



COUNTY OF SAN DIEGO

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COUNTY OF SAN DIEGO
BOARD OF SUPERVISORS

CLERK OF THE BOARD
OF SUPERVISORS

1600 PACIFIC HIGHWAY, ROOM 335, SAN DIEGO, CALIFORNIA 92101-2470

AGENDA ITEM

DATE: November 18, 2015
TO: Board of Supervisors
SUBJECT: Establishing Urban Agriculture Incentive Zones in San Diego County
(DISTRICTS: ALL)

Overview

On September 28, 2013, Governor Brown signed into law Assembly Bill No. 551 (AB 551), the Urban Agriculture Incentive Zones Act. Similar to the Williamson Act, this bill authorizes counties and/or cities to establish Urban Agriculture Incentive Zones (UAIZs) whereby the county or city and a landowner can enter into a contract to restrict the use of vacant, unimproved or blighted lands for small-scale production of agricultural crops in exchange for a property tax benefit. The owner's land would be assessed at a lower rate, based on the average per-acre land value of irrigated cropland in California. This provides tangible financial incentive for a landowner who may not be interested in immediately developing vacant land.

Today's action will direct the Chief Administrative Officer to create framework criteria for evaluating proposals to establish UAIZs within the unincorporated County as well as in other jurisdictions in San Diego County. This framework should include, but is not limited to, criteria related to the identification of eligible parcels, providing notice to potentially affected taxing entities, and a fiscal impact analysis of the proposal to establish a UAIZ. The action would also direct the CAO to report the criteria to all incorporated cities in San Diego County and the Board of Supervisors within 90 days.

In addition, today's action will direct the Chief Administrative Officer to determine the feasibility of establishing a UAIZ in unincorporated San Diego County using the newly created framework criteria, and report back to the Board with options within 180 days.

Recommendation(s)

SUPERVISOR RON ROBERTS AND SUPERVISOR JACOB

1. Direct the Chief Administrative Officer to create framework criteria for evaluating proposals to establish UAIZs within the unincorporated County as well as in other jurisdictions in San Diego County. This framework should include, but is not limited to, criteria related to the identification of eligible parcels, providing notice to potentially affected taxing entities, and a fiscal impact analysis of the proposal to establish a UAIZ.

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The Chief Administrative Officer is further directed to report the criteria to all incorporated cities in San Diego County and the Board of Supervisors within 90 days.

2. Direct the Chief Administrative Officer to determine the feasibility of establishing a UAIZ in unincorporated San Diego County using the newly created framework criteria, and report back to the Board with options within 180 days.

Fiscal Impact

There is no fiscal impact associated with this action.

Should the Board of Supervisors adopt the ordinance in the future, or adopt a resolution of approval to establish a UAIZ in an incorporated city, there would be the potential for a reduction in property tax revenue to the County of San Diego, participating incorporated cities and other districts in the tax rate area where the property under the UAIZ contract exists. The extent to which property tax revenue would decrease would depend on the number of property owners that enter into contract with the County or cities and the original assessed value of the parcels under contract.

Business Impact Statement

N/A

Advisory Board Statement

N/A

Background

On September 28, 2013, Governor Brown signed into law Assembly Bill No. 551, the Urban Agriculture Incentive Zones Act. Similar to the Williamson Act, this bill authorizes counties and/or cities to establish Urban Agriculture Incentive Zones whereby the county or city and a landowner can enter into a contract to restrict the use of vacant, unimproved or blighted lands for small-scale production of agricultural crops in exchange for a property tax benefit. The owner's land would be assessed at a lower rate, based on the average per-acre land value of irrigated cropland in California. This provides tangible financial incentive for a landowner who may not be interested in immediately developing vacant land.

AB 551 states, in Section 51040.1 of the Government Code, the Legislature's finding that "it is in the public interest to promote sustainable urban farm enterprise sectors in urban centers." It further finds that "small-scale, active production of marketable crops and animal husbandry, including, but not limited to, foods, flowers and seedlings, in urban centers is consistent with, and furthers, the purposes of [AB 551]."

To establish a UAIZ in the unincorporated areas of the County eligible under AB 551, the Board of Supervisors may do so by ordinance. Similarly, a city may, after a public hearing and approval from the Board of Supervisors, establish by ordinance a UAIZ.

AB 551 stipulates a number of requirements on these contracts, including:

1. A contract must be at least 5 years but must be entered into before January 1, 2019.

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2. The property can only be between 0.10 acres and 3 acres in size.
3. The entire property must be dedicated toward commercial or noncommercial agricultural use.
4. No dwellings are permitted on the property. However, structures that support agricultural activity such as toolsheds, greenhouses, produce stands and instructional space are permitted.
5. Only allowing pesticides or fertilizers sanctioned by the U.S. Department of Agriculture's National Organic Program.
6. Landowners that break the five-year contract are obligated to pay back the tax benefit they received.
7. An Urban Agriculture Incentive Zone cannot be established in any area that is currently, or in the last three years has been, subject to a Williamson Act contract.
8. An Urban Agriculture Incentive Zone cannot be established within the spheres of influence of a city unless both the city and county have consented to its establishment.

As an example of the impact to property tax revenue a UAIZ contract could make, a 3-acre property with a per-acre value of \$600,000 would produce \$18,000 ($\$1,800,000 \times 1\%$) in property tax revenue. If that property owner entered into a contract under AB 551, that property would be assessed at the average per-acre land value of irrigated cropland in California, which in 2014 was \$12,500. That 3-acre property would then produce \$375 ($\$37,500 \times 1\%$) in property tax revenue. The difference in property tax revenue would be \$17,625.

In addition to the economic incentive that the establishment of a UAIZ would have on both landowners and small-scale agricultural operations, UAIZs also have the potential of increasing the amount of land dedicated to community gardens. Community gardens help foster an understanding of the role and benefits of local food and can increase both health and self-sufficiency by providing county residents with direct access to nutritious fruits and vegetables.

The County of San Diego has long been supportive of community gardens and other programs to encourage healthy eating. Since opening its first community garden in the Tijuana River Valley, the County Department of Parks and Recreation has added community gardens in the Los Peñasquitos Canyon Preserve, Rancho Guajome Adobe and Lindo Lake. The County also is exploring potential future community garden opportunities in San Luis Rey and 4S Ranch.

The County's Health and Human Services Agency, Land Use and Environment Group and community partners have also been involved in several complementary efforts that promote healthy choices and environmental change, which are both pillars of Building Better Health, a component of Live Well, San Diego! These include establishing school and community gardens, providing free gardening classes and the establishment of the Live Well San Diego Food System Working Group that is participating in the San Diego Food System Alliance, a multi-sector coalition with the mission of developing and maintaining an equitable and sustainable food system. Many of these programs were made possible by federal grants to combat obesity and promote healthy lifestyles. Similar goals can be achieved by developing a policy and program framework through establishing a UAIZ in our County.

Finally, UAIZs would create vibrant green spaces out of what would otherwise be unused, vacant

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and blighted land, in addition to providing ecological benefits and sites that help build a community and a potential source of modest income.

We urge your support.

Linkage to the County of San Diego Strategic Plan

Today's proposed action supports the Sustainable Environments and Healthy Families Initiatives of the County of San Diego's 2015-2020 Strategic Plan because it helps to address issues of food access and promotes economic resilience and community building.

Respectfully submitted,



RON ROBERTS
Supervisor, Fourth District



DIANNE JACOB
Supervisor, Second District

ATTACHMENT(S)

N/A

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AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:
N/A

BOARD POLICIES APPLICABLE:
N/A

BOARD POLICY STATEMENTS:
N/A

MANDATORY COMPLIANCE:
N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):
N/A

ORIGINATING DEPARTMENT: SUPERVISOR RON ROBERTS and SUPERVISOR JACOB

OTHER CONCURRENCES(S):

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