

Implementation of the Urban Agriculture Incentive Zones Program

On November 5, 2014, the Los Angeles County (County) Board of Supervisors (Board) unanimously adopted a motion directing the Interim Chief Executive Officer, Chief Deputy Assessor, Director of Planning and County Counsel (the Departments) to report back on the feasibility of implementing an Urban Agriculture Incentive Zone Program (UAIZ Program), as authorized by the California Urban Agriculture Incentives Zone Act (AB 551). A UAIZ Program aims to increase the amount of healthy fruits and vegetables grown within urban areas while reducing the number of vacant lots that often become blighted by decreasing property tax assessments for property owners that dedicate the use of their properties to agricultural uses and enter into a contract with the County.

On June 29, 2015, the Departments submitted to the Board a report which concluded that it is feasible to implement a UAIZ Program within the County. In the report, the Assessor determined that based on the criteria established by AB 551, approximately 56,950 parcels may be eligible for participation, of which 7,991 are located in the County unincorporated areas. In order for a parcel owner in an incorporated area to participate in a UAIZ Program, the respective city will be required to adopt a resolution to allow such participation. Of the 56,950 eligible parcels, 2,248

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have defaulted on their taxes for more than three years and are currently subject to the Treasurer and Tax Collector's Power to Sell at auction. This rate of default (3.9% amongst potentially UAIZ-eligible properties) is significantly higher than the Countywide default rate (0.5% of assessed properties Countywide are currently subject to Treasurer and Tax Collector's Power to Sell at auction). This demonstrates the potential of a UAIZ Program to target and incentivize properties that have previously defaulted, and transform them into more productive uses.

The fiscal costs of establishing a UAIZ Program are likely to pale in comparison to the anticipated public health, environmental, quality of life, and economic benefits for the participants and surrounding communities. While the report estimates that if 5% or 2,848 parcels were to participate, the estimated revenue loss to the County would be \$6.7 million; large scale participation is not anticipated in the near future. Moreover, a community garden that is one acre in size is estimated to provide enough produce for 100 people annually. Studies have also shown that community gardens have been proven to raise property values within a 1,000 foot radius¹.

In establishing a UAIZ Program, the Board should consider moving forward with a potential cap on the total property tax revenue loss consistent with how the Board authorized the establishment of the Mills Act Program (which has a maximum allocation of \$300,000 a year, with a total program limit of \$3 million). The cap will allow for paced implementation of a UAIZ Program and the opportunity to further study the public health and economic impacts derived from its implementation. In addition, criteria must be established to control participation, and regulatory and enforcement mechanisms must be established to ensure that properties participating in a UAIZ Program remain in compliance with the overall objective to improve access to healthy produce and to reduce blight in urban areas.

¹http://furmancenter.org/files/publications/The_Effect_of_Community_Gardens.pdf

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The adoption of a UAIZ Program is consistent with the policies in the Los Angeles County General Plan that support greater convenient access to healthy food in all neighborhoods to improve public health as well as the Healthy Design Ordinance which establishes community gardens as legally-permitted uses in residential, commercial and agricultural zones.

I THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

- 1) Instruct the Interim Chief Executive Officer, Director of Regional Planning, Interim Director of Public Health and Interim County Counsel, in consultation with the Assessor, Treasurer and Tax Collector, and Agricultural Commissioner (the Departments), to prepare amendments to the County Code to implement an Urban Agricultural Incentive Zone and establish related policies and procedures for an Urban Agricultural Incentive Zone Program, that includes the following elements:
 - Establishment of a zone that includes specific geographical areas of the County that meet the criteria of an urban area, as defined in AB 551;
 - Authorization for cities within the County to participate in the Urban Agricultural Incentive Zone Program, upon their respective adoption of resolutions;
 - A draft Urban Agricultural Incentive Zone Program contract with property owners;
 - Creation of proposed criteria within the contract to determine property eligibility that may include, but are not limited to, size of the property, the type of land uses being proposed, maximum periods of time that the property would be allowed to fallow or be inactive, and identification of potential crops that should be forbidden based on excessive water requirements or perceived threats to public safety;
 - A Regulatory and Enforcement Strategy;

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- Procedures for entering into Urban Agricultural Incentive Zone Program contracts;
 - Recommendations on potential changes to Title 7 of the County Code, such as potentially requiring commercial agricultural uses to obtain a Business License;
 - A limitation on the maximum property tax revenue loss to be considered annually by the Board of Supervisors, similar to the limit authorized for the County's Mills Act Program; and
- 2) Direct the Departments to return to the Board of Supervisors with a CEQA recommendation and for adoption of the proposed amendments to the County Code and related policies within six months.

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