

Date of Hearing: June 14, 2017

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT  
Cecilia Aguiar-Curry, Chair  
SB 240 (Dodd) – As Introduced February 6, 2017

**SENATE VOTE:** 35-1

**SUBJECT:** County service areas: farmworker housing: County of Napa.

**SUMMARY:** Increases the maximum annual assessment that may be levied on vineyards in Napa County to support the County's farmworker housing. Specifically, **this bill:**

- 1) Increases, from \$10 to \$15 per planted vineyard acre, the amount that the Napa County Board of Supervisors (BOS) may levy, pursuant to Proposition 218 procedures, as an annual assessment for the purposes of the county service area (CSA) formed in Napa County for the sole purpose of acquiring, constructing, leasing, or maintaining farmworker housing.
- 2) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique nature of the agricultural and winemaking industries in the County of Napa and the need to ensure adequate farmworker housing to support those industries.

**EXISTING LAW:**

- 1) Limits, pursuant to Proposition 218, local agencies' powers to impose taxes, levy assessments, and charge fees, and requires local agencies to follow specified procedures when doing so.
- 2) Provides for the formation, powers, services and facilities, financing, and revenues of CSAs as a means to finance and provide needed public facilities and services to the residents and property owners of unincorporated areas.
- 3) Authorizes Napa County to form a CSA for the sole purpose of acquiring, constructing, leasing, or maintaining, or any combination thereof, farmworker housing, and provides that only a CSA formed in Napa County may exercise this specific authority.
- 4) Allows the Napa County BOS to levy an annual assessment not to exceed \$10 per planted vineyard acre for the purposes of Napa County's farmworker housing CSA. Napa County must follow Proposition 218 procedures in levying this assessment, as specified. This annual assessment may remain in effect for a period not exceeding five years, and may be reauthorized for additional five-year periods, pursuant to Proposition 218 procedures.
- 5) Prohibits any assessment levied for Napa County's farmworker housing CSA from being imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel.
- 6) Allows the Napa County BOS to allocate the proceeds of the annual assessment, as it deems appropriate, for any or all of the following purposes:

- a) Acquiring farmworker housing;
  - b) Building farmworker housing;
  - c) Leasing farmworker housing; or,
  - d) Providing maintenance or operations for farmworker housing owned or leased by the Napa Valley Housing Authority or another public agency whose principal purpose is to develop or facilitate the development of farmworker housing in Napa County.
- 7) Requires the Napa County BOS to appoint an advisory committee that includes, but is not limited to, farmworkers and planted vineyard land owners or agents to advise and counsel the BOS on the allocation of the proceeds of the annual assessment.
  - 8) Requires the Napa County BOS, in ascertaining parcels to be included in the CSA, to use data gathered by the Napa County Flood Control and Water Conservation District.
  - 9) Requires vineyard property owners who present proof to the BOS that they are providing housing for their own workers to be exempt from the assessment.
  - 10) Requires the Napa County BOS and the advisory committee to audit the programs receiving the proceeds of the allocation every two years and make recommendations for changes.

**FISCAL EFFECT:** None

**COMMENTS:**

- 1) **Bill Summary.** This bill increases, from \$10 to \$15 per planted vineyard acre, the amount that the Napa County BOS may levy, pursuant to Proposition 218 procedures, as an annual assessment for the purposes of the CSA formed for the sole purpose of acquiring, constructing, leasing, or maintaining farmworker housing in Napa County. This bill is sponsored by the Napa Valley Vintners.
- 2) **Proposition 218.** Voters in 1996 approved Proposition 218, which limits local agencies' powers to impose taxes, levy assessments, and charge fees. The Legislature implemented Proposition 218 via SB 919 (Rainey), Chapter 38, Statutes of 1997, which specified procedures local agencies must follow when imposing property assessments. Local agencies must send notices to the affected property owners explaining the proposed assessments, including an assessment ballot. At a public hearing, local officials calculate the supporting and opposing ballots, based on the value of the proposed assessment. If a majority of the weighted ballots oppose or "protest" the assessment, proceedings stop.
- 3) **CSAs.** CSAs are the most common type of special district in California, with roughly 900 CSAs in existence statewide. A county BOS always governs a CSA, which can provide any service that the county provides, or a higher level of service, to an unincorporated area. CSAs deliver additional, tailored county services to specific geographic areas. CSAs provide a wide range of services and facilities, including animal control, libraries, police protection, snow removal, weed abatement, and emergency medical services.

- 4) **Napa County's Farmworker Housing CSA.** Napa County's economy is based largely on its more than \$400 million agriculture industry, the value of which arises almost exclusively from its wine grape crops. This creates a massive demand for farmworkers in the county, and a related need for housing to support these workers.

AB 1550 (Wiggins), Chapter 340, Statutes of 2001, authorized Napa County to establish a CSA for the sole purpose of acquiring, constructing, leasing, or maintaining farmworker housing. The bill was necessary because CSA law otherwise stipulates that land devoted primarily to agricultural uses and being used for commercial production may be included in a CSA only if that land is contiguous to other land within the CSA. Napa County wished to form a CSA that would include all the vineyards in the county, which are not contiguous. AB 1550 was a unique arrangement for Napa County, and specifically stated that its provisions were limited exclusively to Napa County's CSA.

AB 1550 allowed the Napa County BOS to impose an annual assessment of up to \$10 per planted vineyard acre to fund the CSA, following the procedures required under Proposition 218 and its implementing statutes. AB 1550 limited the original assessment to a five-year period, but authorized the BOS to seek an extension of the assessment every five years thereafter. Proposition 218 requirements must be followed every time the assessment is extended. AB 1550 placed additional requirements upon the BOS, including requirements to:

- a) Appoint an advisory committee that consists of farmworkers and planted vineyard land owners to advise and counsel the BOS on the allocation of the proceeds of the assessment;
- b) Use data gathered by the Napa County Flood Control and Water Conservation District to identify the parcels to be included within the boundaries of the CSA;
- c) Allow vineyard property owners that present proof to the BOS that they are providing housing for their own farmworkers to be exempt from paying the assessment; and,
- d) Audit and provide recommendations to the programs receiving funding every two years, in concert with the advisory committee.

The Napa County BOS adopted an ordinance in 2002 to create CSA No. 4 and, with the approval of the affected property owners, levied a \$10 assessment per acre of planted vineyard. This assessment was renewed by the landowners in 2007 and 2012 and raises approximately \$448,000 annually. Since 2012, the program has provided housing to more than 50,000 farmworkers every year.

- 5) **Napa County's Farmworker Centers.** Napa County's farmworker centers are different from other farmworker centers in California. State-owned centers are family-style units that are open only 180 days each year during the growing season. In comparison, Napa County's centers are dorm-style operations that cater to single male residents year-round, as the agricultural workforce is needed year-round in the Napa region. Each of the three Napa farmworker centers houses 60 migrant and non-migrant workers in dorm-style accommodations of two renters per room.

The farmworker housing program is a partnership with the County, farmworkers, industry stakeholders, and the local community and is the only such farmworker housing program that exists solely through the County and local business community. All expenses for current operations are paid for through the partnership of approximately \$210,000 annually from the Napa County Housing Authority, funding from the CSA assessment, and the farmworkers' daily rent. For \$13 per day, workers receive the following:

- a) An overnight bed;
- b) Three meals a day (except Sunday);
- c) A common recreation area with TV, pool tables, and a library;
- d) Access to onsite laundry facilities; and,
- e) Access to pay phones and computers.

The centers also provide opportunities for farmworkers to participate in community gardens, health screenings, and literacy programs.

- 2) **Author's Statement.** According to the author, "Funding collected by CSA No. 4 has maxed out at \$448,000 annually while costs to maintain Napa County's three farmworker housing centers have increased. Napa's farmworker housing program is unique in that it combines funding from the County, farmworkers, industry stakeholders and the community. Despite this partnership the County reports that the rate of inflation and rising costs have created an annual deficit of \$250,000-\$300,000, leaving the farmworker centers without reserves for capital needs.

"The farmworker housing programs are no longer able to cut additional costs to sustain the program and the assessment cap must be increased to sustain this vital source of farmworker housing. As costs have outpaced incoming revenue, the program is no longer sustainable under the current \$10 assessment. Allowing for the voters to increase the assessment amount to \$15 per acre will empower the County to run the program without a decrease in service."

- 3) **Related Legislation.** AB 317 (Aguiar-Curry) establishes the Napa County Farmworker Centers Account within the Department of Housing and Community Development (HCD) to assist in the financing, maintenance, and operation of the Napa County Housing Authority's (NCHA) Farmworker Centers. AB 317 requires HCD to award up to \$250,000 in matching funds to the NCHA upon demonstration that the NCHA is capable of continuing to effectively serve the housing needs of migrant or other farmworkers, and requires the NCHA to provide equal or greater funds from local sources. AB 317 is pending in the Senate Rules Committee.
- 4) **Arguments in Support.** The Napa Valley Vintners, sponsor of this bill, write, "SB 240, combined with Assembly Member Aguiar-Curry's AB 317, will allow for Napa County's one-of-a-kind farmworker housing program to be sustainable well into the future. In our estimation, the State of California should be encouraging other agricultural regions to adopt a similar program to take care of their farmworkers, thereby allowing the State's limited resources to be stretched much farther. This should be a model for California."

5) **Arguments in Opposition.** None on file.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Napa Valley Vintners [SPONSOR]  
California Farm Bureau Federation  
Family Winemakers of California  
Napa County Board of Supervisors  
Napa County Farm Bureau  
Napa Farmers Guild  
Napa Valley Grapegrowers  
Napa Valley Transportation Authority  
Winegrowers of Napa County

**Opposition**

None on file

**Analysis Prepared by:** Angela Mapp / L. GOV. / (916) 319-3958