

Frequently Asked Questions



1. What is AB 551? And what is an Urban Agriculture Incentive Zone (UAIZ)?

AB 551 is a California State Assembly Bill, authored by Assemblymember Phil Ting, which makes it possible for cities and counties to create Urban Agriculture Incentive Zones (UAIZ) in their local jurisdiction. Through these UAIZs property owners with vacant land can receive reduced property taxes in exchange for making the land available for urban agriculture.

General Program Requirements for UAIZ:

- Minimum contract term of 5 years
- Parcels must be between .1 and 3 acres (The City of San Jose only allows UAIZ on parcels between .1 and 1 acre in size)
- The entire property must be devoted to agricultural activities
- The parcel must be located in a zoning district where agriculture is permitted
- Dwelling units are not permitted, any buildings on site must be part of the agricultural use.
- The City of San Jose also requires proof of metered water service on site

2. Are there fees for participating in the UAIZ program?

Yes, both the City of San Jose and Santa Clara County have established their own fees for each of their programs.

- City of San Jose: \$308 per application + fees for recording the contract with the County Clerk Recorder's Office and annual inspection
- Santa Clara County: \$50 per application + fees for recording the contract with the County Clerk Recorder's Office and annual inspection

3. When does the UAIZ program expire?

Currently, UAIZ contracts must be recorded with the county by January 1st, 2019. After this time no new contracts will be permitted; however, this may change because there is an effort at the state level to extend this deadline to January 1st, 2029 (AB 465).

4. How long does a UAIZ contract last for?

The minimum term for a UAIZ contract is five years. Contracts that are canceled or terminated prior to the complete five year term are required to pay a cancellation fee equal to that of the tax revenue lost, including interest.

5. Why doesn't vacant land in Gilroy and Morgan Hill qualify for UAIZ contracts?

The state law defines an urban area as a continually populated area with a minimum of 250,000 people. Gilroy and Morgan Hill do not meet this criteria and therefore properties in South Santa Clara County do not qualify for tax incentives under the proposed law.

6. Will water and electricity be available for farming?

Not all properties will have access to water and electricity on site. It can cost upwards of \$7,500 or more to hook up to the water main if there is not an existing connection. It may be possible to work out an agreement with a neighbor to share access to water. For the City of San Jose it is required for the site to have proof of metered water service, however, access to electricity is not required for UAIZ contracts.

7. Is it possible to apply for agricultural water rates for urban agriculture projects?

Yes, if you are operating an agricultural business and are able to demonstrate proof of sales you can qualify for agricultural water rates. The Santa Clara Valley Water District charges \$21.36 per acre-foot for agricultural water use. Non-agricultural water use is \$894 per acre-foot in the North County and \$356 per acre-foot in the South County.

Contact Laurie Keele with the Santa Clara Valley Water District. There is an application form that you have to complete. If you're approved, they will contact your water provider and tell them you qualify-- they will then pass on the reduced rate to you.

- Laurie Keele, Santa Clara Valley Water District
408-630-2433, Lkeele@valleywater.org

8. How will the recent drought and water shortage in California affect farming?

As of February 1st 2017 there are no longer any drought surcharges in effect for the San Jose Water Company. However, agricultural projects should still make a concerted effort to use best management practices for managing water use.

9. Can I build structures related to urban agriculture use, such as greenhouses, tool sheds, fences, etc.?

Yes. Structures may be built on a property for agriculture-related use. Any structures under 120 sq. ft. are not subject to additional permit review. However, structures over 120 sq. ft. may require further review by the Planning or Building Department. You should contact the appropriate City or County Planning Department to ensure that any new structure complies with local zoning ordinances. Also, be sure to list any and all existing or proposed structures on your site plan when submitting your UAIZ application.

10. How can I find out what properties are available for urban agriculture? If I find a property that I am interested in using for urban agriculture, who do I contact?

You can check with the City of San Jose or County of Santa Clara Planning Departments about vacant land that may qualify for UAIZ. La Mesa Verde of Sacred Heart Community Services has compiled a database of potential properties. Check the website for more information.

La Mesa Verde email contact: urbanagriculture@sacredheartcs.org
Website: Coming Soon!

11. What permits do I need to sell food and plants grown on site? What permits are required for conducting urban agriculture activities?

Growing and selling food is permitted on land zoned residential, commercial, or industrial. Generally selling food refers to whole, uncut fruits and vegetables and is only permitted if you sell onsite. Check with your local jurisdiction regarding additional restrictions with regards to sales. In the City of San Jose some sales activities may be subject to home occupation regulations in residential areas. In unincorporated areas sales are limited to two days per week in residential districts and not more than one weekend day. Transporting crops for sale at markets or restaurants is subject to standard pack regulations and may require additional permitting or licensing.

Permitting depends on the scope of agricultural activity, here are some common permits:

- A business license from the City if you are selling anything (nonprofits are exempt from the fee, but need to fill out the paperwork annually)
- Certified Producer Certificate if you plan to sell at farmers markets
- Nursery License for operating a greenhouse
- For projects involving Aquaponics you are required to get a special use permit
- Egg Handler and Producer permit may be required from CDFA
- In San Jose a permit is required if there are more than 6 chickens on site, Santa Clara County permits up to 12 chickens without a permit in unincorporated areas.
- Operator ID number if using any pesticides (including organic)

Other related links:

Cottage Food Operator Application:

https://www.sccgov.org/sites/cpd/programs/CFO/Documents/CFO_Application.pdf

Health Trust's Guide to Growing, Making and Selling Food in San Jose:

<http://healthtrust.org/wp-content/uploads/2013/10/SJ-Food-policy1.pdf>

12. Can an urban agriculture project have beehives?

Yes, beehives are permitted, however, there are rules and regulations for the number of beehives per parcel as well as the placement of the beehives in proximity to neighboring homes, businesses, and roads.

- City of San Jose: A permit can be issued, but no more than two beehives may be kept on an individual parcel. Hives must be 10 ft. from any property line and at least 50 ft. from any neighboring dwelling units. Permitted beehives must be registered with the Santa Clara County Agriculture Commissioner.
City of San Jose Ordinance. sec. 7.60.510; sec. 7.60.570; Ord. 28079
- Santa Clara County: No beehives shall be moved into the county without written notification to the County Agricultural Commission within five days of being moved. No beehives shall be located within 1,000 ft. of a public school, residence, church, dairy corral or water area in the corral unless the owner of the neighboring property gives written permission to locate the hives at a distance less than 1,000 ft. No bee hive shall be closer than 300 feet from any public road.
Santa Clara County, sec. B29-11 & B29-12 (Ord. No. NS-300.705, § 3, 1-14-03)

13. Is livestock allowed, and if so, what are the rules?

Under the City of San Jose's UAIZ ordinance, only bees and egg-laying chickens are permitted. The County of Santa Clara regulations only allows small animals: up to 12 hens, rabbits, or non-quacking fowl. Roosters are prohibited in both the city and county.

- City of San Jose: A permit is required when keeping 6 or more chickens. Chickens must be kept 20 ft. away from a dwelling unit. Further setbacks may be required for sites with more than 6 chickens.
City of San Jose Ordinance. sec. 7.60.700; Ord. 28079; City of San Jose Ordinance. sec. 7.60.815
- Santa Clara County: Parcels in unincorporated Santa Clara County are allowed to have up to 12 hens, rabbits, or non-quacking fowl without a permit.
County of Santa Clara Ordinance. Chapter VIII, sec. A33-141 - A33-246.

14. What if the landowner wants to sell the land or break the contract?

In the event of a property being sold, the UAIZ contract runs with the land and the new owner would need to determine whether or not they want to break the contract and pay the penalties. The penalty for breaking the contract requires the property owner to pay back the combined tax savings with interest.

If you are operating an urban agriculture project and you are not the property owner it is advisable to enter into a separate contract or lease between yourself and the landowner. This contract would specify the responsibilities that befall each of you individually in executing the terms of the UAIZ contract. The terms of this contract may also include penalties or compensation for early termination of a contract by either party.

15. What if there is a need to temporarily stop agricultural production during the contract?

If the agricultural activity on a UAIZ property is stopped for any reason you are required to notify your respective planning department or government agency within two weeks. Additionally, you are required to resume the agricultural activity within 3 months. Failure to comply with this requirement may result in your contract being terminated.

16. How much of a tax reduction will I receive? Will the amount of property tax savings be the same every year?

The reduction in property taxes can vary since the new assessed value is based on the previous year's per acre value of irrigated cropland in California. The rate may change from year to year, for the most up to date information on the current per acre value of California Irrigated Cropland: <http://www.boe.ca.gov/proptaxes/uaincentivezone.htm>

- For questions regarding the valuation of property contact the Santa Clara County Office of the Assessor, (408) 299-5300.