March 10, 2016

Dear Local Jurisdiction:

In 2013, Governor Brown signed into law Assembly Bill No. 551 (AB 551), the Urban Agriculture Incentive Zones Act, authorizing counties and/or cities to establish Urban Agriculture Incentive Zones (UAIZs). This allowed the county or city and a landowner to 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 a tangible financial incentive for a landowner who may not be interested in immediately developing vacant land to utilize their property for small-scale agriculture.

State law requires that in order for a city to establish a UAIZ it can only do so after a public hearing and approval by the County Board of Supervisors.

The County has established the following criteria necessary to evaluate any city’s proposed UAIZ program. This information must be included in the city’s request asking the Board of Supervisors to hold a public hearing and approve the establishment of a city’s UAIZ:

1. Identification of eligible parcels within the proposed UAIZ boundary
2. Map of the proposed UAIZ boundary
3. Copy of the proposed ordinance
4. UAIZ Program Information including, but not limited to:
   - The scope of the Program, including the targeted population.
   - Methodology for determining blight/vacant land/program criteria
   - If the Program will include caps in the number of parcels or total fiscal impact.
   - A copy of the jurisdiction’s proposed program regulations for implementing, administering and enforcement of the program, including any fees to cover the cost of the program and cancelation fees for exiting a contract early.
   - Sample of proposed contract
5. Fiscal impact analysis for all affected taxing entities including total amount of tax revenue reduction. This analysis will need to be coordinated with the County’s Assessor, Recorder, County Clerk and Property Tax Services (PTS) division of Auditor & Controller. Upon receipt of eligible parcels, and once the Assessor determines the assessed value for those parcels, PTS will calculate the aggregate value by tax rate area and the current revenue breakdown for those parcels and provide this data to the requesting jurisdiction. The calculation of reduced tax
revenue will need to be performed by the requesting jurisdiction. It is recommended to plan accordingly to allow County staff adequate time to process your request.

6. Proposed written notice to be sent to all taxing entities of the proposed establishment of a UAIZ and impacts to their property tax allocation. This written notice will include the date and time of the Board of Supervisors meeting regarding the approval of a resolution for that jurisdiction’s UAIZ.

Because this is a city program, any city requesting the Board of Supervisors to approve the city’s UAIZ is expected to have subject matter experts attend the respective Board of Supervisors’ meeting to address any speakers on the agenda item or questions from the County Board of Supervisors.

You can submit the city’s formal request with the information requested above to Carl Smith in the Finance and General Government Group at 1600 Pacific Hwy., Room 164, San Diego, CA 92101. Please keep in mind once your package is received, County staff will need adequate time to evaluate the information and inform you of the specific Board of Supervisors hearing date so that you can send written notices to all affected taxing entities.

We look forward to working with your jurisdiction on this exciting opportunity to promote urban agriculture throughout San Diego County. If you have questions, please contact Carl Smith in the Finance and General Government Group at 619-531-5276 or Carl.Smith@sdcounty.ca.gov.

Sincerely,

[Signature]

TRACY M. SANDOVAL
Deputy Chief Administrative Officer/Auditor and Controller, Finance and General Government Group