



Los Angeles County Department of Regional Planning

Planning for the Challenges Ahead



Richard J. Bruckner
Director

March 22, 2016

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

PUBLIC HEARING ON URBAN AGRICULTURE INCENTIVE ZONE ORDINANCE AND PROGRAM

**PLAN NO. RPPL2016000595
(ALL SUPERVISORIAL DISTRICTS) (3-VOTES)**

SUBJECT

This action is to implement Assembly Bill (AB) 551 by establishing an Urban Agriculture Incentive Zone (UAIZ) Program and Ordinance (Ordinance) for the unincorporated territory of Los Angeles County, within Title 22 of the County Code. The Program authorizes the County to enter into agreements with eligible owners' properties within UAIZs to encourage active agricultural uses in exchange for reduced property tax assessments, so long as those areas are not within a National Recreation Area, Significant Ecological Area, a Sensitive Environmental Resource Area, or a Former Redevelopment Area; it also enables incorporated cities within the County to adopt additional UAIZ Program(s) by resolution.

IT IS RECOMMENDED THAT THE BOARD, AFTER THE PUBLIC HEARING:

1. Find the adoption of the UAIZ Ordinance is categorically exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15304 (Minor Alterations to Land) of Title 14 of the California Code of Regulations;
2. Introduce the Ordinance amending Title 22 (Planning and Zoning) of the Los Angeles County Code (Plan No. RPPL2016000595) to establish a UAIZ Program to authorize the County to enter into agreements with owners of eligible properties in urbanized unincorporated County to encourage active agricultural uses in exchange for reduced property tax assessments; and allowing a process by which incorporated areas within Los Angeles County may adopt a resolution to enable respective programs, and to set applicable fees for the unincorporated area within Title 22 of the County Code for implementation of such program, so

long as these urban areas are not within a National Recreation Area, Significant Ecological Area, Sensitive Environmental Resource Area, or a Former Redevelopment Area;

3. Delegate authority to the Director of Planning, or his designee, to enter into UAIZ agreements, in substantially similar form to that attached hereto, with property owners who successfully complete the UAIZ application process and otherwise comply with this Ordinance.
4. Delegate authority to the Director of Planning, or his designee, to enter into a UAIZ cancellation document when appropriate per the Ordinance.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the Ordinance is to implement AB 551, the Urban Agriculture Incentive Zone Act, to encourage urban agriculture and increase healthy food resources throughout the County. The Ordinance would offer a reduced property tax assessment for eligible properties in urbanized areas if these properties are used for agricultural purposes, so long as these properties are not within a National Recreation Area, a Significant Ecological Areas, a Sensitive Environmental Resource Area, or a Former Redevelopment Area.

AB 551 was enacted into state law on September 28, 2013, and became effective January 1, 2014. It is a voluntary program in which California counties can adopt an ordinance to provide a property tax reduction incentive for property owners that agree to convert eligible properties in urbanized areas to agricultural use. The AB 551 program authorizes these owners to enter into agreements with the County for an initial period of five years. AB 551 allows each city to participate in a UAIZ Program only if the program is authorized by the county where the city is located. A number of municipalities within Los Angeles County have expressed interest in participating in a UAIZ Program, and an enabling ordinance adopted by the County of Los Angeles is required to authorize these municipalities to participate. AB 551 has a sunset date whereby no new UAIZ agreements may be entered into as of January 1, 2019, unless extended by the state.

On September 22, 2015, the Board approved a motion instructing County Counsel, the Chief Executive Office and the Departments of Regional Planning and Public Health, in consultation with the Offices of the Assessor, Treasurer and Tax Collector, and the Agricultural Commissioner to prepare an ordinance to amend the County Code to implement the UAIZ Program and bring an ordinance to the Board within six months.

Proposed Ordinance

The Ordinance authorizes the Board to establish a UAIZ for the unincorporated County areas and authorizes incorporated municipalities within the County to adopt resolutions to establish their own UAIZs. Property owners within participating municipalities may enter into the UAIZ Agreement with the respective municipalities once they have undergone review and approval within the respective municipalities' procedures for UAIZ's.

In order to be eligible for entering into a UAIZ Agreement, the property must meet several criteria established by AB 551. An application for the UAIZ Program within the unincorporated County shall be reviewed by the Department of Regional Planning to ensure the property meets all eligibility criteria (see below). Once the application satisfies all criteria, it is then forwarded to the Agricultural Commissioner and other applicable County departments for review and inspection. The reports are then submitted to Regional Planning for consideration in approving or denying the application. If the application is approved, a five-year UAIZ Agreement is entered with the property owner and then recorded with the Registrar-Recorder/County Clerk. The applicant brings the recorded UAIZ Agreement to the Assessors' Office to get property tax reduced to the prevailing agricultural rate based on the per-acre land value of irrigated cropland for California, as published by the National Agricultural Statistics Service of the United States Department of Agriculture. The Agricultural Commissioner will inspect the property for compliance on an annual basis during the term of the UAIZ Agreement. The Ordinance also includes provisions for UAIZ Agreement cancellation.

Program Eligibility

To be eligible for the UAIZ Program, there are several criteria that the property for which property tax relief is sought must meet. The criteria will be part of the application checklist and also included as conditions of the UAIZ Agreement. Examples of criteria include:

- The property must be located within a Census-defined Urbanized Area as defined in AB 551;
- The property must be vacant, unimproved or blighted, with no existing habitable structures;
- The property must be no more than three acres in size, and the entire property must be used for and be ready to convert to immediate use for agriculture for a period of five years;
- The property must be current with property tax payments with the County Treasurer and Tax Collector;
- In unincorporated areas, the property must not be located within a sphere of influence of an incorporated city, unless that city has elected to participate in the program;
- The property must not be located in a National Recreation Area, a Significant Ecological Areas, a Sensitive Environmental Resource Area, or a Former Redevelopment Area; and

- In unincorporated areas, the property must be for an agricultural use that is permitted by the zone, all land use regulations apply, and entitlements must be obtained prior to applying for a UAIZ Agreement.

Form UAIZ Agreement

The Department of Regional Planning will maintain a form UAIZ Agreement, substantially similar to that attached hereto, for use in the unincorporated area. Municipalities may choose to use this form as a model.

Implementation of Strategic Plan Goals

This action supports County Strategic Plan Goal No. 2 (Community Support and Responsiveness) by effectively planning and responding to economic, social, and environmental challenges. The proposed Ordinances will maximize community outcomes by encouraging urban agriculture and enhancing access to fresh produce in the urban communities. Access to healthy food options is an important aspect in community planning, and it plays an important economic role in the ongoing development of the County.

FISCAL IMPACT/FINANCING

The UAIZ Program for the County establishes a maximum loss in unrealized property tax revenue (one percent ad valorem) resulting from the UAIZ Agreements, whether within the unincorporated County or an incorporated city participating in the program, shall be a cumulative total of three million dollars (\$3,000,000) for the life of the program. The County Assessor will track the total unrealized property tax revenue loss resulting from the UAIZ Agreements, and will notify the director and local agencies with UAIZ Programs when the program's threshold limit is reached. No individual property or economic parcel shall exceed the maximum allocation for annual unrealized property tax revenue loss of \$15,000.

The program may record as many agreements as come in, until the maximum revenue loss is reached.

Adoption of the Ordinances should not result in significant costs to the County as the existing filing fee structure is expected to recover the administrative costs of implementing the Ordinance. UAIZ Agreement applications submitted for an agricultural use that is permitted by the zone for the property will be assessed a fee equivalent to a Zoning Conformance Review. Applications associated with a use that requires discretionary review (such as a Conditional Use Permit) will be reviewed alongside the concurrent discretionary application, and will be included as part of the fee associated with the discretionary review. The Agricultural Commissioner will not recover costs for inspections at this time. The Registrar Recorder will charge standard recording fees.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Government Code Section 51040 et seq. states that after a public hearing, the County may establish by ordinance an Urban Agricultural Incentive Zone and Program. This public hearing was duly noticed in five newspapers of general circulation. An ordinance amending Title 22 of the County Code creates a UAIZ to promote urban agricultural activities on eligible properties in the unincorporated areas of the County. This program does not involve changes to land uses and zoning and does not involve modifications to the filing fee schedule in Title 22. Per Government Code Section 25131 an ordinance may not be passed within five days of its initial introduction. A reading of the entirety of the ordinance must be made on the record, unless waived by motion of the Board, after the reading of the title.

ENVIRONMENTAL DOCUMENTATION

The proposed Ordinance is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15304 (Minor Alterations to Land) of Title 14 of the California Code of Regulations.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

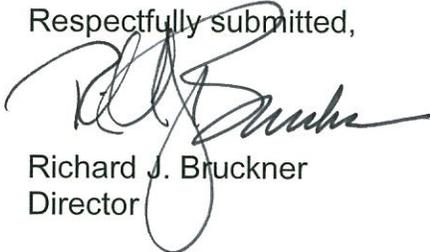
Action on the proposed Ordinance is not anticipated to have a significant impact on County services or projects.

The impacts on staff time is unknown at this time, as impacts on workload by the Department of Regional Planning and the Agricultural Commissioner administering the program may be determined by how many actual filings are submitted. Costs associated with initial and annual inspections may be reasonably absorbed by both Departments if there are a low number of properties entering into UAIZ Agreements. Should the costs associated with an increase in the number of properties with UAIZ Agreements exceed what may be reasonable, the departments may request new fees, subject to approval by the Board, be implemented to recoup those costs with new UAIZ Agreement applications.

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Should you have any questions, please contact Bruce Durbin via e-mail at bdurbin@planning.lacounty.gov or Alyson Stewart at astewart@planning.lacounty.gov or (213) 974-6432.

Respectfully submitted,



Richard J. Bruckner
Director

RJB:MC:BD:AS:es

c: Executive Office, Board of Supervisors
County Counsel
Agricultural Commissioner/Weight & Measures
Assessor
Chief Executive Office
Public Works
Treasurer and Tax Collector

Attachments:

1. Proposed UAIZ Ordinance
2. Proposed UAIZ Agreement
3. Board Motion of September 22, 2015

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