



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

Department Name: CEO  
Department No.: 012  
For Agenda Of: 3/13/07  
Placement: Departmental  
Estimated Tme: 20 minutes  
Continued Item: Yes  
If Yes, date from: 2/6/07  
Vote Required: 4/5

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**TO:** Board of Supervisors  
**FROM:** Department Ron Cortez, Deputy CEO  
Director(s)  
Contact Info: Bill Gillette, Ag Commission 681-5600  
John Baker, Director, Planning & Development Dept. 568-2085  
**SUBJECT: Loans Programs/Expedited Permitting to Assist in Freeze Disaster Recovery**

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**County Counsel Concurrence**

As to form: N/A

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

Recommend that the Board of Supervisors accept and file this report on availability of freeze recovery loan programs to County farmers and provide staff with direction for facilitating program participation and expedited permit processing as appropriate.

**Summary Text:** Per Board of Supervisors direction on February 6, 2007, County staff explored the feasibility of a short term agricultural loan program for farmers who suffered severe crop damage as a result of the January 2007 freeze.

**1. Loan Program Alternatives** – Because of the ‘time is of the essence’ nature of the availability of loan programs for the County’s farmers, staff’s initial efforts on this issue were devoted to developing a County-subsidized ‘gap’ financing program. The purpose of the ‘gap’ program was to provide temporary funding to affected farmers until viable long-term emergency loan programs were established by the Federal and State agencies.

Due to the acceleration of efforts by both the Federal and State governments, emergency loan programs were recently announced and are now available as sources of emergency funding as follows:

**a. Federal** – The U.S. Department of Agriculture through the Farm Services Agency in Santa Maria has low interest rate loans available to those that qualify. To qualify, farmers must have applied and been turned down for loans from at least two commercial lending institutions. To date, the Farm Services agency has had numerous inquiries and has held workshops to help with

the application process. Since this program is now available to area farmers, this alternative appears to be a viable source of emergency financing.

**b. State** – The California Business, Transportation and Housing Agency is currently accepting applications through its Small Business Disaster Assistance Loan Guarantee Program. To be eligible, the applicant must be engaged in the production of food or fiber, or ranching and raising livestock, as well as nurseries and agriculture related enterprises. In addition, the applicant must not be able to obtain credit on their own, similar to the U.S.D.A. program. This program is now available.

In order to avoid duplicative effort and the expense involved in implementing an alternative County loan program, and to expedite the availability of loan funds, staff proposes that the County work with local farmers to facilitate utilization of the loan programs already available. The time necessary to develop and negotiate a County loan program would serve to delay the timely availability of loan funds.

To ensure awareness of existing programs, the County would implement a public information effort targeted at local farmers utilizing a combination of newspaper ads, government cable TV, press coverage, and/or direct mail. In addition, the County would offer personal assistance to applicants navigating their way through the loan application process.

**2. Expedited Permitting** - An issue in addition to crop damage that has affected several growers in the Carpinteria area concerns the need to rebuild certain structures integral to continued farming operations that suffered wind damage. Because time is of the essence in rebuilding these structures, the Planning and Development Department will provide an expedited permitting process. P&D proposes to meet with those parties who have had structures impacted by the weather conditions and develop a mutually agreed upon schedule for expediting the processing of the necessary planning and building permits.

**Background:**

Governor Schwarzenegger has declared a natural disaster in specific California counties (including Santa Barbara County) due to the extremely low temperatures and freezing conditions during the period of January 6, 2007 through January 19, 2007. An undetermined number of farmers in both the northern and southern parts of Santa Barbara County have been adversely affected by the freeze (damage to crops and structures) and may be in need of working capital loans or other loan assistance. In the case of the County's smaller farming operations, the timeliness of loan availability becomes critical due to the unique working capital needs of small businesses.

**Performance Measure:** Quality of Life: A High Quality of Life for All Residents

**Fiscal and Facilities Impacts:**

Budgeted: No

**Fiscal Analysis:**

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			\$ 10,000.00
State			
Federal			
Fees			
Other:			
<b>Total</b>	\$ -	\$ -	\$ 10,000.00

**Narrative:** The County’s role would consist of ensuring that all potentially affected farmers are informed of the available Federal and State emergency loan programs. The County would also offer assistance to farmers during the application process.

**Staffing Impacts:**

**Legal Positions:**  
N/A

**FTEs:**  
N/A

**Authored by:** John Torell, Director, HCD