



City of Los Angeles

Urban Agriculture Incentive Zone Contract

An Urban Agriculture Zone Contract is a voluntary contract between the City and a property owner of vacant property, where the property owner agrees to use the property for an active agricultural use for a period of five years in exchange for a potential property tax reduction.

Eligibility Criteria

A property may be eligible to enter into an Urban Agriculture Incentive Zone (UAIZ) Contract for a potential tax reduction as authorized by AB 551 if it meets all of the following criteria:

- The property is in an urban area, which is a Census-defined area containing at least 250,000 people, as defined in Section 51040.3(a) of the California Government Code.
- The property is not located, wholly or partially, within a Significant Ecological Area, Sensitive Environmental Resource Area, or a National Recreation Area.
- The property is not located, wholly or partially, on a site or facility listed on the Department of Toxic Substance Control's Envirostor Database
- The property is vacant, unimproved, or contains only non-habitable structures that are or will be accessory to agricultural uses.
- The property has an area between 0.10 acre (4,356 sq-ft) and three acres (130,680 sq-ft) in size.
- The property shall be limited to agricultural land uses as defined in Section 51040.3(c) of the California Government Code, and also be limited to the uses permitted or conditionally permitted by the zone in Chapter 1 Article 2 of the Los Angeles Municipal Code.
- The property in its entirety shall be available for, and devoted or dedicated to, agricultural use immediately and for the duration of the initial agreement, which shall be for a term of five (5) years.
- Secured property tax obligations shall be current and paid according to installments determined by State law.
- Any necessary land use approvals shall be obtained prior to applying for a contract.

Frequently Asked Questions

Q: What can I use my property for under a UAIZ contract?

A: Any use of the property must still comply with the existing zoning regulations. Under a UAIZ contract, the property must be fully dedicated to an agricultural use. In the City of Los Angeles, agricultural uses that are permitted by-right include farming, truck gardening, and apiaries depending on what the property is zoned. Structures that are accessory to the urban agricultural use are permitted if they comply with Section 12.21 C.5 of the Los Angeles Municipal Code. Habitable structures are not permitted in any circumstance under the contract.

Q: How do I apply for a UAIZ contract?

A: The first application period is open from August 6 until October 31, 2017. Applications must be submitted in person at any of the City's Development Services Centers to the Department of City Planning. If your property does not allow an agricultural use by-right, you must first obtain any necessary land use approvals or permits.

For example, if you are in the Coastal Zone, you must obtain the necessary coastal development permits. Once the Department of City Planning has confirmed that your property meets the eligibility criteria listed above, the Department will approve the application and start the contract process. Once the contract is signed by both you and the City, you must record the contract with the LA County Registrar-Recorder and submit a copy of the recorded contract to the LA City Department of City Planning, which will send a copy to the LA County Office of the Assessor. The tax benefit will not be applied until the UAIZ contract has been signed by all parties, notarized on behalf of the property owner, recorded with the County Registrar-Recorder/County Clerk within 20 days of contract execution, and a copy of the recorded contract is on file with the LA County Office of Assessor and the LA City Department of City Planning.

Q: How much will it cost to apply?

A: The Department of City Planning will not charge an application fee (to cover City staff time) for the first year of the UAIZ program. However, there is a recordation fee that is charged by the County Registrar-Recorder. After the first year, the City will re-assess the program and may start charging an application fee to cover the amount of City resources necessary for the processing of the applications.

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. For property-specific questions, contact the County Assessor.

Q: When will my property be inspected?

A: Within the first year contract recordation, the Agricultural Commissioner will conduct a site inspection to confirm that the property is being devoted to agricultural use. 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 be accessible for annual inspections by the Agricultural Commissioner for compliance with the contract and proper agricultural practices during the entire contract term. The property must also be accessible for inspections as needed by the Department of Building and Safety for compliance with the City's zoning regulations.

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? What happens if I sell the property?

A: At any point during the term of the contract, the property owner may request cancellation of the contract by submitting written notice to the Department of City Planning and recording a notice of cancellation of the contract against the property. The City may also cancel the contract if the property owner is found to be non-compliant with the terms 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 a cancellation fee equal to the amount of the tax benefit saved during the contract. A UAIZ contract is attached to the property; any subsequent owners are bound by the contract and obligated to comply unless the new owner terminates the contract and pays the cancellation fee.