Analyzing State Regulatory Impact on Small Forestland Owners

Forest Practices Board
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The 2019 Washington State Parcel and Forestland Databases

- Statewide databases that integrate:
  - County Assessor (parcel boundary, land use, owner) data
  - Stream and riparian management zone data
  - Forest cover data

- Previous versions were developed in 2001 (non-spatial), 2007, 2009, 2010, 2012, 2014 (partial)

- Foundation for:
  - Washington State Biomass Supply Assessment
  - Western Washington Hardwood Assessment
  - Advanced Hardwood Biofuels Northwest & NARA
  - WSU Extension landowner outreach
  - Over 240 projects used by 59 agencies

- Companion Agland Database for Washington State Conservation Commission
To analyze change in SFLO, we identified the first spatial data for each county.

- We determined the matching parcel(s) in 2019 allowing us to know fate.
- USGS changed how forest cover is estimated in NLCD.
  - 2007 was reprocessed using new NLCD to be consistent with 2019.
  - Original and new 2007 SFLO numbers differ and cannot be compared directly.
- Surveys were sent to SFLO in 2009; Fate of respondents in 2019 was integrated into conversion risk model.
Results – SFLO in 2019

> 202,500 owners
> 261,800 parcels
> 4.8 million parcel acres
> 2.9 million forest acres
>
> Western Washington:
  – 49% of forest acres
  – 75% of owners
  – 71% of parcels
>
> Owner class <20 acres:
  – 77% of owners
  – 22% of forest acres

Results by:

- Number of owners, number of parcels, parcel acres, and forest acres
- **Owner size class**: < 20 acres, 20 – 100, 100 – 1000, 1000 – 5000, 5000+
- **Land use class**: Forest Or Natural, Agriculture, Residential, Developed, Other
- **Owner class**: for change from/to
- **Geographic area**: half state, county, WRIA, WAU
Results – Trends in SFLO – 2007 to 2019

> Owners: from 201,000 to 218,000 (+17,000)
> Parcels: from 256,500 to 261,800 (+5,300)
  – Increased for all size classes
  – Residential increased by 12,000
  – All other land use classes decreased
> Parcel acres: from 5.04M to 4.84M (-209,500)
> Forest acres: from 2.99M to 2.88M (-103,000)
  – Decreased for 3 smallest size classes (<1000 acres)
  – Increased for 2 largest size classes (>1000 acres)
  – Residential increased 48,600 acres
  – Forest Or Natural decreased by 121,500 acres
Change in parcel acres (-209,500) is a *net* change:
- 450,000 acres transitioned out of SFLO
- 240,000 acres transitioned into SFLO
Demographics, Objectives & Concerns, Evaluation: SFLO Office, FREP, FFFPP, Alt Plans

Presented by: Dr. Brian Danley
Assistant Professor
Who are Washington's SFLOs?

- The average SFLO is between 62 and 65 years old, and average income is between $105k-$125k per year.
  - Mix of higher-income earners and retired individuals.
- About 14%, between 25,500 and 50,400, anticipate selling SOME forest land in the next 5 years.
- About 1 in 5 submit a Forest Practices Application over 20 years (between 42,000 and 69,000).
- *Positive relationship between larger acreage and stronger interest in income and investment.*
  - Important explanation of several key results
Objectives and concerns

- Owner objectives are not at odds with public objectives!
- Top concerns are property taxes, wildfire, and nearby development.
  - Forest Practices Regulations rank lowest (*link to objectives*)
- Many owners first encounter Forest Practices Regulations when they have a family/financial reason to cut and need to navigate the rules.
  - NOT normally thinking about optimal rotation.
The SFLO Office does **NOT** have adequate resources to implement its legislative mandates.
- **BUT**, it gets good reviews from SFLOs themselves. Similar to extension foresters and conservation districts.
- Many positive remarks about Forest Stewardship program.

> The Family Forest Fish Passage Program (FFFPP)
- Consensus among stakeholders: program is beneficial.
- Most **common comment** from participants is that the program is a good use of public funds on their land.
- Somewhat infrequently, SFLOs say the project could have been done for less than what it cost.
Evaluation: FREP

> Being paid for all Forest Riparian Easements is associated with a less negative assessment of the overall financial impacts of the regulations.
>  - Wide ranging opinions: payment too low (pay for every tree I can't cut!), a compromise we had to make, FREP is great!
>  - Waiting time tied to lack of funding a common complaint, BUT most common reason for not applying: lack of awareness. Some will never consider an easement.

> There is need for a Customer Relationship Management (CRM) system to keep in contact with applicants. (Useful or FREP & other programs)
Evaluation: Alternate Plans

> SFLOs who say they have applied for Alternate Plans are consistently negative in their assessment of the overall financial impacts of the regulations.

  – BUT, only 1/5 had a negative overall experience with Alternate Plans. Almost 40% wrote-in with some kind of criticism.

  – Suggests those who are already highly negatively impacted seek out Alternate Plans as an option.

> Summary of criticism: Alternate Plans are difficult and at the end of the process, SFLOs don't get to harvest much more than what existing regulations allow.

  – Those who are interested in Alternate Plans tend to own larger acreages, but are a relatively small number of SFLOs.
Sales, Land Use & Policy
Recommendations

Presented by: Sergey Rabotyagov
Associate Professor
Factors driving SFLO land sales and conversion

- **Riparian Buffers** are not found to be driving sales or conversion to residential or development land uses
- **Regulatory concerns** do not appear to be driving sales and development
- Sales are not necessarily planned
  - Family circumstances/financial needs often cited
  - Sales are predictive of subsequent conversion
- Owners with **larger land holdings** less likely to convert to residential uses
  - Additional 100 ac owned $\rightarrow$ ↓17% odds W, ↓14% odds E
Factors driving SFLO land sales and conversion

- **Proximity to development/UGB** → higher odds of residential conversion statewide
- **Proximity to public roads** → higher odds of ag and residential conversion on Eastside
- **Westside parcel Roads**: ↑ 1 mi → ↑ 69% odds of residential conversion
- **Perception of ownership challenges** associated with subsequent conversion
Policy Recommendations: A level

- Secure Funding for SFLO Office and landowner assistance
  - Consensus among stakeholders to increase education, outreach, regulatory and technical assistance
- Promote Designated Forest Land Program
  - ½ of DFL acreage found as *additional* forest protection
  - Allow for non-harvest management objectives
- Robust funding for Family Forest Fish Passage Program (FFFPP)
- Support information infrastructure for better policy
  - Parcel database
  - Periodic landowner surveys
Policy Recommendations: B level

> **Conditional on continuation of existing regulatory approach**, fund the Forest Riparian Easement Program
  > - FREP alleviated regulatory impacts (most commonly requested impact mitigation tool)
  > - Found that FREP may be causally connected to land retention

> **Competitive Conservation Easements**
  > - Direct way to preserve SFLO lands important for public benefit
  > - Landowners are receptive
  > - Challenging but possible policy design and bid evaluation
  > - Some may be willing to donate rights for zero compensation
Policy Recommendations: C level

- Westside owners with riparian areas have higher regulatory concerns *(NOT specific to riparian issues)*

- A minority of owners representing a majority of forest land base feel negatively impacted by current regulations

- Across the board, regulatory complexity is identified as a concern

- Broad direction:
  - Consider simplification to the extent possible *(3rd most frequently requested behind program funding)*
  - Consider SFLO-specific rules
  - Consider additional Alternate Plan templates
Policy Recommendations: C level

> Support peer-to-peer SFLO networks for learning and land sales within SFLO category

> A menu of carbon policy options remains but depends on whether the State prioritizes
  – More comprehensive ecosystem services approach
  – Maximizing carbon policy participation among SFLOs
    > Carbon payments/rental possible
    > Offset market participation not likely feasible for most SFLOs
      – Innovative approaches may allow (e.g. SilviaTerra)

> Supporting and perhaps simplifying TDR programs
More Information

Report, maps and statistics can be found at:

https://nrsig.sefs.uw.edu/projects/small-forest-landowner-regulatory-impacts
Thank You

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