

Urban Agriculture Incentive Zone - Contract Application

REFERENCE

[Municipal Code Chapter 4.88](#)
[Ordinance No. 29820](#)

TAX BENEFIT ESTIMATE

To discuss the valuation of properties under the Urban Agriculture Incentive Zone Act, contact the Real Property Division of the Santa Clara County Assessor's Office at:

408-299-5300

RP@asr.sccgov.org

TAX BILL QUESTIONS

Contact the Tax Collector's Office at 408-808-7900 concerning questions regarding your tax bill.

TO SUBMIT YOUR APPLICATION

Direct questions concerning the UAIZ program or submit your application package to:

Art Henriques

408-535-6862

Arthur.Henriques@sanjoseca.gov

Contact Art to arrange a meeting time at the 3rd Floor Planning Counter, Monday through Friday.

Planning Division

San José City Hall
200 E. Santa Clara St. FL3
San José, CA 95113
408-535-3555
www.sanjoseca.gov/planning

An Urban Agriculture Incentive Zone (UAIZ) Contract is a contract between the City of San José and a property owner of vacant, unimproved, or blighted property whereby the property owner agrees to keep the property in active agricultural use for a period of five years in exchange for a property tax benefit.

ELIGIBILITY

The property must meet all criteria below to be eligible for a UAIZ contract:

- **Size:** Minimum 0.10 acres (4,356 sq. ft.) and maximum 1 acre (43,560 sq. ft.).
- **Condition:** Land is blighted, unimproved, or vacant; or, was previously blighted, unimproved, or vacant and has been converted to an urban agriculture use.
- **Permissible structures:** No dwellings are allowed. Only structures that are accessory to the urban agriculture activity, such as toolsheds, greenhouses, produce stands, and similar structures may be allowed subject to permit requirements in the Municipal Code.
- **Water service:** The applicant must obtain confirmation from the appropriate water retailer that the property has a metered water service connection or an approved equivalent.
- **Readiness:** Per Municipal Code Chapter 4.88, the property must 1) not have code violations with a record of notice to the property owner of such violations, and 2) must be entirely and exclusively dedicated to Urban Agricultural Use as defined in the Code. Any land use approvals or building permits that are required for the Urban Agricultural Use to commence must be obtained prior to the start of the operation. The urban agriculture use must commence on the subject parcel within 90 days of execution of a UAIZ contract or the contract will be terminated.

Eligibility is subject to verification upon submittal of the application.

COMMON QUESTIONS

Do I need a health permit to sell produce?

You will need to check with the Santa Clara County Environmental Management Department for a permit if you plan to have limited food sales. Call 408-918-3400 for more information.

Can I expect the same amount of property tax savings every year?

No. State law mandates that the Office of the Assessor evaluate each property annually to determine the assessment. Market rates and the property tax rate change annually, which impacts the taxable value of the property. However, in most circumstances, the tax savings from year to year is likely to be relatively consistent.

What happens if the City or I terminate the contract before five years pass? Contracts that are terminated prior to the five-year term will pay a cancellation fee equal to that of the tax revenue lost in all years of the contract plus interest. The fee is calculated by the Office of the Santa Clara County Assessor and payable to the County Tax Collector.

What happens if I sell the property?

A UAIZ Contract is attached to the property. Subsequent owners are bound by the terms and conditions of the UAIZ contract, unless the new owner terminates the contract and pays the cancellation fee. You must notify the City and Santa Clara County Assessor Office of any transfer of ownership. To notify the City, send a letter to the Planning Director. To notify the Assessor's Office, complete a Preliminary Change of Ownership Report (PCOR), available at www.sccassessor.org.

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APPROVAL PROCESS

Step 1: Submit the Application Package. Bring the completed application to the Planning Division public counter at 200 E. Santa Clara Street, 3rd floor. To arrange a meeting to submit the package, contact:

Art Henriques at 408-535-6862

or Arthur.Henriques@sanjoseca.gov

Your application package will be checked for completeness with the submittal requirements. Acceptance of an application does not guarantee approval.

Step 2: City Reviews Application and Evaluates Tax Benefit Limit. The City or the County Division of Agriculture on behalf of the City will review the application for compliance with the eligibility criteria and inspect the site. Staff will determine that the approval of the contract will not result in the following: 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.

Step 3: Contract Execution. If the review process determines that a contract may proceed:

- The City will sign and execute the contract, and inform the applicant to pick up the mutually signed contract.
- The Applicant must obtain notarization of the mutually signed contract and return it to the City.
- The City will have the notarized contract attested by the City Clerk, and will provide the applicant with a copy of the attested contract.

Step 4: Applicant Records Contract, Provides City with a Copy. The applicant must have the attested contract recorded by the Santa Clara County Clerk Recorder. **For properties to receive a property tax reduction in any year, the contract must be recorded by December 31 of the prior year.** The applicant must also deliver or mail a copy of the recorded contract to the City Planning Division, postmarked by December 31, to:

Planning Division
200 E. Santa Clara St. FL3
San José, CA 95113
Attn. Art Henriques

Only when a copy of the recorded contract is mailed back to the City is the contract considered finalized.

Step 5: Begin Agricultural Activity Within 90 Days. If the property is not already used for urban agriculture, the applicant has 90 days from the date of recording to begin agricultural activity. The City or the County Division of Agriculture will inspect the site to verify this requirement. Thereafter, the City or the County Division of Agriculture will annually inspect the site to confirm compliance with

the contract. The City, County Assessor, County Agricultural Commissioner, and the State Board of Equalization all may conduct periodic inspections of the property during the term of the contract to determine compliance with the contract and the law.

FEES

City fee. The San José City Council requires that the Planning Division charge fees to recover costs associated with programs and staff time. The UAIZ application fee is \$308 and is due at the time of submitting the application. The City may adjust fees at any time.

County fees. The Santa Clara County Clerk Recorder will also charge a fee. Additionally, the County Agricultural Commissioner's Office will separately bill for their time to review applications and conduct annual inspections.

SUBMITTAL REQUIREMENTS

Your application must include the following items:

Application Form - The attached form must be completed and include the property owner signature/s.

Contract and Attachments - The standard contract must be signed by the property owner/s and must include these attachments:

- Legal Description of the parcel (within the last 90 days), marked as Exhibit A
- 8.5X11-inch Site Plan, marked as Exhibit B. Show to scale and note specific dimensions of proposed uses of the site areas and show surrounding streets.
- 11X17-inch Site Plan as above; this version is for the Planning Division and will not be part of the county record filing.

Also recommended at the time of submittal:

- Photos of the site, mounted on an 8.5X11 sheet.
- A water retailer's verification that a metered water service connection or an approved equivalent exists and serves the property.

An incomplete application will not be processed. Be sure to fully complete the form and contract, obtain the property owner signature/s, and provide all required information.

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URBAN AGRICULTURE INCENTIVE ZONE - APPLICATION FORM

Please use INK and PRINT clearly OR
use a computer to complete the fillable form found at www.sanjoseca.gov/planning.

1. PROPERTY INFORMATION Click ASSESSOR'S PARCEL NUMBER to open a website to help you determine this data.

ASSESSOR'S PARCEL NUMBER:			
PROJECT NAME <small>IF ANY:</small>			
PROJECT ADDRESS	NUMBER:	STREET:	CITY: San Jose ZIP:
PROJECT LOCATION <small>IF NO ADDRESS:</small>			

1.a. What is the lot size in square feet? _____sq. ft.

1.b. Does the lot have a metered water connection or approved alternative? ☐Yes ☐No

If an alternative, please describe: _____

If no metered connection, have you applied for metered water service and paid the fee? ☐Yes ☐No

1.c. Are there structures on the site? ☐Yes ☐No If yes, be sure each structure is indicated on the required Site Plan.

2. CONTACT INFORMATION

Is the Applicant and Property Owner the same person? ☐Yes ☐No

If more than one property owner, use the Affidavit of Ownership Form to enable further signatures and attach to this application.

APPLICANT NAME:		EMAIL:
FIRM NAME if applicable:		PHONE:
TITLE OR OFFICIAL CAPACITY (partner, president, etc.):		
ADDRESS Number:	Street:	City: State: Zip:
<small>Only if different than Applicant</small> PROPERTY OWNER NAME:		EMAIL:
FIRM NAME if applicable:		PHONE:
TITLE OR OFFICIAL CAPACITY (partner, president, etc.):		
ADDRESS Number:	Street:	City: State: Zip:
Property Owner Signature is required in all cases: <div style="display: flex; justify-content: space-between;"> • SIGNATURE of Property Owner DATE </div>		
Applicant Signature only if different from Property Owner: <div style="display: flex; justify-content: space-between;"> • SIGNATURE of Applicant DATE </div>		

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3. URBAN AGRICULTURE PLAN

3.a. Will the property be used for urban agriculture purposes for a minimum of five years? ☐Yes ☐No

3.b. Describe the proposed urban agriculture uses (e.g., market garden, private community garden, aquaculture, agriculture products, etc.):

3.c. Describe the planned operations, such as construction, irrigation, maintenance, reuse of any accessory building, refuse removal, organic pesticide and fertilizer use:

3.d. List any existing or proposed structures for the site. Be sure to show all existing and proposed structures on the Site Plan with dimensions:

3.e. If an urban agriculture use does not already exist, please describe how you plan to commence urban agriculture operations with 90 days as required by the UAIZ contract?

3.f. Plan for Water Conservation: **Check one**

- ☐ I will only water as consistent with [Chapter 15.10 of the San José Municipal Code](#).
- ☐ I will water with a low-volume (drip) irrigation system, which is not subject to limits on watering days and hours.

Describe additional measures that will be taken to conserve water:
