



Date: February 7, 2017
To: Patrick H. West, City Manager *P.H. West*
From: Amy U. Bodek, Director of Development Services *A. Bodek*
For: Mayor and Members of the City Council
Subject: **Urban Agriculture Incentive Zone Program Feasibility**

On May 10, 2016, the City Council requested that the City Manager explore the feasibility of implementing California's Urban Agricultural Incentive Zone (UAIZ) Program in Long Beach. The Office of Sustainability has conducted this research and finds that a locally implemented UAIZ Program can provide property tax benefits to the owners of underutilized vacant parcels, as well as enhance Long Beach's emerging local food system and the City's overall livability and sustainability. The City Council can create a UAIZ Program simply by passing a resolution that designates a lead agency to establish a local approval and administrative process. Throughout California, this program has not been widely implemented, presenting an opportunity for Long Beach to lead this effort.

In 2014, California implemented Assembly Bill 551, the Urban Agriculture Incentive Zones Act, which promotes urban agriculture by providing tax breaks to landowners who allow their vacant properties to be used for agricultural purposes for a minimum of five years. Once a commitment is in place, a landowner's property tax will be assessed on the agricultural value of the land rather than the full market value. On April 5, 2016, the County of Los Angeles Board of Supervisors approved a UAIZ ordinance, allowing cities within Los Angeles County to participate in the program upon adoption of a local resolution. Eligible landowners can receive significant reductions to their property taxes, with a maximum savings of \$15,000 per year. The tax incentive would be funded solely by the County of Los Angeles pro rata share, with no reduction from the Long Beach share of property tax revenue.

The following requirements are needed for a property to participate in the program:

- Vacant lot with no habitable structures on-site. Any on-site structures must be accessory to the urban agriculture use.
- Between 4,356 and 130,680 square feet in size.
- Minimum of five years of commitment to urban agriculture use.
- Urban agriculture use must be in compliance with existing zoning regulations.

The use of vacant lots for urban agriculture can increase access to healthy foods for residents, reduce emissions from food transportation, educate residents on sustainable gardening practices, and prevent blight on vacant lots through illegal dumping, all of which support the goals of the Long Beach Sustainable City Action Plan and the Draft General Plan Land Use Element.

Urban agriculture uses are allowed in commercial and some industrial zones with the issuance of an interim park permit. On-site farm stands would also be allowed in commercial zones. Future

zoning updates could extend the eligibility and benefits of this program to more properties, particularly in residential zones.

The Office of Sustainability conducted a Citywide survey of vacant lots that could be eligible for this program, through which 88 vacant lots were identified. A preliminary analysis of estimated annual property tax incentives for these lots is detailed in Table 1.

Estimated UAIZ Annual Incentive	Commercial and Industrial Vacant Lots
\$10,000 - \$15,000	1
\$5,000 - \$9,999	7
\$1,000 - \$4,999	41
Less than \$1,000	39
Total Parcels	88

The UAIZ Program can be created through a City Council resolution. The City must be designated as the "Lead Agency" and must establish an application process. In Long Beach, the Lead Agency would be the Development Services Department through its Planning Bureau, with support from the Office of Sustainability.

With proper promotion and management of this program, Long Beach has an opportunity to become a leader in the State in urban agriculture practices. To date, only four other cities in California have implemented this program: San Francisco, Sacramento, San Jose, and San Diego. Among them, only one property is currently under a UAIZ contract in San Francisco. The City of Los Angeles is currently working to implement their own UAIZ Program.

Urban agriculture has many potential benefits for the City, providing locally grown produce, supporting sustainability goals, and creating new economic opportunities. Where these activities are already permitted, a UAIZ creates incentives to expand urban agriculture by providing tax breaks to participating landowners. Staff will soon return to the City Council with a resolution to implement a UAIZ pilot program.

If you have any questions regarding this matter, please call Linda Tatum, Planning Manager, at (562) 570-6261.

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CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
TOM MODICA, ASSISTANT CITY MANAGER
ANITRA DEMPSEY, INTERIM DEPUTY CITY MANAGER
REBECCA JIMENEZ, ASSISTANT TO THE CITY MANAGER
OSCAR W. ORCI, DEPUTY DIRECTOR OF DEVELOPMENT
LINDA TATUM, AICP, PLANNING MANAGER
LARRY RICH, SUSTAINABILITY COORDINATOR
CITY CLERK (REF. FILE #16-0408)