

AMENDED IN ASSEMBLY JULY 8, 1997

AMENDED IN ASSEMBLY JUNE 23, 1997

AMENDED IN SENATE JUNE 3, 1997

AMENDED IN SENATE MAY 5, 1997

**SENATE BILL**

**No. 1313**

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**Introduced by Senator Leslie**  
(Coauthor: Assembly Member Ducheny)

February 28, 1997

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An act to add Section ~~23010.5 to the Government Code, relating to agricultural~~ *50517.9 to the Health and Safety Code, relating to farmworker* housing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1313, as amended, Leslie. Disaster assistance loans for housing for farmworker households.

~~Under existing law, disaster assistance loans are available to property owners sustaining damage from natural disasters from the California Disaster Housing Repair Trust Fund. Loans of moneys from that fund are administered by the state.~~

~~This bill would permit counties to provide loans to public entities, nonprofit corporations, or owners of property used by farmworker households, for the acquisition, rehabilitation, or construction of housing for farmworker households, if the Legislature makes an appropriation for that purpose. The loans would be at 3% simple interest, secured by a lien on the~~

~~subject property, at a term determined by the county, with a provision permitting deferral of repayment during the first 5 years.~~

*Under existing law, the Department of Housing and Community Development administers the Farmworker Housing Grant Program. Existing law establishes the Farmworker Housing Grant Fund and continuously appropriates this fund to the department to make grants for specified purposes, including, under special conditions, in counties in which a disaster has been declared by the Governor for a specified period of time for farmworker housing and to defray the department's costs in administering the program. These grants may be made to local public entities and nonprofit corporations for the construction or rehabilitation of housing for agricultural employees, as defined, and their families and of related support facilities, among other purposes.*

*This bill would authorize the Department of Housing and Community Development to make loans from the continuously appropriated Farmworker Housing Grant Fund to local public entities, nonprofit corporations, and private property owners to repair, rehabilitate, or replace housing previously used exclusively by migrant farmworker households or unaccompanied migrant farmworker adults which will be used in the future for those purposes, subject to specified terms and conditions, in counties in which a disaster has been declared by the Governor for a period of 12 months after the declaration.*

*This bill ~~would~~ also would appropriate the sum of \$1,000,000 from the Special Fund for Economic Uncertainties to the ~~Controller, for allocation to the County of Yuba~~ Farmworker Housing Grant Fund for allocation to the Department of Housing and Community Development for loans pursuant to ~~this section~~ these provisions and administrative costs, as specified. The bill would provide that the first priority of loans under these provisions would be in Yuba County and that any funds not awarded within 6 months after the effective date of these provisions would be available for use in any county in which the Governor declared a disaster and migrant*



*farmworker housing was damaged or destroyed by the 1997 floods.*

*The bill also would state the intent of the Legislature to provide disaster assistance for farmworkers displaced by the 1997 floods in the most expeditious and fiscally sound manner possible and that the Department of Housing and Community Development administer these provisions in accordance therewith.*

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     ~~SECTION 1. Section 23010.5 is added to the~~  
2     *SECTION 1. Section 50517.9 is added to the Health*  
3     *and Safety Code, to read:*  
4     *50517.9. (a) In enacting this section, it is the intent of*  
5     *the Legislature to provide disaster assistance for*  
6     *farmworkers displaced by the 1997 floods in the most*  
7     *expeditious and fiscally sound manner possible. It is the*  
8     *intent of the Legislature that the Department of Housing*  
9     *and Community Development administer this section*  
10    *accordance with those goals.*  
11    *(b) In counties in which a disaster has been declared*  
12    *by the Governor pursuant to Section 8625 of the*  
13    *Government Code, and for a period of 12 months after the*  
14    *declaration, the department may award funds for the*  
15    *purposes of this section, subject to the following terms*  
16    *and conditions:*  
17    *(1) Loans may be made to local public entities,*  
18    *nonprofit corporations, and private property owners to*  
19    *repair, rehabilitate or replace housing previously used*  
20    *exclusively by migrant farmworker households or*  
21    *unaccompanied migrant farmworker adults, which will*  
22    *be used in the future for those purposes. Loan funds may*  
23    *be used to acquire or lease “manufactured structures”*  
24    *which, for the purposes of this section, means structures*  
25    *subject to Part 2 (commencing with Section 18000) of*



1 *Division 13. Private property owners shall be eligible for*  
2 *loans only to the extent that other federal and state*  
3 *resources, private insurance proceeds, or private*  
4 *institutional lending sources are not available in a timely*  
5 *manner or do not provide the coverage needed to*  
6 *rehabilitate or reconstruct the housing without*  
7 *increasing the rent above that charged for the units prior*  
8 *to the disaster.*

9 (2) *The department may enter into contracts directly*  
10 *with nonprofit corporations, local public entities, or*  
11 *private property owners to carry out the activities*  
12 *authorized by this section.*

13 (3) *Loans made under this section shall be secured by,*  
14 *and subject to, security instruments approved by the*  
15 *department, including, but not limited to, real property*  
16 *leases or liens, regulatory agreements, and liens on*  
17 *manufactured structures. The department shall establish*  
18 *loan terms and conditions with consideration to the*  
19 *financial feasibility and prudent operation of the housing*  
20 *units financed. In no event shall the loans require interest*  
21 *at a rate higher than three percent simple interest or have*  
22 *a term longer than the useful life of the housing units.*  
23 *Repayments may be deferred for the first five years of the*  
24 *loan term, if the department determines that it is*  
25 *necessary for fiscal integrity or to prevent foreclosure.*

26 (4) *In making any loan, the department shall require*  
27 *that the borrower meet all of the following conditions:*

28 (A) *The borrower shall be capable of providing*  
29 *occupancy in decent, safe and sanitary housing that meets*  
30 *all of the requirements of law within six months after the*  
31 *award of funds.*

32 (B) *The borrower shall demonstrate the financial*  
33 *feasibility of the project.*

34 (C) *Prior to disbursement of funds, the borrower shall*  
35 *identify the property on which the housing will be*  
36 *repaired, rehabilitated or replaced, and provide*  
37 *information satisfactory to the department related to the*  
38 *costs and sources of funding necessary to complete the*  
39 *repairs, rehabilitation or replacement. All costs shall be*



1 reasonable, considering the necessity of expeditious  
2 rehabilitation or replacement.

3 (5) Priority for use of the funds shall be given to  
4 borrowers who will provide housing at the earliest date.

5 (6) All units assisted under this section shall remain  
6 affordable to low and very low income households for the  
7 life of the project. For the 1997–98 growing season,  
8 farmworkers who previously occupied the damaged or  
9 destroyed housing shall have first priority to occupy any  
10 unit assisted under this section.

11 (7) If units assisted under this section are built or  
12 rehabilitated in the same natural disaster zone as the units  
13 damaged or destroyed by the disaster, the borrower shall  
14 maintain disaster insurance on the units for the useful life  
15 of the units. For purposes of this section, “disaster  
16 insurance” means fire, earthquake, flood, or other  
17 insurance against the natural disaster that damaged or  
18 destroyed the housing units.

19 (8) To the extent that any housing unit that was  
20 damaged or destroyed in reconstructed under this section  
21 with substantially the same number of units, it shall be  
22 deemed to be “existing housing” for the purposes of  
23 subdivision (d) of Section 37001.5.

24 (9) The department may waive any requirements of  
25 Section 50517.5 and any regulations promulgated  
26 thereunder which are inconsistent with prompt and  
27 effective implementation of the program described in  
28 this section. In addition, any rule, policy, or standard of  
29 general application employed by the department in  
30 implementing the provision of this section shall not be  
31 subject to the requirements of Chapter 3.5 (commencing  
32 with Section 11340) of Part 12 of Division 3 of Title 2 of the  
33 Government Code. Awards of funds made pursuant to  
34 this section shall not be subjected to review or approval  
35 by the Local Assistance Loan and Grant Committee of the  
36 department operating pursuant to subchapter 1  
37 (commencing with Section 690) of Chapter 6.5 of Title 25  
38 of the California Code of Regulations.

39 SEC. 2. The sum of one million dollars (\$1,000,000) is  
40 hereby appropriated from the Special Fund for



1 *Economic Uncertainties to the Farm Worker Housing*  
2 *Grant Fund established pursuant to subdivision (b)*  
3 *Section 50517.5 of the Health and Safety Code, for the*  
4 *following purposes:*

5 (a) *Not less than nine hundred fifty thousand dollars*  
6 *(\$950,000) shall be allocated by the Department of*  
7 *Housing and Community Development for loans*  
8 *pursuant to Section 50517.9 of the Health and Safety*  
9 *Code.*

10 (b) *Not more than fifty thousand dollars (\$50,000)*  
11 *shall be used by the Department of Housing and*  
12 *Community Development for its costs of administering*  
13 *the program in Section 50517.9 of the Health and Safety*  
14 *Code.*

15 (c) *First priority for loans shall be in Yuba County. Any*  
16 *funds not awarded within six months after the effective*  
17 *date of this measure shall be available for use in any*  
18 *county in which the Governor declared a disaster and*  
19 *migrant farmworker housing was damaged or destroyed*  
20 *by the 1997 floods.*

21 ~~Government Code, to read:~~

22 ~~23010.5. A county in which a disaster has been~~  
23 ~~declared by the Governor pursuant to Chapter 7~~  
24 ~~(commencing with Section 8550) of Division 1 of Title 2,~~  
25 ~~for a period of 12 months from the date of that~~  
26 ~~declaration, may provide loans to public entities,~~  
27 ~~nonprofit corporations, or owners of property used by~~  
28 ~~farmworker households, for the acquisition,~~  
29 ~~rehabilitation, or construction of housing used exclusively~~  
30 ~~by farmworker households, if the Legislature makes an~~  
31 ~~appropriation for that purpose. Loans shall be made at the~~  
32 ~~rate of 3 percent simple interest and shall be secured by~~  
33 ~~a lien against the subject property. The county shall~~  
34 ~~establish the term of the loan, and may allow payment to~~  
35 ~~be deferred during the first five years of the loan term.~~  
36 ~~The county shall remit to the Controller, for deposit in the~~  
37 ~~General Fund, all money from repayment of loans~~  
38 ~~pursuant to this section.~~

39 ~~SEC. 2. The sum of one million dollars (\$1,000,000) is~~  
40 ~~hereby appropriated from the Special Fund for~~



1 ~~Economic Uncertainties to the Controller, for allocation~~  
2 ~~to the County of Yuba, for loans to replace or repair~~  
3 ~~farmworker housing damaged or destroyed by the 1997~~  
4 ~~floods, in accordance with Section 23010.5 of the~~  
5 ~~Government Code. The County of Yuba may use up to 5~~  
6 ~~percent of the appropriation to meet its necessary and~~  
7 ~~actual expenses in the prudent management of these~~  
8 ~~funds and to assure that the amount appropriated for~~  
9 ~~loans will be repaid to the Controller.~~

10 SEC. 3. This act is an urgency statute necessary for the  
11 immediate preservation of the public peace, health, or  
12 safety within the meaning of Article IV of the  
13 Constitution and shall go into immediate effect. The facts  
14 constituting the necessity are:

15 The state and the County of Yuba have determined  
16 through assessments and surveys of flood areas that over  
17 250 farmworker housing units in the county were  
18 destroyed by the recent disastrous and extensive flooding  
19 that occurred due to the levee break on the Feather  
20 River. The county's agricultural industry is facing an  
21 economic crisis due to the severe shortage of farmworker  
22 housing necessary to retain a sufficient work force for this  
23 year's agricultural season. In order to promptly secure the  
24 temporary farmworker housing units needed to house  
25 the work force required by the agricultural industry in  
26 Yuba County for this year's agricultural season, it is  
27 necessary that this act go into immediate effect.

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