



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

April 15, 2016

To: All City Mayors

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

AB 551 - URBAN AGRICULTURE INCENTIVE ZONE PROGRAM

On April 12, 2016, the County of Los Angeles Board of Supervisors approved the Urban Agriculture Incentive Zone (UAIZ) ordinance. This ordinance implements California Assembly Bill 551 – the Urban Agriculture Incentive Zone Act (AB 551), which allows California counties to provide an incentive by offering reduced property tax assessments for property owners that convert eligible properties to agricultural use. The goals of AB 551 are to increase the amount of healthy fruits and vegetables grown locally within urban neighborhoods, increase community development opportunities, and reduce the number of vacant lots in urban communities that often become blighted.

The ordinance recently adopted by the Board of Supervisors established rules and parameters for a UAIZ program within unincorporated County areas, and authorizes municipalities within the County to establish their own UAIZ program through the adoption of a resolution. The Board of Supervisors encourages your city council to support these efforts through the creation of your own municipal UAIZ program. AB 551 requires that eligible properties be within urbanized census tracts, that the parcel be less than 3 acres in area, and that the property owner enter into a contract to maintain an approved agricultural use for a period of five years, with a deadline of January 1, 2019, to submit an application.

UAIZ programs benefit Los Angeles County's diverse communities by providing opportunities for sustainable urban farm enterprise and increasing opportunities to make healthy foods available in local communities. Your consideration of this important program is greatly appreciated.

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For additional information, we encourage you to visit the Los Angeles County Department of Regional Planning's UAIZ webpage at <http://planning.lacounty.gov/uaiz>. If you have additional 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.

Sincerely,



SACHI A. HAMAI
Chief Executive Officer

SAH:JJ:SK
MM:RG:AB:kd

Attachments

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

U:\chron2016\budget\Urban Agriculture Incentive Zone Program



FREQUENTLY ASKED QUESTIONS

Q: What is Urban Agriculture Incentive Zone?

A: The Urban Agriculture Incentive Zone (UAIZ) is a new state program (AB 551) adopted by the California State Legislature in 2013. This program aims to incentivize urban agriculture in urbanized areas in California by offering reduced property tax assessments in exchange for converting vacant, unimproved or blighted property to an agricultural use for a defined period of time.

Q: Why do we need an UAIZ program?

A: The County recognizes that there is a need to make nutritious food more accessible and increase food security and this program will provide an additional resource that will help the County achieve this goal. The UAIZ program may also encourage community development, create jobs related to urban farming and reduce blight and illegal dumping on vacant properties.

On April 12, 2016 the Los Angeles County Board of Supervisors adopted an ordinance to implement a Urban Agriculture Incentive Zone program in accordance with AB 551. Applications will be accepted when the program will go into effect on May 12, 2016. Any city within Los Angeles County may participate in the UAIZ program by adopting a resolution in conformance with the County's ordinance.

Q: What kind of land uses are permitted in an UAIZ?

A: Any agricultural use, except for timber production, is permitted under this program. Community gardens, nurseries, agricultural education centers, small-scale crops, and animal husbandry are just a few examples that are permitted. In limited cases, tool sheds, greenhouses, produce stands, and instructional spaces are acceptable structures for use with an agricultural land use under this program. For unincorporated properties, uses must comply with current County Code regulations. If you own a parcel within an incorporated city, you must check with your local agencies for rules and regulations.

Q: Are there any changes in the Planning and Zoning Code (Title 22) to implement UAIZ?

A: No, other than adding the program to Title 22. For unincorporated areas, existing zoning regulations will apply. If the zone currently prohibits an agricultural use, then that use cannot qualify for the program. If the zone currently requires a conditional use permit for an agricultural use, the permit requirement will still apply under the program. If there are development standards per the zone, those standards also apply.

Q: How many contracts will the County accept for this program?

A: Three million dollars (\$3,000,000) have been allocated to cover all unrealized tax revenue losses for all contracts originating from both incorporated cities and unincorporated communities. There is no set number of contracts, and contracts can be accepted on an ongoing basis until the cumulative five-year tax savings of all recorded contracts has reached \$3 million. Once this amount has been reached, no more contracts can be accepted.

Q: What benefit do I get from applying for a contract through UAIZ?

A: If you currently have a vacant or unimproved property in an urbanized area, and you would like to put the property to immediate use for an agricultural activity, you may apply for a contract agreement to obtain a reduced property tax assessment at the agricultural rate for five years.

Q: How do I qualify for an UAIZ contract?

A: AB 551 has limitations on which properties are eligible for this program, which are included in the County UAIZ ordinance. An eligible property must meet the following criteria:

- Be vacant or unimproved and located within a Census-defined urbanized area with a population of 250,000 or more;
- Be not located within a city's sphere of influence unless that city has participated in the County's program;
- Be between a tenth of an acre to three acres in size;
- Must not have any habitable structures (e.g. a single family residence or a mobilehome);
- Be 100% devoted to agricultural use for an initial period of five years;
- Be immediately put into use as soon as the contract is recorded;
- Must not be located within the Santa Monica Mountains or environmentally sensitive areas (for incorporated cities, check with your local agency for rules and regulations);
- Must be in a zone that permits one or more agricultural uses and have secured or intend to secure any required land use entitlements;
- Be in good standing with timely payments of any property taxes; and

- Be available for annual inspections by the County Agricultural Commissioner for compliance with the contract.

Q: How do I apply for an UAIZ contract?

A: For unincorporated properties, if you have a vacant or unimproved property that you would like to farm, submit an UAIZ contract application to the Department of Regional Planning. You may be required to first obtain land use entitlements for the desired agricultural use. If the application is approved, a form contract will be executed with the Department. For owners of property within an incorporated city or within the sphere of influence of a city, see next question below.

Q: I live in an incorporated city or within the sphere of influence of an incorporated city, and I want to farm my property at a reduced tax rate. Can I apply?

A: The city council of your city must first approve a resolution to enter into the County's UAIZ program. Check with your city to confirm if it is participating in the program. You will then need to apply with the department appointed to administer your city's UAIZ program. The city will coordinate directly with the Agricultural Commissioner and Assessor at the County for property inspections and tax reassessments.

Q: Can a property located within a former Redevelopment Area apply for an UAIZ contract?

A: Yes, property located within a former Redevelopment Area within either incorporated or unincorporated territory may apply for an UAIZ contract, only if that particular Redevelopment Area's successor agency is current with all its tax obligations to the County. However, if the Redevelopment Area's successor agency is not current with its tax obligations, properties may not be able to apply until that successor agency has paid all its dues.

Q: How much will it cost to apply?

A: For unincorporated properties, UAIZ contract applications filed with the Department of Regional Planning will be assessed a fee equivalent to a Zoning Conformance Review. If no land use entitlements have been secured but are still required, the cost to process the application will be included as part of the fee on the concurrent land use application for the particular use. For incorporated properties, check with your city's rules and regulations.

Q: How much tax savings can I expect to get with an UAIZ contract?

A: Once a contract has been recorded, the County Assessor will reduce the property tax 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. In Los Angeles County, the total tax savings must not exceed \$15,000 per year per property.

Q: Are there any restrictions to the contract?

A: The entire property, as part of the eligibility criteria, must be devoted to agricultural activity for an initial period of five years. The property must also be accessible for annual inspections by the Agricultural Commissioner for compliance with the contract and proper agricultural practices during the entire contract term.

Q: How long will the contract be in effect?

A: Per AB 551, the contract is in effect for an initial period of five years, and any contract applications may be submitted and approved up to January 1, 2019. The California State Legislature has the discretion whether to extend the sunset date in AB 551 beyond January 1, 2019 for new and renewed UAIZ contracts.

Q: What happens if I need to cancel the contract?

A: There are two circumstances where a contract may need to be cancelled. One is for noncompliance, when the Agricultural Commissioner or the department administering the program finds the property does not comply with either the contract terms or the zoning regulations. If after repeated attempts to remediate the violation(s) have failed, the department administering the program may initiate cancellation proceedings. The other is by request of the property owner wishing to get out of the contract. In both circumstances, the property will be re-assessed to the previous tax rate, and the property owner is liable to pay the amount of the tax benefit saved during the contract.

Q: Where can I find more information on the County's UAIZ Program?

A: Please check our website: www.planning.lacounty.gov/uaiz.

For text of AB 551, check:

http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140AB55



Photo: Leon Freeman

Urban Agricultural Incentive Zone Procedure for Incorporated Cities in LA County

