

# Community Seeds:

## Increasing Participation Yields in the Urban Agriculture Incentive Zone Program

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## Disclaimer

This study has been prepared for the California Department of Conservation, Division of Land Resource Protection. The student author conducted this study in partial fulfillment of the requirements for the degree of Master of Public Policy at Mills College. The judgments and conclusions are solely those of the author and are not necessarily endorsed by the Mills College Public Policy Program, the sponsoring client organization, or any other organization or agency.

## Executive Summary

In 2013, California passed AB 551, the Agriculture Incentive Zone Act (UAIZ). The law allows cities and counties with urban populations greater than 250,000 to give property tax breaks to owners of vacant, blighted lots who agree to lease their property to urban farmers for a minimum of five years. The law's purpose is to provide food insecure communities a way to bring healthy, nutritious food into their neighborhoods while transforming unsightly blighted lots that invite crime and trash dumping.

Five years later there are five out of 14 eligible counties that have adopted UAIZ ordinances, and far fewer contracts with property owners have been completed as expected. This report seeks to answer two questions:

- What are the most important challenges, barriers, or concerns limiting the success of the UAIZ program?
- Is AB 551's property tax incentive is persuasive to property owners?

AB 551 was modelled after the Williamson Act of 1965. This agricultural land protection law offers tax relief to landowners who sign ten-year contracts in exchange for keeping their land undeveloped. Like AB 551, the law did not generate many contracts for the first two years. Additionally, AB 551 was adopted during a period of record low new enrollments in new LCA contracts for economic and other reasons, creating speculation that this may have also contributed to AB 551's slow start.

In addition to accessible healthy food, supporters of AB 551 claim that the multifunctionality of urban agriculture brings much needed environmental, social, health, and economic benefits to distressed neighborhoods. Critics argue that AB 551 rewards the “propertied classes” with tax breaks and does nothing to address the larger issues of land access, gentrification, and social equity that are at the root of food insecurity.

To evaluate AB 551’s effectiveness, three municipalities with UAIZ ordinances were studied. The City of San Jose’s ordinance process was completed in 90 days by budgeting for additional staffing. Coordination with multiple departments to pass the ordinance by the December 2016 deadline was their greatest challenge. San Jose’s first UAIZ contract has been very beneficial because it brought Valley Verde’s urban farm and horticulture apprenticeship to the city’s needy families. San Jose does very little promotion for their UAIZ program. There have been no additional contracts since Valley Verde.

Los Angeles County’s ordinance process began at the request of the City of Los Angeles. The county created a \$3 million fund to repay cities for any lost tax revenue resulting from their UAIZ contracts. Coordinating bureaucratic procedures within a jurisdiction of 88 cities and a large incorporated territory was LA County’s greatest obstacle. Out of 88 cities, only LA City and Long Beach have adopted ordinances. LA City has four completed UAIZ contracts. In addition to sending out letters and notices to the county’s cities, LA County cross promotes the UAIZ program with LA Food Policy Council. The lack of interest from other cities surprises the Regional Planning Department

given the fund created to offset tax losses. Bureaucracy was the reason at least one property owner withdrew their application.

Long Beach studied other UAIZ cities before crafting their ordinance after LA City's. Their concern that the ordinance would be protested by animal rights activists did not materialize. Long Beach has a matchmaking program for farmers and property owners that is cross-promoted with Long Beach Fresh. Long Beach created a Vacant Lot Registry that charges property owners a monthly nuisance abatement fees which can be waived if the property owner enters into a UAIZ contract. Long Beach is in the process of signing their first UAIZ contract with a property owner. Long Beach has received approximately 40 calls from growers who assume that the program includes start up funding.

The findings of this case study reveal that there are four main barriers to participation for property owners: bureaucracy, the five-year lease, a lack of education and support, and the tax incentive's marginal effectiveness. It was observed that cities have had little success in signing new contracts after the initial contract, and that there are sizeable variances in the speed of ordinance processes which is a product of budgeting and internal bureaucracy. All stakeholders remained in support of their UAIZ programs and of AB 551 while acknowledging that the program has not been as successful as hoped.

In consideration of the barriers revealed and the overall support of the program the following four recommendations are offered to raise participation and address the main issues:

1. DOC to host a statewide forum for participating City Planners share experiences, offer feedback, and pool ideas for the success of current and future UAIZ programs. Having the forum at an established convention such as APA California will increase participation, raise awareness for the UAIZ program, and save money by not having the forum at a separate site.
2. Encourage all participating cities to create a Vacant Lot Registry modelled after Long Beach's ordinance with a fee waiver for property owners who enter into UAIZ contracts. This creates a second monetary incentive for property owners and additional promotion for the UAIZ program.
3. DOC to create a state-level job position dedicated to the successful implementation of UAIZ in all eligible areas statewide. Duties of the position could include answering inquiries, liaising between all stakeholders, creating and monitoring educational and informational website hub, promotion, on-site training and consulting for UAIZ in eligible cities and counties, and creating blueprint ordinance and other materials to simplify process for local governments.
4. DOC to extend SALC grant eligibility to purchase UAIZ-eligible vacant lots. Cities, counties and nonprofits who purchase UAIZ-eligible properties could offer longer-term lease to growers which will create stability for farms. UAIZ farms and gardens can meet SALC criteria because they convert urban land into conservable agricultural land, provide social, economic, and environmental

benefits, and reduce the carbon footprint by providing locally grown food.