

HOUSE BILL REPORT

HB 2362

*As Reported By House Committee on:
Housing*

Title: An act relating to housing for farmworkers.

Brief Description: Creating a farmworker housing assistance trust fund.

Sponsor(s): Representatives Prentice, Winsley, Nelson, Anderson, Grant, Locke, Jacobsen, Wineberry, Brekke and Leonard.

Brief History:

Reported by House Committee on:
Housing, February 7, 1992, DPS.

**HOUSE COMMITTEE ON
HOUSING**

Majority Report: *The substitute bill be substituted therefor and the substitute bill do pass.* Signed by 7 members: Representatives Nelson, Chair; Franklin, Vice Chair; Mitchell, Ranking Minority Member; Winsley, Assistant Ranking Minority Member; Ballard; Leonard; and Ogden.

Staff: Kenny Pittman (786-7392).

Background: Agriculture is a major industry in the state of Washington. The harvesting of labor intensive crops, such as apples, cherries, and asparagus, requires a large number of farmworkers. In the past, the majority of the labor force consisted of farmworkers that came to the state of Washington from other states. Today a growing percentage of the labor force lives within the state of Washington, but not within commuting distances to the job site.

Historically, individual growers provide the bulk of the housing for farmworkers hired to harvest their crops. Increased demand for labor to harvest labor intensive crops has caused the demand for farmworker housing to exceed the available supply. The other problem exists for many growers that provide housing, but it is in need of improvement.

The state's Housing Assistance Program, formerly the housing trust fund, was created to assist the state in meeting the housing needs of low-income and special needs households in

urban and rural areas of the state. The present funding source for the Housing Assistance Program can not be used for rent, operating, and mortgage subsidies. Growers are not eligible to receive funding through the Housing Assistance Program.

Summary of Substitute Bill: The Farmworker Housing Assistance Program is created in the Department of Community Development. The purpose of the Farmworker Housing Assistance Program is to finance projects, in whole or in part, that provides housing for very low-income farmworker households.

"Very low-income farmworker household" is defined as a migrant and seasonal farmworker household with an income that is at or below 50 percent of the median income, adjusted for household size, for the county where the project is located.

The Department of Community Development is authorized to provide financial assistance in the form of either a loan or grant. Financial assistance is limited to local governments, public housing authorities, public or private nonprofit corporations, and growers that rehabilitate existing grower-provided housing.

Activities eligible for assistance under the Farmworker Housing Assistance Program are limited to:

1. Rent, or operating subsidies in new construction or rehabilitated farmworker housing centers or housing units for very low-income farmworkers;
2. Mortgage subsidies for new construction or rehabilitation of farmworker housing centers or multifamily units for very low-income farmworkers; and
3. Rehabilitation of grower-provided housing that is affordable to very low-income farmworkers.

The Department of Community Development is directed to have at least an annual funding round to award funds to eligible organizations and eligible growers. The Department of Community Development, in consultation with the Low-Income Housing Assistance Advisory Committee, must develop criteria to evaluate applications for assistance.

All projects financed through the Farmworker Housing Assistance Program must contain provisions that protect the state's financial interest. These provisions include, but are not limited to: (a) requiring a share of the appreciation in the project in proportion to the state's

contribution; (b) requiring a lump-sum repayment of the loan or grant upon sale or change of use of the project; or (c) requiring a deferred payment of principal or principal and interest on the loan.

A farmworker housing assistance trust fund is created in the state treasury to fund the operation of the program. The trust fund shall include revenue from legislative appropriations, private contributions, repayments of loans, and other sources as identified by the Legislature.

Counties, cities and towns are authorized to adopt construction and energy code standards to be used for farmworker housing. The state Building Code Council must, by July 1, 1993, develop construction and energy code standards for farmworker housing based on the following conditions: (a) the building or structure is occupied on a seasonal basis, not to exceed six months per year; (b) the building or structure is occupied only by migrant or seasonal farmworkers and their families as part of their employment; and (c) the building or structure will not pose a threat to the life, health, or safety of the occupants.

Substitute Bill Compared to Original Bill: The substitute bill limits activities eligible for assistance to rent and operating subsidies, mortgage subsidies, and loans to growers to rehabilitate existing farmworker housing. The state Building Code Council is directed to develop construction and energy code standards for the construction of housing that is occupied by migrant or seasonal farmworkers. An appropriation of \$500,000 is provided to the farmworker housing assistance trust fund.

Fiscal Note: Requested February 7, 1992.

Appropriation: \$500,000 from the general fund.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill is a step in the right direction. There is a documented need for safe and sanitary housing for migrant and seasonal farmworkers. The problem facing anyone wanting to provide housing for farmworkers is the lack of funds for rent and operating subsidies. Growers that provide housing for their workers need a source of long-term, low-interest loans to rehabilitate the housing they provide.

Testimony Against: The problem could be solved by using portable housing on a temporary basis. The farmer and farmworkers would pay for the use of it.

Witnesses: Representative Prentice, sponsor (pro); Mark Triplett, Washington Horticulture Association (pro - with concerns); Rebecca Smith, Evergreen Legal Services (pro); Mike Piper, Department of Community Development (pro); Tomas Villanueva, United Farmworkers of Washington State (pro - with concerns); Jackie McFayden, Association of Washington Cities, (pro); Arnold Fox, Washington Apartment Association (pro); and Paul Locke (con).