

Application Packet for Urban Agriculture Incentive Zone Contract

WHAT IS AN URBAN AGRICULTURE INCENTIVE ZONE CONTRACT?

An Urban Agriculture Incentive Zone Contract is a voluntary contract between the City 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 REQUIREMENTS FOR THE PROPERTY

Applications will be accepted for UAIZ Contract if the property meets the following criteria:

- It is at least 0.10 acres (4,356 sq. ft.) and not more than 3 acres (130,680 sq. ft.) in size;
- If it is in a residential zone, parcel must be 1 acre or less, or have approved CUP;
- It is vacant, unimproved, and blighted.
- It was previously blighted, unimproved, or vacant but has been converted to an urban agriculture use;
- It does not include any dwelling units or other buildings;
- The entire property must be dedicated to urban agriculture;
- It includes only structures that are accessory to the urban agriculture activity, such as raised beds and toolsheds;
- It has a metered water service connection or approved water well; and
- Any land use approvals or building permits which are required for the urban agriculture use to commence must have been approved.

Please note that urban agriculture activity must commence on the property within 30 days of execution of a UAIZ contract or it will be terminated.

APPLICATION PACKET CONTENTS

- Instructions (pages 1-3)
- Letter of Agency template (page 4)
To be completed and submitted with application if applicant is not the landowner.
- Application Form (pages 5-6)
Applicant to fill out completely with required attachments.
- Watering Schedule and Conservation Regulations Acknowledgement (pages 7-8)
Applicant to sign acknowledging they understand the regulations.
- Water Quality Best Management Practices Acknowledgement (pages 9-10)
Applicant to sign acknowledging they understand the best practices.
- Contract template (pages 11-21)
Included for reference.
- Frequently Asked Questions (page 22)
- How to Apply for Metered Water Service Connection (page 23)
- Community Food Producer Regulations (page 24)
- Additional Information (page 25)
- Roles & Responsibilities (page 26)

PROCESS FOR APPLICANTS

Step 1: Confirm Eligibility

Confirm that the property meets the eligibility requirements listed on page 1. For questions about your property's water connection, please contact DOUDevelopmentReview@cityofsacramento.org.

If the property does not have a metered water services connection or approved well, the property owner may apply for a metered water connection and encroachment permit, pay the tap fees, and install the metered water connection concurrent with this process. Please reference page 23 for information about how to apply for metered water service connection.

Step 2: Letter of Agency

If the applicant is not the owner of the property, it will be necessary to obtain a signed letter of authorization from the property owner, called a Letter of Agency (see page 4). The property owner should review the Contract template attached to this application packet (pages 11-21).

Step 3: (Optional)

For tax **estimates**, and related questions or to set an appointment to discuss the valuation of properties under the Urban Agriculture Incentive Zone Act please contact the Sacramento County Assessor's Office and ask for staff member(s) assigned to Urban Agriculture Incentive Zone assessments at (916) 875-0700 or ASR-AgriculturalTeam@saccounty.net.

Step 4: Complete Application

The following items must be included in your application submission:

- Completed and signed Letter of Agency (if applicant is not the property owner)
- Completed application form
- Attachments: photos of site and legal description of site
- Signed Watering Schedule and Conservation Regulations Acknowledgement
- Signed Water Quality Best Management Practices Acknowledgement

Submit all documents to planning@cityofsacramento.org.

APPLICATION REVIEW

Step 1: Preliminary Review of Eligibility

The Utilities Department and Community Development Department will conduct a preliminary review of the application and property eligibility.

Applications missing one or more documents are incomplete and cannot be accepted. If the application is incomplete, or the eligibility requirements have not been met, the application will be returned to the applicant by email.

Step 2: Application Processing

If the application is complete and a preliminary determination is made that the property is eligible the application packet is accepted for processing and a file number is initialized and emailed to the applicant.

Planning staff will coordinate with applicant to schedule a site inspection to confirm eligibility. Acceptance of an application does not guarantee approval.

Step 3: Application Processing and Approval

Once the City accepts the application, staff will conduct a site inspection, make a more detailed review of eligibility, and determine that a UAIZ Contract on the property will not result in the following:

- A. The Contract would not 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
- B. 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.

Step 4: Draft Contract

If the application meets the requirements of Steps 1 through 3 above, planning staff will prepare the draft Contract and send a digital copy to the property owner.

Step 5: Contract Signing

The property owner will sign and notarize the Contract, and schedule an appointment to deliver the original signed, notarized Contract to the City of Sacramento Community Development Department at 300 Richards Boulevard, 3rd Floor, Sacramento, CA 95811.

Step 6: Execution of the Contract

If the Community Development Department determines that the Contract is ready for signatures, it is routed through the City's contract approval process. The Contract will not be executed unless all requirements are met.

Step 7: Contract Attestation

The Contract is attested by the City Clerk.

Step 8: County Recordation

Once signed, notarized, and attested, the City will have the Contract recorded by the Sacramento County Recorder by December 31. A Contract may be considered incomplete if all components are not adequately satisfied. For properties to receive a property tax reduction during the following fiscal year, the Contract must be recorded by December 31 of each year. If the property is not already in use for urban agriculture, the property owner has 30 days from Contract signing to begin agricultural activity.

Step 9: Monitoring Compliance with the Contract

The City will conduct an initial site inspection within 30 days of contract execution. If urban agriculture has not commenced, the contract will be cancelled. The property owner is required to notify the City in writing of any cessation of urban agriculture use for any reason, including the loss of a tenant who was conducting urban agriculture uses on the property. This notice must be given within two weeks of the cessation of activity. If urban agriculture is not resumed within 3 months of cessation, the City may cancel the Contract. The City reserves the right to conduct site visits throughout the duration of the Contract.

City of Sacramento
Letter of Agency

If the applicant is not the owner of record of the subject site, a Letter of Authorization from the owner must be submitted with the application which gives the applicant permission to submit an application for an Urban Agriculture Incentive Zone Act Contract.

Date: _____

To: City of Sacramento
Community Development Department
300 Richards Boulevard, Third Floor
Sacramento, CA 95811

I, _____, the undersigned legal owner of record of the parcel located at _____ understand that an Urban Agriculture Incentive Zone Act Contract, if approved, would be attached to my property, and that I would be bound by the terms and conditions of the Contract and obligated to comply with the terms identified in the Contract.

I, the undersigned legal owner of record, hereby grant permission to: _____ (the Applicant) to apply for an Urban Agriculture Incentive Zone Act Contract with the City of Sacramento on my behalf.

Applicant:

Applicant's Address:

Applicant's phone: _____

I, _____, certify that I am the legal owner of record of the subject parcel located at _____, Assessor's Parcel Number _____

Printed Name of Owner of Record:

Address of Owner of Record:

Phone: _____

Urban Agriculture Incentive Zone Application Form

The application deadline is November 1 of each year to receive tax reductions starting in the next fiscal year, beginning on July 1 of the following year.

Application Submittal Checklist

- Letter of Authorization signed by the property owner (unless applicant is property owner)
- Completed application form with attachments
 - Photos of site and all sides of existing structures
 - Legal description of property
- Watering Schedule and Conservation Regulations Acknowledgement
- Water Quality Best Management Practices Acknowledgement

Note: Completing this application does not guarantee approval of an Urban Agriculture Incentive Zone Contract. Submitting an incomplete or incorrect application can result in delays in receiving tax relief benefits.

Application Information

Name of Applicant: _____

Organization: _____

Address: _____

Phone: _____ Email: _____

Address of Property: _____

APN of Property: _____

Applicant is owner of subject property Yes No

If no, provide the following information and complete the attached Letter of Agency (page 4).

Name of Property Owner: _____

Address: _____

Phone: _____ Email: _____

Property Information

Are there structures on the site? Yes No

If yes, please describe and attach labeled photos of each.

1.

2.

3.

4.

Lot Dimensions: _____ Lot Area: _____

Does the parcel have an on-site metered water hook-up?* Yes No

Does the parcel have an approved well? Yes No

Have you applied for a metered water service connection and paid the fee? Yes No

*If the property does not have a metered connection, the applicant may apply for one, pay the tap fees, and install the metered water connection concurrent with this process. A copy of your receipt should be attached to the application packet.

Urban Agriculture Plan

Does the applicant and/or managing party intend to use the property for a minimum of five years for urban agriculture purposes? Yes No

Proposed urban agriculture uses (e.g., market garden, private community garden, aquaculture):

Are there existing urban agricultural uses already onsite? Yes No

If not, what is your plan for commencing urban agricultural operations within 30 days of signing the contract?

Describe the planned or existing urban agriculture operations.

List any structures (toolsheds, aquaculture systems, fences etc.) proposed for the site including proposed dimensions.

Required Attachments

- Photos of site and all sides of any existing structures
- Legal description of the property (you can find this on the grant deed)

Watering Schedule and Conservation Regulations Acknowledgement

WATERING SCHEDULE

The watering schedule applies to all properties receiving water from the City of Sacramento's Department of Utilities, and is subject to change, depending upon whether City Council declares a water shortage and the severity of the water shortage declaration by City Council, as noted in City Code Section 13.04.910.

The watering schedule is as follows:

- **2 days per week: March 1 – October 31**
 - Water yard before 10 a.m. or after 7 p.m. with short watering times
 - ODD number addresses (1, 3, 5, 7, 9) may water on Tuesday and Saturday
 - EVEN number addresses (0, 2, 4, 6, 8) may water on Wednesdays and Sundays
- **1 day per week: November 1 – February 28/29**
 - 1 day per week watering, either on Saturday or Sunday if there are extended dry periods
 - Watering times do not apply

RUNOFF FROM WATERING IS PROHIBITED

As noted in City Code section 13.04.860: "No person shall knowingly or willingly cause or allow any city water applied to any landscaping, including new landscaping, or used for any other irrigation purposes, to flow away as water waste runoff from property owned or occupied by that person."

EXEMPTIONS

Exemptions to the watering schedule apply for:

- **Special landscape areas**, defined as an area used solely for growing edible plants; a landscaped area irrigated solely with recycled water; one or more water features using recycled water; and landscaped areas open to the public that are dedicated to active play, such as parks, sports fields, golf courses, and other playing surfaces.
- **Hand watering** with a watering can or using a hose without an automatic timer.
- **Low volume irrigation**, defined as any irrigation system that applies irrigation water at low pressure through a system of tubing or lateral lines and low-volume emitters such as drip, drip lines, and bubblers with a flow rate measured in gallons per hour, and that is designed to apply small volumes of water slowly at or near the root zone of plants. *This includes but is not limited to properly functioning drip irrigation systems and soaker hoses.*
- **Irrigation of container plants**

- ❑ **Landscape irrigation during a heat wave period**, which is defined as a period of consecutive 100-degree days, beginning on the second consecutive 100-degree day and ending one day after the last consecutive 100-degree day. *100-degree day* means a day when the maximum temperature measured at Sacramento Executive Airport equals or exceeds 100 degrees Fahrenheit. *Day* means the period beginning at 12 a.m. (midnight) and ending 24 hours later.
- ❑ **Establishment of new landscaping**. Irrigation of new landscaping is allowed on any day of the week for a period of 30 days after the new landscaping is planted.

NOTICES OF VIOLATION CAN BE ISSUED FOR THE FOLLOWING:

- ❑ Gutter or Pavement Flooding
- ❑ Flooding Neighbor
- ❑ Watering Wrong Time
- ❑ Watering Wrong Day
- ❑ Leaking or Faulty Water Fixture(s)
- ❑ Washing Vehicle on Wrong Day
- ❑ Washing Vehicle Without Shut-Off Nozzle
- ❑ Washing Down Paved Area, except to alleviate immediate fire, health, or sanitation hazards, or to implement an integrated pest management program
- ❑ Watering within 48 hours of “measurable rainfall (1/8” measured at Sac Exec airport)

OUTDOOR WATER CONSERVATION ORDINANCE

The contents of the Watering Schedule Conservation Regulations Acknowledgment are fully outlined in the Outdoor Water Conservation Ordinance (Article XI of Chapter 13.04 of the Sacramento City Code) but are *not* exhaustive of all regulations within the Outdoor Water Conservation Ordinance. By entering into an UAIZ Contract, you agree to abide by all the regulations in this Ordinance. Please make sure you familiarize yourself with the full Outdoor Water Conservation Ordinance, which can be accessed through this link: https://codelibrary.amlegal.com/codes/sacramentoca/latest/sacramento_ca/0-0-0-26025

ACKNOWLEDGEMENT

Check the box and sign to acknowledge.

- ❑ I have read, understand, and agree to abide by guidelines outlined in this Watering Schedule and Conservation Regulations Acknowledgement form, as well as the entirety of the Outdoor Water Conservation Ordinance (codified at Article XI of Chapter 13.04 of the Sacramento City Code).

Print name

Sign

Date

Water Quality Best Management Practices Acknowledgement

The City of Sacramento complies with the Clean Water Act by regulating activities that could negatively impact urban runoff water quality within the City's municipal stormwater system. Gardens and urban farms can be sources of pesticides, fertilizers, sediment, and other pollutants. Best management practices (BMPs) prevent or reduce the amount of pollution that reaches the drainage system. A detailed guide of BMPs for nurseries and other urban agriculture is available online. <https://ucanr.edu/sites/urbanwatermgmt/files/208722.pdf>.

GENERAL BMPS FOR URBAN GARDENERS

- Prevent pollutants such as fertilizer, pesticides, or organic materials from flowing to storm drains by knowing where your nearest storm drainage connections are located.
- Utilize Integrated Pest Management to reduce the use of chemical pesticides.
 - UC ANR IPM Website: <http://ipm.ucanr.edu/>
- Do not apply pesticides when rain is forecasted in the near future.
- Store pesticides and herbicides in a secure, covered area in clearly labeled containers.
- Rinse empty lawn and garden chemicals containers three times before throwing them away. Each time, pour the rinse water into the applicator and use it in the application of the product or dispose rinse water in a sink. NEVER pour rinse water down a storm drain.
- Apply all garden products sparingly and be sure to follow label directions carefully.
- Dispose unused or left-over garden chemicals at your local hazardous waste center
 - City of Sacramento Household Hazardous Waste Drop Off Location:
<http://www.cityofsacramento.org/Public-Works/RSW/Collection-Services/Household-Hazardous-Waste/HHW-Drop-Off-Facilities>
- Sweep up paved surfaces rather than hosing debris which can end up in gutters.
- Clean up after your pets or farmyard animals! Rain or outdoor water can carry the bacteria from animal waste into local storm drains which flows to creeks and rivers.
- Cover and contain sources of sediment, like stockpiles of soil.
- Do not over-water lawns and gardens. Over-watering can flush large quantities of pesticides and fertilizer directly into storm drains.

More local information and resources are available at the Sacramento Stormwater Partnership webpage. <https://www.beriverfriendly.net>

(Next page: Acknowledgement)

ACKNOWLEDGEMENT

Check the box and sign to acknowledge.

- I have read, understand, and agree to abide by guidelines outlined in this Water Quality Best Management Practices Acknowledgement form.

Print name

Sign

Date

OFFICIAL BUSINESS:

Document entitled to free recording
under Government Code section 27383

Recording requested by and
when recorded return to:

City of Sacramento

Community Development Department
300 Richards Blvd. 3rd Floor
Sacramento, CA 95811
Attn: Amy Yang

URBAN AGRICULTURE INCENTIVE ZONE CONTRACT

This URBAN AGRICULTURE INCENTIVE ZONE CONTRACT (“**Contract**”), dated _____, for purposes of identification only, is by and between the City of Sacramento, a California municipal corporation (“**City**”) and [PROPERTY OWNER] (“**Property Owner**”). The City and Property Owner are sometimes each referred to as “**Party**” and collectively as the “**Parties.**”

Background

In 2013, the State of California enacted the Urban Agriculture Incentive Zones Act (commencing with California Government Code section 51040) (“**UAIZ Act**”), which recognizes the public interest in promoting sustainable urban farming. The UAIZ Act authorizes cities and counties to establish Urban Agriculture Incentive Zones (“**UAIZ**”) for the purpose of entering into voluntary contracts with property owners of vacant, unimproved, or blighted lands within the zone. Through these contracts, property owners can agree to commit their land to urban agriculture for a minimum of five years in exchange for lower property taxes during the term of the contract.

To take advantage of the UAIZ Act, the City, in 2014, adopted Chapter 17.722 of the Sacramento City Code: Urban Agriculture Incentive Zone (the “**Ordinance**”). The Ordinance authorizes the city manager or the city manager’s designees to enter into UAIZ contracts with property owners who agree to commit their land to “**Urban Agriculture,**” as defined in City Code section 17.108.220, subject to the Ordinance, for a minimum of five years in exchange for lower property taxes during the term of the contract.

The Property Owner owns the property located at [ADDRESS (APN #)], in Sacramento, California (the “**Property**”), and further described in Exhibit A, and has asked to enter into a UAIZ contract with the City.

With these Background facts in mind, the City and the Property Owner agree as follows:

- 1. Term.** The term of this Contract (“**Term**”) will run for five years beginning on the Effective Date, unless canceled sooner under Section 5 of this Contract.
- 2. Property Owner Representations.** To induce the City to enter into this Contract, the Property Owner represents and warrants the following:
 - 2.1 Property Size.** The Property is at least 0.1 of an acre, and not more than 3 acres.
 - 2.2 Legal Description.** The legal description in Exhibit A is a true and accurate legal description of the Property.
 - 2.3 Williamson Act.** The Property is not in an area that is currently subject to, or has been subject to within the previous three years, a contract pursuant to the Williamson Act (Cal. Gov’t Code §§ 51200 et seq.).
- 3. Property Owner Responsibilities.** The Property Owner agrees to the following:
 - 3.1 Use of the Property.** Throughout the Term of the Contract, the Property Owner shall dedicate and use the entire Property for Urban Agriculture purposes in accordance with the UAIZ Act, Title 17 of the Sacramento City Code (including the Ordinance), and this Contract.
 - 3.2 Commencement of Urban Agriculture.** The Property Owner shall commence Urban Agriculture on the Property within 30 days of the execution of this Contract.
 - 3.3 Prohibition Against Dwellings.** There shall be no dwellings on the Property throughout the Term of the Contract.
 - 3.4 Government Inspections.** The Property Owner consents to periodic inspections of the Property, upon 72-hours’ notice, 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 this Contract or the law.
 - 3.5 Pesticides and Fertilizers.** The Property Owner shall not use any pesticides or fertilizers on the Property, except for those pesticides or fertilizers allowed by the United States Department of Agriculture’s National Organic Program.
 - 3.6 Water Service.** The Property shall have a metered water service connection or approved water well.
 - 3.7 Water Conservation.** The Property Owner shall use and conserve water in accordance with the City’s Outdoor Water Conservation Ordinance (codified at Article XI of Chapter 13.04 of the Sacramento City Code), as it may be amended from time to time.

3.8 Administration Fee. The City may charge the Property Owner a fee for the reasonable costs of implementing and administering the Contract, including the costs related to inspections on the Property and determining compliance with the Contract. The Property Owner shall pay the fee within 45 days of the City’s request.

3.9 Cessation or Change in Activity.

- (A) The Property Owner shall notify the City’s planning director, in writing, of the following:
 - (1) Any cessation of Urban Agriculture for any reason, including cessation due to the loss of a tenant who was conducting Urban Agriculture on the Property; and
 - (2) Any change in Urban Agriculture activity from that contemplated in the Urban Agricultural Plan (Exhibit B).

Notices under this section must be given within two weeks of the cessation or change in activity.

- (B) The Property Owner must resume Urban Agricultural activity within three months of any cessation.

4. Property Tax. This Contract is entered into under the authority of the UAIZ Act and the Ordinance. Accordingly, the Property shall be assessed pursuant to California Revenue and Taxation Code section 422.7 during the term of this Contract.

5. Cancellation.

5.1 Events of Default. The following events, if not cured within 10 days of the City’s written notice, are “Events of Default”:

- (A) The Property Owner has failed to commence Urban Agriculture on the Property within 30 days of the Effective Date of the Contract;
- (B) The Property Owner has failed to conduct Urban Agriculture on the Property in accordance with the UAIZ Act and Title 17 of the Sacramento City Code (including the Ordinance);
- (C) The Property contains a dwelling;
- (D) The Property Owner has failed to resume Urban Agriculture on the Property after cessation in accordance with Section 3.10(B) of this Contract;
- (E) The Property Owner has failed to allow any inspection as provided in Section 3.5 of this Contract;

- (F) The Property Owner has failed to timely pay the Administration Fee in accordance with Section 3.9 of this Contract;
- (G) The Property Owner has failed to maintain adequate insurance for the Property in accordance with Section 7 of this Contract; or
- (H) The Property Owner has failed to comply with any other provision of this Contract.

Upon the occurrence of an Event of Default, the City may cancel the Contract. The City shall give the Property Owner and the county assessor notice of the cancellation.

5.2 Property Owner Cancellation. Prior to the expiration of the Term, the Property Owner may cancel the Contract at any time by submitting written notice to the planning director and the county assessor. Upon cancellation of the Contract, the Property Owner shall record a notice of cancellation with the Sacramento County Clerk Recorder.

5.3 Cancellation Fee. If the Contract is canceled by the City or the Property Owner prior to the expiration of the 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, as determined by the county assessor, plus interest. The city manager or the city manager's 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.

6. Indemnity. The Property Owner shall defend, hold harmless and indemnify the City, its officers and employees, and each and every one of them, from and against any and all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, costs and expenses of every type and description, including, but not limited to, any fees or costs reasonably incurred by the City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as "Liabilities"), including but not limited to Liabilities arising from personal injury or death, damage to personal, real or intellectual property or the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Contract by the Property Owner, any sub-consultant, subcontractor or agent, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, whether or not (i) such Liabilities are caused in part by a party indemnified hereunder or (ii) such Liabilities are litigated, settled or reduced to judgment; provided that the foregoing indemnity does not apply to liability for any damage or expense for death or bodily injury to persons or damage to property to the extent arising from the sole negligence or willful misconduct of the City, its agents, servants, or independent contractors who are directly responsible to the City, except when such agents, servants, or independent contractors are under the direct supervision and control of the Property Owner.

7. **Insurance.** The Property Owner shall secure adequate liability insurance to cover activities on the Property under this Contract, including coverage for any third parties on the Property.
8. **Miscellaneous Provisions.**
 - 8.1 **Effective Date.** This Contract is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.

DRAFT

8.2 Notices. Any notice required under this Contract or by reason of the application of any law will be deemed to have been given by a Party on the business day immediately following the day of personal delivery to a recognized overnight courier or on the third business day after deposit in the U.S. mail, postage prepaid and addressed as follows:

If to the City:

Tom Pace
Director of Community Development
City of Sacramento
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811

with a copy to:

Amy Yang
Associate Planner
City of Sacramento
Community Development Department
300 Richards Blvd., 3rd Floor
Sacramento, CA 95811
Email: asyang@cityofsacramento.org

If to the Property Owner: [NAME]

[ADDRESS]

Phone:

Fax:

Email:

- 8.3 Entire Contract.** This document, including all Exhibits, contains the entire agreement between the Parties and supersedes whatever oral or written understanding they may have had prior to the execution of the Contract. No alteration to this Contract is valid unless approved in writing by the Parties.
- 8.4 Public Record.** The Property Owner understands that this Contract is a public record under the California Public Records Act and will be disclosed to the public upon request.
- 8.5 Severability.** If any portion of this Contract or the application thereof to any person or circumstance is held invalid or unenforceable, the remainder of this Contract shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
- 8.6 No Waiver.** No failure by the City to insist on the strict performance of any obligation of the Property Owner under this Contract, or to exercise any right power or remedy

arising out of a breach hereof, shall constitute a waiver of such breach or of the City's right to demand strict compliance with any terms of this Contract.

- 8.7 Choice of Law; Venue.** This Contract shall be governed, construed and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Contract shall lie exclusively in the state trial court or federal district court located in Sacramento County in the State of California, and the Parties consent to jurisdiction over their persons and over the subject matter of any such litigation in those courts, and consent to service of process issued by those courts.
- 8.8 Binding on Successors and Assigns.** The covenants, benefits, restrictions, and obligations contained in this Contract shall run with the land and shall be binding upon and inure to the benefit of all successors and assigns in interest of the Property Owner.
- 8.9 Further Assurances.** The Parties, at any time after the execution of this Contract will execute, acknowledge, and deliver any further assignments, conveyances, and other assurances, documents, and instruments reasonably requested by the other party for the purpose of performing the obligations created hereunder.
- 8.10 Third Parties.** This Contract is made and entered into for the sole protection and benefit of the Parties and their successors and assigns, and no other person or entity is a third-party beneficiary of, or has any direct or indirect cause of action or claim in connection with the Contract or any other related document to which that person or entity is not a party.
- 8.11 Attorney's Fees.** The Party prevailing in any litigation concerning this Contract or any documents related to it will be entitled to an award by the court of reasonable attorneys' fees and litigation costs through final resolution on appeal, in addition to any other relief that may be granted in the litigation. If the City is the prevailing party, then this section will apply whether the City is represented in the litigation by the Office of the City Attorney or by outside counsel.
- 8.12 Relationship of the Parties.** Nothing in this Contract should be deemed or construed to create between the Parties a joint venture, partnership, or any other relationship of association other than that described herein.
- 8.13 Authority to Sign.** The person signing the Contract on the Property Owner's behalf represents that he or she is the Property Owner of the Property or is authorized to sign on behalf of the Property Owner and that no further action beyond his or her signature is required to bind the Property Owner to this Contract.

(Signature Page Follows)

CITY OF SACRAMENTO

PROPERTY OWNER

By: _____

Tom Pace

Director of Community Development

For: Howard Chan, City Manager

Date: _____

By: _____

[Signature]

[Print Name]

Title: _____

APPROVED TO AS FORM:

Date: _____

By: _____

City Attorney

ATTEST:

By: _____

City Clerk



PROPERTY OWNER ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

The State of California
County of Sacramento

On _____, before me, _____, personally appeared

_____ who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument—URBAN AGRICULTURE INCENTIVE ZONE CONTRACT—and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[signature]

(This area for official notarial seal)

EXHIBIT A
PROPERTY DESCRIPTION

DRAFT

EXHIBIT B
URBAN AGRICULTURAL PLAN

DRAFT

FREQUENTLY ASKED QUESTIONS

Can I use my backyard as an “agricultural zone” and apply for a contract?

- No. Only properties that have no dwellings on them and are entirely dedicated to agricultural use are possible applicants.

If I apply for an Urban Agriculture Incentive Zones Contract, is the City obligated to enter into the contract?

- No. The City will evaluate each contract application based on the criteria specified in the ordinance.

As a private landholder, why would I want to participate in the Urban Agriculture Incentive Zones Ordinance?

- Land that is under a Contract will be assessed based on the agricultural, not the residential or commercial, value of the land, which could result in a significant reduction in property taxes to the property owner.

How long does the contract last for?

- Contracts will last for five years. Contracts that are canceled or terminated prior to that will pay a cancellation fee equal to that of the tax revenue lost including interest. That fee is based on information provided calculated by the Office of the Assessor.

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

- No. The Office of the Assessor, as mandated by state law, evaluates 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.

Is my contract final once it is approved by the City?

- No. Contract is not considered final until it has been signed by all parties, notarized, recorded by the Sacramento County Clerk/Recorder, and a copy of the recorded contract is on file with the Community Development Department.

When will I see the reduction in my property tax bill?

- For most properties under contract, the property owner will see a reduction in their property tax bill in the fiscal year following the date when they recorded the Contract with the Sacramento County Clerk/Recorder. The absolute deadline to have your Contract recordation completed is December 31st by 3pm to receive any tax benefit for the following fiscal year (July 1- June 30). If the Contract is not recorded by December 31, then you will not receive the tax benefit for another year and a half. Please contact the Sacramento County Tax Collector’s Office if you do not receive your tax bill by dialing (916) 874-6622.

Is there a fee to apply for an Urban Agriculture Incentive Zone Contract?

- The City is not currently charging an application fee (to cover City staff time). However, the applicant will need to cover the cost of notarization.

Do I need a health permit to sell produce?

- At a minimum, you will need to comply with State Community Food Producer regulations. Other permits may be required, depending on what you are selling and where you are selling it. Contact Sacramento County Environmental Management Department at (916) 875-8440 for more information.

HOW TO APPLY FOR WATER SERVICE CONNECTION

1. **Determine if your property has water service.**

Email DOU staff at the following email address to obtain water service information on a specific property: DOUDevelopmentReview@cityofsacramento.org

If there is an existing water service, you will need to request a water service restoration and meter install. This request can be made to DOUDevelopmentReview@cityofsacramento.org. DOU staff will then create and provide an invoice for meter and service restoration. Once payment is made, DOU crews will restore service and install meter (this process may take 3 to 4 weeks).

If the property does not have existing water service, then you will need to continue with the next steps.

2. **Obtain encroachment permit.**

You will need to obtain an encroachment permit for the water service connection to the City's water main. This is a requirement for any work performed within the public right-of-way.

The form to apply for an encroachment permit can be found on this webpage:

https://www.cityofsacramento.gov/public-works/engineering/engineering_services_permits/minor_permits. Select the link to the form titled "Construction Encroachment Permit Application." To submit, follow the instructions on the form.

3. **Hire licensed contractor.**

You will need to hire a license contractor to conduct all the work within the public right-of-way which will include the following:

- a. Expose the City main and have it ready for DOU crews to connect irrigation service to main. Applicant's contractor will be responsible for the excavation and restoration of all impacted public surfaces.
- b. Install a meter box and reducer pressure (RP) device per City standards.

4. **Inspect and install.**

After City inspector has inspected/approved all work and all related fees are paid, he/she will coordinate with Department of Utilities staff to install water meter.

Other Considerations:

1. A minor plumbing permit may be required for all the work beyond the meter and RP device.
 - a. Please email the link below to get information on what kind of permit is required for the proposed garden: ezpermit@cityofsacramento.org
 - b. There will be some fees associated with this and the encroachment permit mentioned above.
2. A site plan for the work within the public right-of-way and the onsite work (work beyond meter and RP device) will be required as part as the application process.
3. This process may take up to 12 weeks, depending on the quality of plans submitted for review and approval.
4. There are fees associated with the options listed above, which change every fiscal year and DO NOT include the work to be performed by contractor.

COMMUNITY FOOD PRODUCER REGULATIONS

On September 26, 2014 the California Legislature amended the Food and Agricultural Code and the Health and Safety Code to authorize a *community food producer* (CFP) to sell or provide whole uncut fruits or vegetables, or unrefrigerated shell eggs, directly to the public, to a permitted restaurant, or a cottage food operation if the Community Food Producer meets all of the requirements in the California Retail Food Code.

The Sacramento County Environmental Management Department enforces the requirements for CFP's and all retail food sales in the Sacramento County, as follows:

- (1) Agricultural products shall be grown or produced in compliance with all applicable federal, state, or local laws, regulations, and food safety guidelines issued by the regulatory agency.
- (2) Agricultural products shall be labeled with the name and address of the community food producer.
- (3) Conspicuous signage shall be provided in lieu of a product label if the agricultural product is being sold by the community food producer on the site of production. The signage shall include, but not be limited to, the name and address of the community food producer.
- (4) Best management practices as described by the Department of Food and Agriculture's Small Farm Food Safety Guidelines, which includes safe production, processing, and handling of both non-potentially hazardous and potentially hazardous foods (see [Small Farm Food Safety Guidelines- CDFA](#)).
- (5) Egg production shall be limited to 15 dozen eggs per month and producer must register as an *Egg Handler* with the Department of Food and Agriculture (see [Egg handler registration](#)).

If you have any questions about CFP's or other foods sold at the retail-level, then contact the Sacramento County Environmental Management Department (EMD) (916) 875-8440.

ADDITIONAL INFORMATION

Additional Applications and Approvals

If applicable, urban agriculture projects must have all necessary use permits prior to applying for an UAIZ contract, otherwise, urban agriculture activity may not be able to commence within the required 30 days. For example, a Zoning Administrator Conditional Use Permit is required for a market garden in a residential zone that is larger than one acre. A UAIZ application cannot be accepted until the CUP is approved.

Deadlines

This Contract must have been signed, accepted, and recorded before the lien date (January 1) for a fiscal year (the following July 1-June 30) for the Property to be valued under the taxation provisions of the Urban Agriculture Incentive Zones Act for that fiscal year.

Termination of the Contract

The City 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.

A property owner may cancel a Contract 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 must record a notice of cancellation of the contract against the property.

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 City 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.

Inspections and Monitoring

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

Transfer of Ownership

A UAIZ Contract is attached to the property. Subsequent owners are bound by the terms and conditions of the UAIZ Contract, and obligated to comply with the terms identified in the Contract unless the new owner terminates the Contract and pays the cancellation fee. The City and County Assessor must be notified of any transfer of ownership. The Assessor's Office should be notified by filling out a Preliminary Change of Ownership Report (PCOR). Visit www.assessor.saccounty.net for a copy. The City may be notified by sending a letter to the Planning Director.

Continuation of the Contract

City will contact the property owner annually to determine that: the agricultural activity continues; the property owner is in accordance with the Contract; any major modifications to the original application are documented; and, any annual fees for the administration of the Contract are paid.

Who can I contact for additional questions?

Email your questions to planning@cityofsacramento.org.

ROLES & RESPONSIBILITIES

Role of the Community Development Department

The Community Development Department reviews the application to determine if the property is eligible and ensures that the agricultural use is consistent with existing zoning regulations. It also separately issues any required use permits or building permits, and processes applications for eligible properties. The Community Development Department accepts eligible applications for Contracts, reviews and approves and executes Contracts, executes all Contracts, and conducts site inspections and monitors compliance with Contract requirements, and terminates non-compliant Contracts.

Role of the Utilities Department

The role of the Utilities Department is to confirm that the property has a metered water hookup or approved well. The Utilities Department also provides the handouts on best management practices for water conservation and water quality.

Role of Sacramento County Assessor

The County Assessor's role is to locate and accurately assess all taxable property in the Sacramento County. Once a Contract has been approved and recorded, the County Assessor will assess the property as an agricultural use as set forth in state law. It is the property owner's responsibility to obtain an estimated valuation from the County Assessor prior to applying for a Contract if they so desire (optional).

Role of Sacramento County Clerk Recorder

The County Clerk Recorder's role is to serve as the official record-keeper of documents such as deeds, liens, maps, and property contracts. Fully executed Urban Agriculture Incentive Zone Contracts must be recorded with the County Clerk Recorder with all recordation requirements fulfilled, such as all required approvals, signatures, recordation attachments, and all applicable recording fees paid. A Contract may be considered incomplete if all components are not adequately satisfied. Once a Contract has been approved and recorded, the Assessor will assess the property as an agricultural use as set forth in state law.

Role of Sacramento County Environmental Management Department

The Sacramento County Environmental Management Department enforces the requirements for Community Food Producers and all retail food sales in Sacramento County.