in the state (Dean, 1979).

Conversion of Agricultural Lands

The process of sacrificing agricultural lands to advancing urban and industrial use is not peculiar to Contra Costa County, but rather is a statewide and nationwide phenomenon. In California alone, an estimated 20,000 to 30,000 acres of prime agricultural land are lost to urbanization each year (Dean, 1979). Land that is taken out of agricultural production for urbanization or other uses is irretrievably lost.

The reasons for the conversion of agricultural land to residential, commercial, or industrial uses are varied (Dean 1979). Land that is ideal for agriculture is flat, easily accessible, with a mild climate, characteristics that also make the land ideal for developers and speculators. Since land values tend to decrease with distance from the urban centers, development often occurs in a checkerboard pattern to take advantage of less expensive land. But this leap-frog development increases the value, and thus the property taxes, of adjacent land that remains in agricultural production. These increasing property taxes have forced many farmers and ranchers to sell their land, which in turn accelerates the conversion.

Contra Costa County has been growing steadily in the last twenty years, combining highly productive agriculture with urban development (Dean, 1979). This growth is expected to continue. The Association of Bay Area Governments (ABAG) predicts that by the year 2005, the county's total population will increase 25%, and the populations of Brentwood and rural east county (in the San Joaquin region, Figure 1) will increase 295% and 121%, respectively (Dewolk, 1985). In the past, approximately 25 acres of farmland have been lost for each increase of 100 in the county's population (POS, 1980). Between 1950 and 1982, harvested cropland in the county dropped from 107,493 acres to 42,392 acres (Schwarz, 1985). Without preservation efforts, the projected population increase could eliminate completely the remaining agriculture in the county.

The Williamson Act

The California Land Conservation Act, known as the Williamson Act, was passed in 1965 as a response to the rapid urbanization of the state's agricultural lands. The Williamson Act is a land preservation

plan in which the landowner qualifies for lower property tax assessment in exchange for entering into a contract with the city or county (Duncan, 1984). The contract restricts land use to agricultural and other compatible uses. The Williamson Act gives local governments the opportunity to implement and administer the Act, but does not require participation (Dean, 1979). Counties and cities are authorized to enter into contracts with owners of prime agricultural land, wildlife habitat areas, submerged areas, scenic highway corridors, salt ponds, and managed wetlands in order to preserve these open spaces and reduce the rate of their urbanization (Dean, 1979). In return for agreeing to keep the property in agricultural or other open space use, the landowner's property tax assessment is based on the income the land produces, not on the basis of current or potential value of the land (Dean, 1979).

Williamson Act contracts have a ten-year minimum term and are automatically renewed each year, but may be terminated by nonrenewal or cancellation (Rikala, 1983). Nonrenewal of a contract keeps the agreements and restrictions in effect for the remaining period of the contract, usually nine years (Rikala, 1983). Cancellation of the contract is effective immediately and must be approved by the county board of supervisors or the city council after determination that the cancellation is either consistent with the purposes of the Williamson Act or in the public interest (Rikala, 1983).

The Williamson Act in Contra Costa County

Contra Costa County implements the Williamson Act through its Agricultural Preserve Program. The county requirements for participation include a minimum preserve size of 100 acres with 20 acres as the minimum parcel size, except in portions of the San Joaquin Delta region (see Figure 1), where the board of supervisors may approve a preserve of 35 acres minimum size (CCC, no date). Agricultural preserves include only those lands whose primary use is commercial agricultural production (CCC, no date). Other open space uses, although eligible under the Williamson Act, are not permissible according to the county's policy.

Since the preserve program began in 1967, 176 contracts have been initiated (CCC, 1984). Of these, none are in the highly urbanized Bay and Pittsburg-Antioch Plains. The rapidly urbanizing Diablo-San Ramon Valley has only two preserves. The Briones Hills region and the San Joaquin Delta region have 39 and 33 preserves, respectively, and the Diablo Range has 102 preserves. These figures include those contracts that may have been cancelled or not renewed since 1972. However, the exact number of preserves is not as important as the distribution of preserves throughout the county. The pattern of participation in the Williamson Act is readily apparent: Contra Costa County landowners tend to enroll mostly fallow, low-yielding or grazing lands, whereas the county's most productive, easily-developed prime agricultural lands remain outside the restrictions and conservation efforts of the Williamson Act (Dean, 1979).

This participation pattern is an inherent weakness of the Williamson Act itself, caused by the Act's method of tax assessment (Dean, 1979). Since assessment under the Act is based on the income the land

produces, high-yielding prime lands are taxed heavily, while low-yielding grazing lands are taxed lightly. The small reduction in taxes for prime lands is not adequate incentive for the owner to restrict land use options for the period of the contract (Dean, 1979). One land use option, to sell the land to a developer, would give the farmer up to three times the returns of the most productive and efficient agricultural operation. By 1979, less than 20% of the county's prime agricultural lands were under contracts (Dean, 1979). In the San Joaquin Delta region, which contains the majority of the county's prime agricultural lands (CDC, 1984), the reluctance to enroll and the high market values of land indicate that both the landowners and buyers are anticipating a time when another, nonagricultural use will be more financially rewarding (Dean, 1979).

Efforts to Increase Williamson Act Participation

The inherent weaknesses of the Williamson Act have caused counties to try various policies and programs to encourage participation, with varying success (Dean, 1979). Contra Costa County established an Agricultural Core zone in the prime agricultural land of the eastern sector and protected it from urbanization by zoning controls, but this did not significantly increase Williamson Act participation. Santa Clara County declared the entire county an agricultural preserve, which effectively removed the 100-acre minimum size for individual landowners, but after three years, no prime acreage had been enrolled. Santa Clara County did experience a dramatic increase in participation when it enacted its Urban Development Plan in 1973. By 1978, the number of contracts increased 60%. The Urban Development Plan, based on the concept of staged growth in a 15-to-20-year period, changed landowners' expectations of the development potential of their land. The staging of growth enabled landowners to enter Williamson Act contracts while awaiting development opportunities. Although these contracts protected lands that were already restricted by staged growth, the landowners received temporary compensation for the temporary restrictions placed on land use. Of these three attempts to increase participation, zoning controls or changes in the minimum preserve size had virtually no effect, and staging growth created a large but temporary increase in participation.

Contra Costa County has an Urban Growth Area, defined as the area suitable for infilling and development (CCC, 1973). But this Urban Growth Area is not a permanent zone, and its configuration changes to meet development demands, usually on a 10-to-15-year planning period (CCC, 1973). Santa Clara County's experience shows that a longer planning horizon is necessary to increase participation in the Williamson Act. If landowners know what long-term development potential their land holds, they will be more likely to enter into restrictive contracts which do not actually change the use options for the land. The most effective way to increase participation would be to create a long-term (longer than 20 years) or permanent Urban Growth Area for the county.

Beyond the Williamson Act

Creating a long-term Urban Growth Area raises questions of equity and compensation for landowners who are denied development rights to their land. Although it would increase participation in the Williamson Act, a long-term Urban Growth Area would be a politically unpopular decision, and as such, is unlikely to be the sole solution. In order to preserve agriculture in an effective and equitable manner, the county must move beyond reliance on the Williamson Act.

The combination of a long-term Urban Growth Area and a development rights program would be the ideal solution. Development rights programs treat the right to develop land as an incident of ownership and compensate the landowner for legally and permanently severing the development right from other ownership rights (Duncan, 1984). The effect is that the landowner agrees not to develop the land beyond its current use. Development rights programs can be divided into two categories: purchase of development rights and transfer of development rights.

In purchase of development rights programs the rights are purchased by a governmental agency or private land trust and held in perpetuity. In transfer of development rights programs the rights are purchased by a governmental agency or private party, and are then sold to a developer. The developer transfers the development rights to a parcel within a designated receiving zone, thus increasing the allowable number of housing units on that parcel. In Contra Costa County, development rights could be purchased from agricultural landowners and then transferred to land within the Urban Growth Area.

Development rights programs offer a double incentive to the farmer: the farmer can collect the economic benefits of the land's development potential and still continue farming (Duncan, 1984). These incentives permit the preservation of the most vulnerable farmland that is not protected by differential assessment through the Williamson Act. The cash payments for development rights enable farmers to expand their operations and even buy additional land. Prices of land in a development rights program are based on agricultural-use value and taxed on the same basis because the land no longer has development potential (Duncan, 1984).

A development rights program can be administered either in the public or private sector. However, the purchase of development rights by government agencies is expensive and burdensome to the government (Duncan, 1984). In addition, governmental agencies have difficulty entering the real estate market, are unable to act expeditiously, and inspire little public trust or enthusiasm (NALS, 1981). For these reasons, private land trusts have a better record of success and may be more appropriate administrators of a development rights purchase program (NALS, 1981).

Transfers of development rights programs are less expensive to government agencies, requiring only start-up expenditures of public funds (Duncan, 1984). The Bay Area, and particularly Contra Costa County, has a high demand for housing and other development. A development rights program would protect the valuable farmland in the San Joaquin Delta region that is under increasing development

pressures. Development rights transfers facilitate necessary growth, but development is shifted away from productive agricultural areas to more appropriate locations (Duncan, 1984). Transfer programs offer benefits to both buyers and sellers of rights, and at the same time meet goals of orderly development and protection of farmland.

Conclusions and Recommendations

The Williamson Act is a valuable tool for conserving agricultural lands. But because the Act provides little economic incentive to preserve prime lands, and because participation is often only temporary, its effectiveness is limited. A permanent or long-term Urban Growth Area by itself would increase participation, but would be a controversial and unpopular alternative.

Although purchase or transfer of development rights is not now being officially considered in Contra Costa County (Schwarz, 1985), such a program could be very effective for conserving agricultural lands in the county. A combination of an Urban Growth Area and compensation for landowners by the purchase or transfer of development rights would be more acceptable because landowners would not be denied the economic potential of their land. Combined with a long-term Urban Growth Area, a development rights program would enable landowners to evaluate options in a long-term context without undue economic burdens from development pressures. A combined program would prevent agricultural land conversion while allowing the development necessary for the expanding population of the county.

The costs to the citizens and government of Contra Costa County of such a program may seem large when viewed from a short-term perspective. But the conservation of the rich agricultural resource of the county would provide long-term benefits to the county, state, and nation that far outweigh these costs. Conservation programs must be implemented now, before the agricultural resource is too severely eroded to survive.

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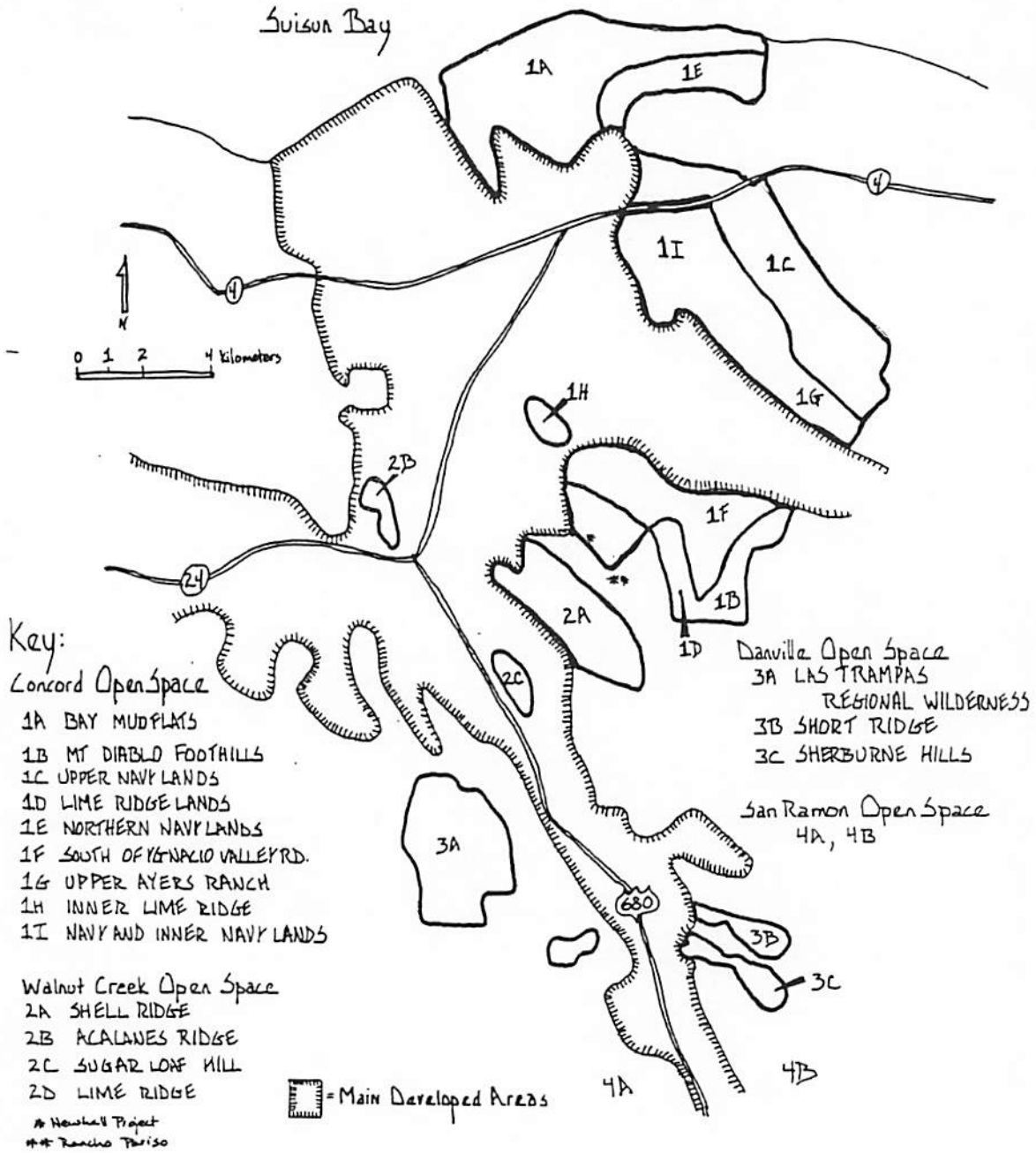


Figure 1 Open Space in Central Contra Costa County

Sources: City of Concord, 1973; City of Danville, 1984; City of Walnut Creek, 1979;
 State of California, Dept. of Conservation, 1985.