

ORDINANCE NO. 2015-0024

Adopted by the Sacramento City Council

August 6, 2015

**AN ORDINANCE ADDING CHAPTER 17.722 TO THE SACRAMENTO CITY CODE
RELATING TO AN URBAN AGRICULTURE INCENTIVE ZONE**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Chapter 17.722 is added to the Sacramento City Code to read as follows:

Chapter 17.722 Urban Agriculture Incentive Zone

17.722.010 Purpose.

This chapter is adopted in accordance with the Urban Agricultural Incentive Zones Act (California Government Code section 51040 et seq.) to promote urban agricultural use of otherwise vacant, unimproved, and blighted parcels by providing a tax-incentive for properties that produce food and agricultural products.

The city recognizes that urban agriculture improves community access to healthy food, helps create a more sustainable food system, builds community, and connects people to the land. Increased opportunity to participate in small-scale entrepreneurial agriculture will supplement incomes and help to create a more resilient economy.

Lack of access to land is a major obstacle for urban agriculture. By creating an Urban Agriculture Incentive Zone, the city seeks to encourage owners of eligible property to commit the property to urban agriculture for at least five years, giving urban agriculturalists access and stability.

17.722.020 General provisions.

- A. The Urban Agriculture Incentive Zone includes all eligible property within the city boundary.
- B. The city and owners of vacant, unimproved, or blighted property within the Urban Agriculture Incentive Zone may enter into an enforceable contract to restrict use to urban agriculture, as defined in chapter 17.108.

- C. The city may impose a fee upon contracting property owners for the reasonable costs of implementing and administering the contracts.
- D. The city shall maintain a standard form "Urban Agriculture Incentive Zones Contract" approved as to form by the city attorney. A contract entered into pursuant to this chapter must include at least the following provisions:
1. An initial term of at least five years;
 2. A restriction that the property under contract be at least 0.10 of an acre, and not more than 3 acres;
 3. A requirement that the entire property be dedicated to urban agriculture use in accordance with the Urban Agriculture Incentive Zones Act, this chapter, the Planning and Development Code, and the contract;
 4. A prohibition against dwellings on the property during the term of the contract;
 5. Consent to allow periodic inspections of the property by the city manager, the city manager's designee, the county assessor, and the State Board of Equalization, as may be necessary for tax assessment purposes or to determine the property owner's compliance with the contract and the law;
 6. A requirement that the contract be binding upon, and inure to the benefit of all successors in interest to the property owner;
 7. Cancellation provisions in accordance with section 17.722.040;
 8. A requirement that urban agriculture activity must commence on the property within 30 days of execution of the contract;
 9. A requirement that the property owner:
 - a. Notify the planning director in writing of any cessation of urban agriculture use for any reason, including but not limited to cessation due to the loss of a tenant who was conducting urban agricultural uses on the property. This notice must be given within two weeks of the cessation of activity; and
 - b. Resume urban agricultural activity within three months of any such cessation or the city may cancel the contract;

10. A requirement that the property owner defend and indemnify the city from any claims arising from any use of the property;
11. A prohibition of the use of pesticides or fertilizers on the property, except for those pesticides or fertilizers allowed by the United States Department of Agriculture's National Organic Program;
12. A requirement that the property owner comply with all provisions of the Urban Agriculture Incentive Zones Act;
13. A requirement that the property be used in accordance with a water conservation plan approved by the city and that includes best practices for water conservation;
14. A requirement for a metered water service connection or approved water well;
15. A requirement that the property be assessed pursuant to section 422.7 of the Revenue and Taxation Code during the term of the contract;
16. A notification that if the property owner cancels the contract, the city must assess a cancellation fee pursuant to subparagraph (B) of paragraph (2) of subdivision (a) of section 51042 of the California Government Code.

17.722.030 Approval process.

- A. To qualify for the tax assessment specified in section 17.722.020.C, the property owner must file an application on a form provided by the planning director.
- B. The city will review the application and conduct site inspections within 30 days of the date a complete application is filed.
- C. The application and contract may be approved by the city manager or the city manager's designee if it meets all the requirements of the Urban Agriculture Incentive Zones Act, this chapter, and other applicable requirements of the Planning and Development Code.
- D. The application and contract requires city council approval if:
 1. The contract would result in a combined tax revenue loss to the city, County, and other recipients of ad valorem property taxes of more than \$25,000 per year or more than \$125,000 for the term of the contract; or

2. The estimated combined cumulative tax revenue loss to the city, County, and other recipients of ad valorem property taxes for all properties currently under contract is greater than \$250,000 through January 1, 2019.
- F. Appeal. If the city manager or city manager designee denies an application and contract, the denial shall be final unless the property owner files an appeal with the planning director within ten business days of the denial. Notwithstanding section 17.812.060, an appeal shall be to the city council.
 - G. The city manager or city manager's designee shall execute the approved contract upon determination that the property owner has obtained all required approvals for the proposed urban agriculture use. Following final approval of the contract, the city manager or city manager designee shall send written notification to the assessor and to the property owner. Once executed, the property owner shall record the contract against the property. Once the contract is recorded against the property, the assessor will apply the reduced property tax valuation methodology to the property at the next property tax lien date.

17.722.040 Contract cancellation.

- A. The city manager or city manager's designee may cancel the contract upon finding that a property owner is in breach of the terms of the contract. The county assessor and the property owner will be notified of the city's cancellation of the contract.
- B. A property owner may cancel a contract entered into pursuant to this chapter at any time by submitting written notice to the planning director. Upon cancellation of the contract prior to the expiration of its term, the property owner shall record a notice of cancellation of the contract against the property.
- C. If the contract is cancelled by the city or property owner prior to the expiration of its term, the property owner must pay to the county a cancellation fee equal to the cumulative value of the tax benefit received during the duration of the contract plus interest, as determined by the assessor. The city manager or city manager designee may waive payment of all or a portion of the fee, if he or she determines that the cancellation was caused by extenuating circumstances despite the good faith effort by the property owner.

17.722.050 Sunset provision.

The city shall not enter into a new contract or renew an existing contract after January 1, 2019, unless the Urban Agriculture Incentive Zones Act is amended to authorize contracts after that date. Any contract entered into pursuant to the Urban Agriculture Incentive Zones Act and this chapter on or before January 1, 2019 will be valid and enforceable for the duration of the contract.

Adopted by the City of Sacramento City Council on August 6, 2015, by the following vote:

Ayes: Members Ashby, Carr, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Johnson

Noes: None

Abstain: None

Absent: Member Guerra

Attest:

Shirley Concolino Digitally signed by Shirley Concolino
DN: cn=Shirley Concolino, o=City of Sacramento, ou=City
Clerk, email=sconcolino@cityofsacramento.org, c=US
Date: 2015.08.13 13:15:44 -07'00'

Shirley Concolino, City Clerk

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