

Attachment A
SUMMARY OF AB 551, TING: URBAN AGRICULTURE INCENTIVE ZONES.

County Actions Necessary to Initiate Program

- Hold a public hearing.
- Establish by ordinance an Urban Agriculture Incentive Zone for the purpose of entering into enforceable contracts with landowners, on a voluntary basis, for the use of vacant, unimproved, or blighted lands for small-scale agricultural use.
- Adopt rules and regulations consistent with the county's zoning and other ordinances, for the implementation and administration of the Urban Agriculture Incentive Zone and of contracts related to that Urban Agriculture Incentive Zone.

Contract Terms Required by Legislation

- The County may impose a fee on contracting landowners for the reasonable costs of implementing and administering contracts.
- If a landowner requests cancellation of the contract prior to expiration, the County shall impose a fee equal to the cumulative value of the tax benefit received during the duration of the contract, unless the County makes a determination that the cancellation was caused by extenuating circumstances despite the good faith effort by the landowner.
- The County may enter into a contract with a landowner to enforceably restrict the use of the land subject to the contract to uses consistent with urban agriculture. Contracts shall include, but not be limited to, all of the following provisions:
 - An initial term of not less than five years.
 - A restriction on property that is at least 0.10 acres, and not more than three acres.
 - A requirement that the entire property subject to the contract be dedicated toward commercial or noncommercial agricultural use.
 - A prohibition against any dwellings on the property while under contract.
 - A notification that if a landowner cancels a contract, the County is required to assess a cancellation fee, as stated above.
- The contract shall not prohibit the use of structures that support agricultural activity, including, but not limited to, toolsheds, greenhouses, produce stands, and instructional space.
- If the contract includes a prohibition on the use of pesticide or fertilizers on properties under contract, the contract shall permit those pesticides or fertilizers allowed by the United States Department of Agriculture's National Organic Program.
- The County shall not enter into a new contract, or renew an existing contract pursuant to this chapter after January 1, 2019. Any contract entered into pursuant to this chapter on or before January 1, 2019, shall be valid and enforceable for the duration of the contract.
- Land subject to contract for an urban agricultural incentive zone shall be valued for assessment at the rate based on the average per-acre value of irrigated cropland in California, as most recently published by the National Agricultural Statistics Service of the USDA. The current rate posted by State Board of Equalization is \$12,500 per acre.

Other Provisions in Legislation

- The County shall not establish an Urban Agriculture Incentive Zone within any portion of the spheres of influence of a city unless the legislative body of the city has consented to the establishment of the Urban Agriculture Incentive Zone.
- The County shall not establish an Urban Agriculture Incentive Zone in any area that is currently subject to, or has been subject to within the previous three years, a Williamson Act contract.



Examples of Potential Property Tax Savings under AB 551 Contract

Parcel 1 - Vacant 0.38 Acre Parcel with Residential Zoning			Parcel 2 - Vacant 0.20 Acre Parcel with Residential Zoning		
Parcel Information	Current	AB 551 Contract	Parcel Information	Current	AB 551 Contract
Assessed Value	\$60,031.00*	\$4,750.00**	Assessed Value	\$110,000.00*	\$2,500.00**
Annual Tax Rate	1.0853%*	1.0853%	Annual Tax Rate	1.0853%*	1.0853%
Annual Property Taxes***	\$651.50*	\$51.55	Annual Property Taxes***	\$1,193.82*	\$27.13
Potential Annual Property Tax Savings		\$599.95	Potential Annual Property Tax Savings		\$1,166.69
Tax Savings over 5-year contract term		\$2,999.75	Tax Savings over 5-year contract term		\$5,833.45
*Source: County Assessor's Records **Based on assessed value of \$12,500 per acre ***Does not include fixed assessments.			*Source: County Assessor's Records **Based on assessed value of \$12,500 per acre ***Does not include fixed assessments.		

Program Elements to be Determined by the County

- Process for approving contracts (could use existing Williamson Act process as model)
- Additional contract terms:
 - Criteria for determining appropriate agricultural uses?
 - Timeline to have ag uses in place?
 - Parcel coverage requirements?
- Process for monitoring and enforcing contracts
- Process for terminating contract for non-compliance
- Process for transferring contract to new owner or terminating contract if property is sold
- Additional contract terms (such as requiring proof of access to water)?
- Any changes to existing county ordinances?

Ongoing County Costs Related to Implementing AB 551

- Loss of property tax revenue
- Staff time for processing contract applications
- Staff time for monitoring and enforcement
- Staff time for assessor's staff to annually adjust assessments of properties under contract

Relevant Sections of the County General Ordinance Code

- Title 5 – Animals
 - Chapter 5.12 Animal Fanciers Permit
- Title 6 – Health and Safety
 - Chapter 6.44 Hazardous Weeds and Rubbish
 - Chapter 6.64 Rural and Urban Residential and Non-residential Property Nuisances
 - Chapter 6.65 Unincorporated Alameda County Real Property Nuisances
- Title 17 – Zoning
 - Field crops, orchards and gardens are permitted uses in all residential zones. (Chapters 17.08, 17.10, 17.12, 17.14, 17.16, and 17.17)
 - Toolsheds and other structures related to the agricultural use would need to comply with requirements for accessory uses. (Chapter 17.52 General Requirements, Sections 17.52.180 -17.52.320)

