

Analyzing State Regulatory Impact on Small Forestland Owners

Forest Practices Board
February 10, 2021

SCHOOL OF ENVIRONMENTAL AND FOREST SCIENCES
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Background & Census

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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**



SFLO Trends - 2007 vs 2019 Forestland Database

- > 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

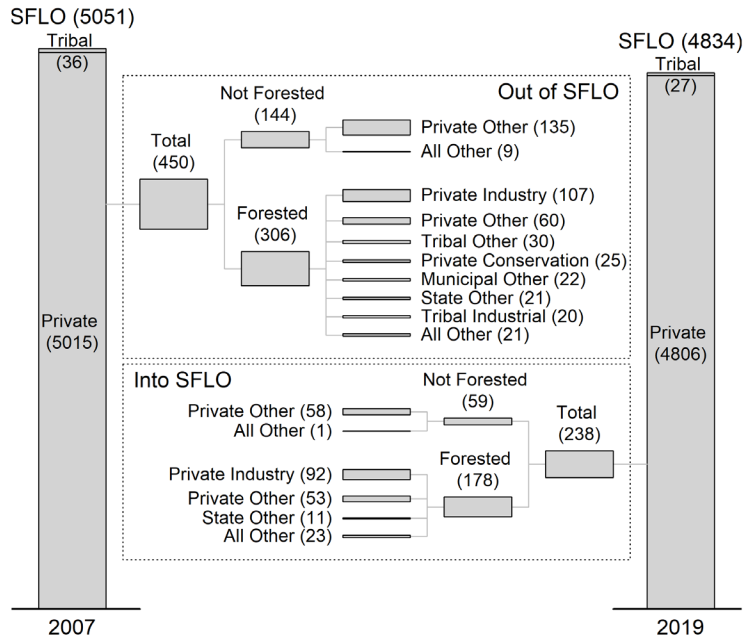


Results – Trends in SFLO – 2007 to 2019 (cont.)

- > Change in parcel acres (-209,500) is a *net* change:
 - 450,000 acres transitioned out of SFLO
 - 240,000 acres transitioned into SFLO

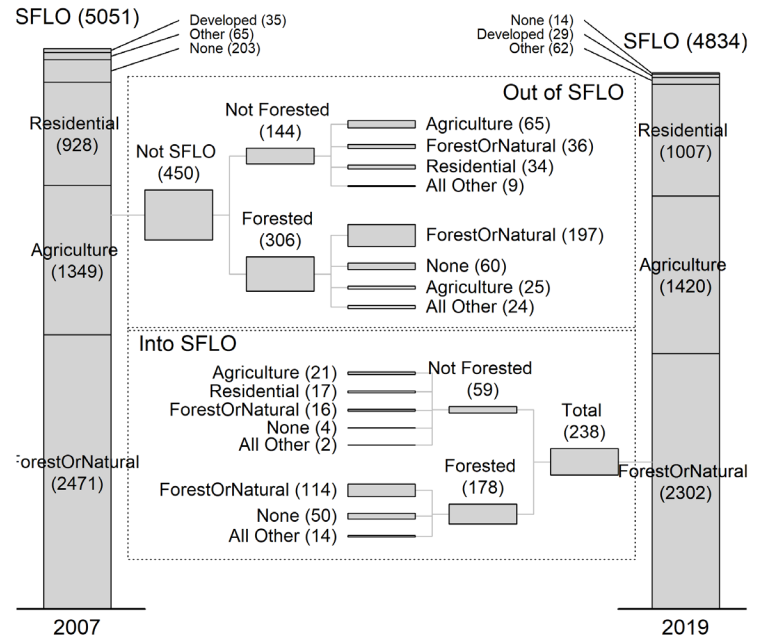
Change in SFLO Parcel Acres by Owner Class

(x1000 acres)



Change in SFLO Parcel Acres by Land Use Class

(x1000 acres)



Demographics, Objectives & Concerns, Evaluation: SFLO Office, FREP, FFFPP, Alt Plans

Presented by: Dr. Brian Danley
Assistant Professor

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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*



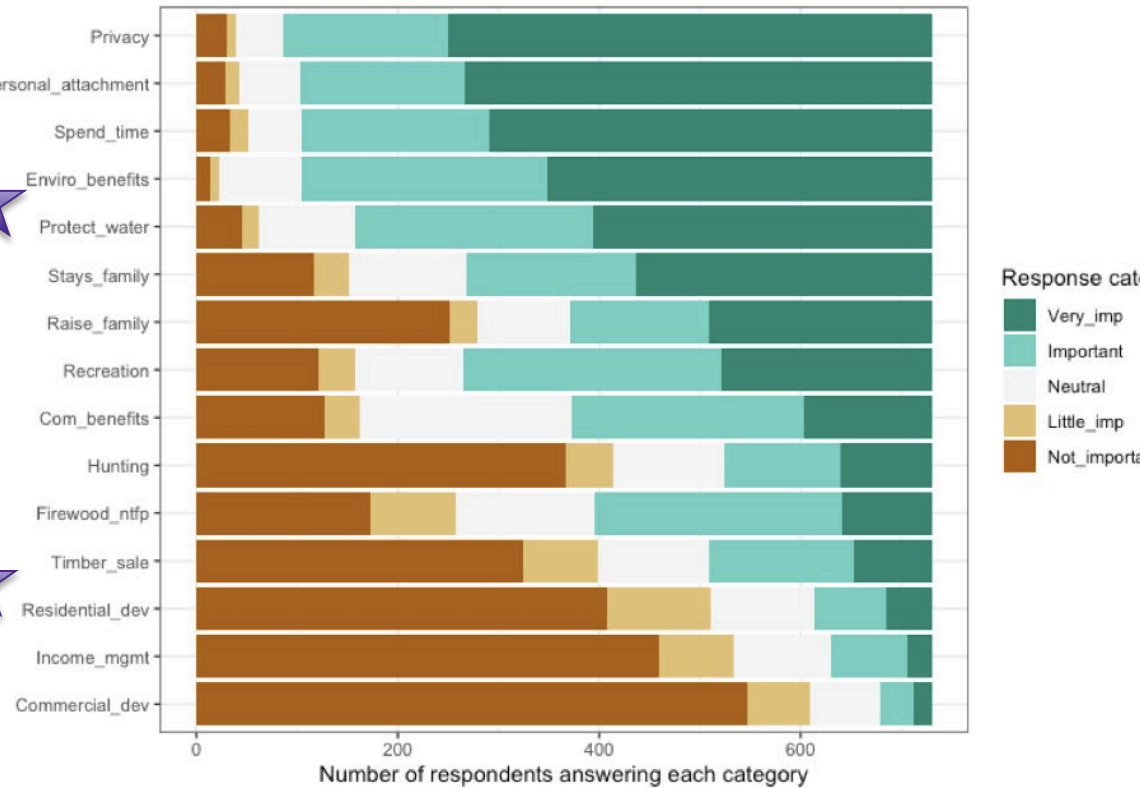
Objectives and concerns

> Owner objectives are not at odds with public objectives!

> Top concerns are property taxes, wildfire, and nearby development.



Ownership importance



Response cat

Very_imp

Important

Neutral

Little_imp

Not_important

- 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.

Evaluation: Small Forest Landowner Office & FFFPP

- > **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

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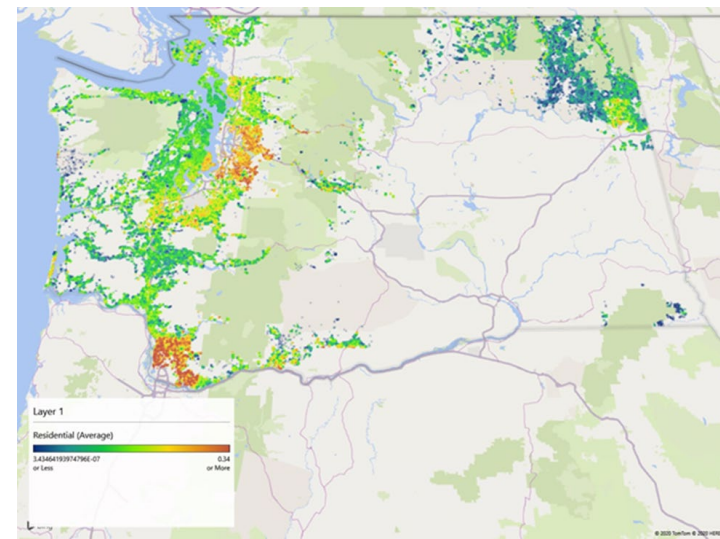
Factors driving SFLO land sales and conversion

- > **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 → ↓17% odds W, ↓14% odds E

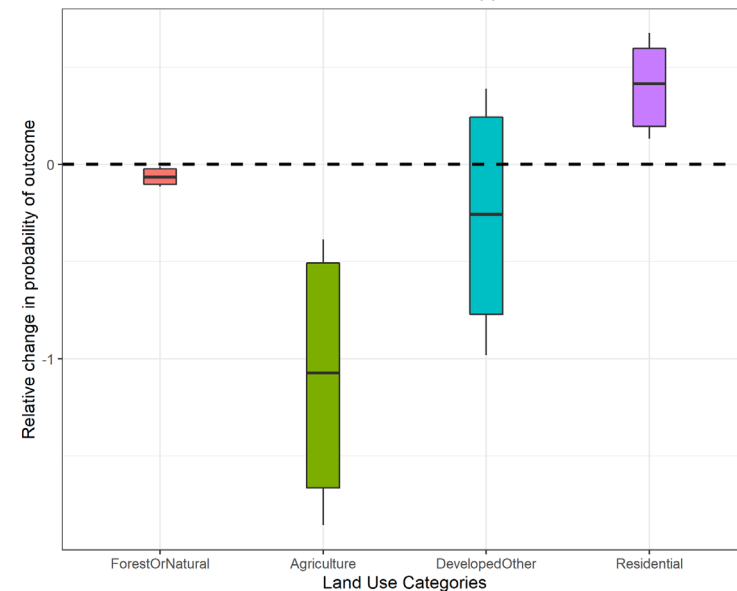


Factors driving SFLO land sales and conversion

- > **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**



Marginal effect of Extent of Roads on Parcel, in miles, bars show 90%, whiskers show 95% bootstrapped CI



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

Authors & Research Assistance

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