


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: December 10, 2019

SUBJECT: Fiscal Impact Statement – Urban Farming Land Lease Amendment Act of 2019

REFERENCE: Bill 23-390, Draft Committee Print as shared with the Office of Revenue Analysis on December 9, 2019

Conclusion

Funds are not sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill's implementation will cost \$276,000 in fiscal year 2020 and \$1.1 million over the four-year financial plan period. These funds are required to implement the bill's grant program to promote the growth of urban agricultural in the District. This provision is subject to the inclusion of the necessary funding in an approved budget and financial plan.

Background

In 2015, the Council passed a comprehensive urban farming initiative that includes access to public land for urban farming through a land leasing program and real property tax abatements.¹ The Department of Energy and Environment (DOEE) manages the land lease program and works with the Office of Planning to identify vacant District-owned lands that could be suitable for urban farming. DOEE requires a lessee to test the soil to ensure that it is substantially free of contamination prior to the sale or consumption of the farm's produce. DOEE offers initial and extension terms of five years, but not exceeding fourteen years.

The bill defines "substantially free" of contamination, which is not currently defined, as ensuring that chemical elements found in farming soil tests are within the acceptable parts per million range as

¹ Urban Farming and Food Security Amendment Act of 2014, effective April 30, 2015 (D.C. Law 20-245; D.C. Official Code § 48-401 et seq.).

The Honorable Phil Mendelson

FIS: Bill 23-390, "Urban Farming Land Lease Amendment Act of 2019," Draft Committee Print as shared with the Office of Revenue Analysis on December 9, 2019

identified by the Mayor in regulations. The bill shifts the responsibility for testing soil under the land lease program from the lessee to the District prior to entering into a lease agreement. The bill maintains a prohibition on the sale or consumption of produce from soil that is not substantially free of contamination; however, it does permit a farm to sell produce grown on a site where the soil is not substantially free of contamination if the farming method prevents exposure to the site's soil through the use of other growing methods such as raised beds, greenhouses, or hydroponic towers.

The bill extends these alternative growing method (raised bed, greenhouse, and hydroponic tower) exemptions to private property owners operating an urban farm who receive real property tax abatements² where the site soil is not substantially free of contamination.

The bill also authorizes DOEE's Office of Urban Agriculture (Office) to issue grants to promote urban, indoor and other emerging agricultural practices.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill authorizes the Office to issue grants supporting urban agricultural practices growth in the District. The Office currently has no resources to issue grants and has only one staff member. To run a successful grant program promoting urban agriculture in the District, DOEE would require \$200,000 in grant resources and one staff member to manage the grant program. This additional staff member will cost \$76,000 in fiscal year 2020 and \$319,000 over the four-year financial plan period. DOEE's ability to manage a grant program is subject to the inclusion of this required funding in an approved budget and financial plan.

Urban Farming Land Lease Amendment Act of 2019					
Implementation Costs of Bill 23-390					
Fiscal Year 2020 - Fiscal Year 2023					
(\$000s)					
	FY 2020	FY 2021	FY 2022	FY 2023	Total
Grant Funding	\$200	\$200	\$200	\$200	\$800
Grant Management	\$76	\$78	\$81	\$84	\$319
Total	\$276	\$278	\$281	\$284	\$1,113

The urban farming land lease program and private property tax abatements have budget authority to pay for expenses related to the program and the abatements, up to a statutory cap of \$350,000 for both the abatements and expenses. The bill now requires the District to test soil on District-owned land prior to entering into a lease under the land lease program. DOEE can use the funding allocated under the \$350,000 cap to perform this testing, but it would reduce the amount of funding available to support abatements or other program costs. This provision can be implemented upon the bill becoming law.

² D.C. Official Code § 47-1005.