2018 Farmworker Housing Study and Action Plan for Salinas and Pajaro Valleys

2018 Estudio y Plan de Acción de la Vivienda para los Trabajadores Agrícolas en los Valles de Salinas y Pajaro
Welcome
Why the Study?

Mayor Joe Gunter, City of Salinas

Alfred Diaz-Infante, President/CEO, CHISPA

Carolyn O’Donnell, Director of Communications, California Strawberry Commission
Existing Conditions and Housing Need
Farmers, Farmworkers and the Housing Crisis of the Salinas-Pajaro Laborshed

• Don Villarejo, Ph.D.
• Consultant for the California Institute for Rural Studies
• April 19, 2018
• Regional Forum: Farmworker Housing Study and Action Plan for Salinas Valley and Pajaro Valley
• Salinas, California
10-Year Trends in Farm Production and Employment in the Salinas-Pajaro Laborshed

• Farm production increased substantially.
• Changes in farm production were uneven among the principal commodities.
• Correspondingly, farm labor demand increased significantly.
• The number of resident farm workers increased.
Total Value of Farm Production, 2014-16 Average
Salinas-Pajaro Valleys, Total = $5.2 billion (2016 $)

- Vegetables: $3,169,852,022
- Fruit: $1,526,299,316
- Floriculture & Nursery: $417,220,632
- Other agriculture: $108,012,518
Growth of Total Farm Production (adjusted 2016 $), Salinas-Pajaro Valleys, 3-year averages (2004-06 to 2014-16)

- Monterey County: 12.4%
- Santa Cruz County: 22.6%
- Salinas-Pajaro Valleys: 13.6%
Growth of Production: Commodity Group (adjusted 2016 $)
Salinas & Pajaro Valleys, 2004-06 to 2014-16

Vegetables: 12.5%
Fruit: 37.2%
Floriculture & Nursery: -11.1%
Monthly Employment, Agricultural Workers, by Type of Employer, Monterey & Santa Cruz Counties
3-year average (2014-16)
Annual Average of Monthly Employment, Agricultural Workers, Monterey & Santa Cruz Counties, 2005-2016
Summary: Agricultural Employment: Monterey and Santa Cruz Counties

• Peak employment, July (3-year average, 2014-2016): 80,714

• Annual average of monthly employment, full-time-equivalent (3-year average, 2014-2016): 60,837

• Increase of full-time-equivalent employment, 3-year averages, 2005-2007 to 2014-2016: +11,802 (+24 percent)

• Estimated number of unique individual agricultural workers during calendar year 2016: 91,433
Temporary Non-immigrant Foreign Agricultural Workers Certified (H-2A), Monterey and Santa Cruz Counties
Federal Fiscal Years FY2013-FY2017

<table>
<thead>
<tr>
<th>Federal Fiscal Year</th>
<th>Workers Certified</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2013</td>
<td>268</td>
</tr>
<tr>
<td>FY2014</td>
<td>543</td>
</tr>
<tr>
<td>FY2015</td>
<td>1,841</td>
</tr>
<tr>
<td>FY2016</td>
<td>2,437</td>
</tr>
<tr>
<td>FY2017</td>
<td>4,365</td>
</tr>
</tbody>
</table>
# Census Housing Findings: Agriculture Workers, Monterey & Santa Cruz Counties

*Source: AFF, Census Bureau, American Community Survey, 2016*

<table>
<thead>
<tr>
<th>Category of workers</th>
<th>Monterey County</th>
<th>Santa Cruz County</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee of private company</td>
<td>36,142</td>
<td>6,402</td>
<td>42,544</td>
</tr>
<tr>
<td>Self-employed in own incorporated business</td>
<td>217</td>
<td>32</td>
<td>249</td>
</tr>
<tr>
<td>Self-employed in own non-incorporated business and unpaid family</td>
<td>276</td>
<td>137</td>
<td>413</td>
</tr>
<tr>
<td>Total</td>
<td>36,635</td>
<td>6,571</td>
<td>43,206</td>
</tr>
</tbody>
</table>
Census Housing Findings, Associations with Increased Proportion of Agricultural Workers per Census Tracts

• Increased proportion of crowded dwellings.
• Increased proportion of extremely crowded dwellings.
• Greater reliance on renting vs. owning homes.
• Lower total rental expense per dwelling.
• Lower per-person rental expense per dwelling.
• No association with vacancy rates.
• No association with housing affordability.
Summary: Census Housing Findings, Agricultural Workers, Salinas and Pajaro Valleys

- Agricultural workers are *densely congregated* in relatively few neighborhoods.
- The number residing in *Salinas City increased by 41%* in five years.
- In the seven Census Tracts in the Salinas Valley in which a majority of its workers were employed in agriculture there was an *average of 1,105 farmworkers* per tract.
- Census Housing findings indicate an estimated 55% of the region’s agricultural workers reside in *crowded dwellings*; an estimated 22% reside in *extremely crowded dwellings*.
Summary: Census Housing Findings, Agricultural Workers, Salinas and Pajaro Valleys

• Employers report 44% more agricultural workers in the Salinas and Pajaro Valleys than were reported by the Census.

• The Census reportedly *undercounts residents* in neighborhoods with high numbers of new immigrants, non-literate adults, and dwellings shared by unrelated persons.

• The prevalence of undocumented workers impedes an accurate Census count as these workers are reluctant to respond.

• The Census fails to identify some dwellings in hard-to-count Census Tracts.
Salinas Pajaro Agricultural Worker Housing Survey

Survey Team
Salinas Pajaro Agricultural Worker Housing Survey
the SPAWHS
Insights into the makeup and conditions of local farmworkers

Rick Mines, April 19, 2018
rkmines43@gmail.com
Target sampling in the SPAWHS

• No strictly random sample based on a previously created universe list possible.
• Instead, we created a systematic target sampling scheme.
• First, we collected data on the distribution of farmworkers from official sources.
• Then, we instructed our interviewers to choose the interviewees to satisfy the quotas or targets implied by the official data.
• In this way, we assured that the selection though not random was representative. My slides show this population.
<table>
<thead>
<tr>
<th>Categories</th>
<th>Specific Goals of Percentages for Subcategories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Men</td>
</tr>
<tr>
<td>Where they live</td>
<td>Salinas</td>
</tr>
<tr>
<td>Type of grower</td>
<td>Flc</td>
</tr>
<tr>
<td>Crop</td>
<td>Berry</td>
</tr>
<tr>
<td>Size</td>
<td>Big</td>
</tr>
<tr>
<td>Age</td>
<td>36+</td>
</tr>
<tr>
<td>Organic, Indigenous, H2A</td>
<td>minimum amount of each</td>
</tr>
</tbody>
</table>
Who are 90,000 farmworkers? 90% born & raised in Mexico -- 2/3rds from just 4 Mexican States

- Oaxaca: 21%
- Michoacan: 19%
- Jalisco: 14%
- Guanajuato: 10%
- Other Mexico: 26%
- US: 8%
- Central America: 3%

SPAWHS N=389
Salinas Pajaro Valley Farmworkers: A Very Stable Immigrant Population

- Farmworkers average age at arrival is about 20
- Median in the US for 15 years; so average age about 35
- 3/4s are married
- Most have US born children living in household—93% US born
- Only ¼ leave the two-county area to work elsewhere each year
Lots of farmworkers in the family of interviewee!

Most, except children, were farmworkers

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percentage</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;18</td>
<td>1%</td>
<td>554</td>
</tr>
<tr>
<td>18 to 25</td>
<td>54%</td>
<td>137</td>
</tr>
<tr>
<td>26 to 39</td>
<td>77%</td>
<td>230</td>
</tr>
<tr>
<td>40 to 59</td>
<td>86%</td>
<td>140</td>
</tr>
<tr>
<td>60 or more</td>
<td>60%</td>
<td>25</td>
</tr>
</tbody>
</table>

SPAWHS N=1086
Who are immediate family members of interviewees?

Almost half minor US born children

Immigrant=460
US born n=667
Most important finding of SPAWHS
54% of dwellings have Joint or “extra” tenants

Solo person & Others
- 17%

Family and others
- 37%

Only family
- 45%

SPAWHS N=390
Farmworkers jammed into a small number of dwellings

• About ½ of interviewees both men and women live with a spouse who is also a farmworker.
• The adult children and others living in the household are often farmworkers.
• Others living in the dwelling or “joint tenants” also are mostly farmworkers.
• Many of “joint tenants” are also families with children
• For this reason, we think that the 90,000 farmworkers live in far fewer dwellings or addresses.
• 90,000 live in maybe as few as 20,000 to 30,000 dwellings?
Numbers of All Residents by Gender
Grouped by Adults and Children –Lots “extra” Adult Males!

<table>
<thead>
<tr>
<th>Group</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family members</td>
<td>321</td>
<td>298</td>
</tr>
<tr>
<td>less than 18</td>
<td>165</td>
<td>147</td>
</tr>
<tr>
<td>Family members</td>
<td>501</td>
<td>455</td>
</tr>
<tr>
<td>18 or more</td>
<td>631</td>
<td>314</td>
</tr>
</tbody>
</table>

SPAWHS N=397
Unusual Finding -- over 2.0 People per Room; 5 per Bathroom!
(excluding kitchens and bathrooms)

<table>
<thead>
<tr>
<th>Group</th>
<th>Mean</th>
<th>Median</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Farmworkers</td>
<td>2.3</td>
<td>2.0</td>
<td>388</td>
</tr>
<tr>
<td>Solo Person &amp; Others (joint)</td>
<td>2.3</td>
<td>1.8</td>
<td>67</td>
</tr>
<tr>
<td>Only Family</td>
<td>2.0</td>
<td>1.7</td>
<td>177</td>
</tr>
<tr>
<td>Family And Others (joint)</td>
<td>2.8</td>
<td>2.3</td>
<td>144</td>
</tr>
<tr>
<td>Shuttle Migrants (6 Months Away)</td>
<td>3.4</td>
<td>3.0</td>
<td>17</td>
</tr>
<tr>
<td>FTC Migrants (Move Away To Work)</td>
<td>2.9</td>
<td>2.7</td>
<td>79</td>
</tr>
<tr>
<td>Indigenous</td>
<td>2.6</td>
<td>2.1</td>
<td>50</td>
</tr>
</tbody>
</table>

SPAWHS N=388
Another view of Crowding—93% above standard of 1.0:

Distribution of People per Room by Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1</td>
<td>7%</td>
</tr>
<tr>
<td>1.0 to 1.5</td>
<td>26%</td>
</tr>
<tr>
<td>1.51 to 2</td>
<td>29%</td>
</tr>
<tr>
<td>2.01 to 2.5</td>
<td>10%</td>
</tr>
<tr>
<td>2.51 to 3</td>
<td>10%</td>
</tr>
<tr>
<td>greater than 3</td>
<td>19%</td>
</tr>
</tbody>
</table>

SPAWHS N=388
Most live in a house or Apartment but many just rent a room. Trailers, garages or attached studios common. Only 1 in 10 own their dwelling!
16% of total dwellers sleeping outside the bedroom, mostly in living room and garage

Distribution of People sleeping outside of bedrooms

- Living room: 57.1%
- Garage: 32.1%
- Improvised: 6.1%
- Hallway: 2.9%
- Closet: 0.9%
- Kitchen: 0.7%
- Dining room: 0.2%

SPAWHS N=168 Dwellings, 445 Residents
## Rent per room—hard to calculate for whole units due to concentration

<table>
<thead>
<tr>
<th>Type of Dwelling</th>
<th>Mean ($)</th>
<th>Median ($)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>house</td>
<td>$212.88</td>
<td>$180.00</td>
<td>122</td>
</tr>
<tr>
<td>apartment</td>
<td>$207.73</td>
<td>$170.00</td>
<td>113</td>
</tr>
<tr>
<td>room in apt or house</td>
<td>$236.82</td>
<td>$200.00</td>
<td>71</td>
</tr>
<tr>
<td>mobile home</td>
<td>$169.94</td>
<td>$181.25</td>
<td>12</td>
</tr>
<tr>
<td>garage or studio</td>
<td>$206.55</td>
<td>$208.33</td>
<td>14</td>
</tr>
</tbody>
</table>
Most farmworkers get to work in own car or friend/relative
Half have drivers license; Half of these since 2015

Distribution of types of transportation to work

own car - 56%
friend or relative - 17%
raile with 3rd party - 11%
van, bus of boss - 10%
boss in car - 3%
public - 2%
walk - 1%

SPAWHS N=387, distribution of 429 responses
(some had more than one)
Median of family or individual income about $25,000

#36 Distribution of Household Income Level by Income Groups (Median about $25,000)

- Nothing to 14,999: 16%
- 15,000 to 24,999: 33%
- 25,000 to 37,499: 27%
- 37,500 to 49,999: 15%
- 50,000 or more: 9%
Months Worked per year in Agriculture
Migrants get more work!

Months of Agriculture Work in the Last Year
by Migrant Status

- **FTC migrant (81)**
- **nonmigrant (313)**

### SPAWHS N=394
Years worked for Current Employer
Relatively stable labor force; Migrants have less longevity

#33  Distribution of Years Worked for Current employer

- One year: 24%
- Two to three: 25%
- Four to seven: 26%
- Eight or more: 24%

SPAWHS N=393
Main Task done by Workers
Berry Harvest Workers ¼ of total sample;
Other crops more balanced regarding main task

#40 Distribution of Tasks by Workers

- Harvest: 46%
- Pack: 16%
- Weed: 6%
- Irrigator: 6%
- Prune or tie: 6%
- Machine: 4%
- Thin: 4%
- Preharvest: 4%
- Check quality: 3%
- Loader: 3%
- Driver: 1%

SPAWHS N=385
Wages per hour don’t vary much by gender, age, etc. grapes lower, berries and salad plant higher

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Median</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>lettuce</td>
<td>$13.73</td>
<td>$12.79</td>
<td>91</td>
</tr>
<tr>
<td>other vegetable</td>
<td>$13.02</td>
<td>$12.50</td>
<td>85</td>
</tr>
<tr>
<td>grape tree fruit</td>
<td>$11.93</td>
<td>$11.50</td>
<td>34</td>
</tr>
<tr>
<td>berry</td>
<td>$14.63</td>
<td>$14.00</td>
<td>116</td>
</tr>
<tr>
<td>nursery</td>
<td>$12.51</td>
<td>$12.44</td>
<td>20</td>
</tr>
<tr>
<td>salad plant</td>
<td>$14.40</td>
<td>$12.77</td>
<td>28</td>
</tr>
</tbody>
</table>
23 H-2A workers—not representatively chosen

- Median age 32
- Half from southern “indigenous” states of Oaxaca and Guerrero; much higher than population in general
- 19 of 23 married—solo but not single
- 9 years median years of school; 2 years higher than other immigrants
- 16 of 23 worked in berries
- Median wage $12.57 a bit lower than others in survey
- 16 of 23 lived in motels
- 17 of 23 lived in Salinas
Perceptions and Preferences
Workers, Employers and Others
April 19, 2018
Famworker Housing Study and Action Plan
Gail Wadsworth
Worker Preferences
We asked workers if they would prefer to have a permanent residence in Monterey or Santa Cruz County if it were possible? Some said they would prefer it.

And so we asked why?
The wish to live in a better location under more comfortable conditions, close to work and opportunity, was the overwhelming sentiment that came through in these responses.
We asked workers what kind of housing would meet the needs of them and their families, there were some very specific wishes.
“The house that my family wants is a humble house with a yard, but private with no more than my family. Safer.”

Comment by Farmworker in Survey
“A place that has all the services such as potable water, kitchen, three bedrooms, living room, 2 bathrooms, room for children to play, parking lot, garage, which is close to work and public services...”

Comment by Farmworker in Survey
We asked workers if they have any problems in the place where they have lived most of the time in the last 3 months.

About half of workers had affirmative responses to this question.
“In the house where I lived the floor of the bathroom began to break and the person in charge of the house told me that I had to pay for the repair of the entire bathroom to be able to continue living there. That is the reason why I was asked to leave.”

Comment by Farmworker in Survey
“The owner of the house does not want to fix the water and we never have water for the toilet, but he gets very angry when we complain... There is never water and the carpet always smells ugly because it is wet.”

Comment by Farmworker in Survey
Workers’ Preferences

• Workers would like to live in a better location under more comfortable conditions, close to work, resources and opportunity.

• Workers want to live in clean, well maintained residences with safe spaces for themselves and their children.

• Workers specified a number of complaints about their current housing conditions.

• Most of them were related to poor maintenance and crowded conditions.
Employer Challenges
Employers Perceptions: Labor Shortage

• By far, the biggest challenge to employers is a shortage of workers.
  • As a result, their production is limited.
  • Shortages have led to higher labor costs.
  • There is competition for the same limited pool of local workers.
  • Some employers don’t think there are fewer workers but that people are just not showing up.
    • A couple stated that workers are not motivated to work and that government support programs keep people from looking for work.
    • Some felt that workers are afraid to come to work because of the “immigration scare.”
Employers’ Perceptions: Labor Supply and Housing

• Most employers felt that housing was a challenge for workers and, thus for them.
  • High housing prices decrease the supply of labor on the coast.
  • Workers are getting priced out of the housing market.
  • Workers are being squeezed by higher prices for everything else while wages are going up slowly.
  • “We need to provide affordable housing.”
Employer Perceptions: Where do workers live?

• If employers did not supply housing for their workers, they were unaware of where their workers lived or under what conditions.
  • We heard from employers that workers live in their own houses, in apartments, in motels and with friends.
  • We heard that workers live all over the Valley –locally – and that they do not migrate.
  • But when asked more specifically about locations and conditions, employers were vague.
Employer Perceptions: Government

• Employers feel that the government works against them.
  • Employers believe there should be exemptions to laws to allow farmers to build housing for their workers.
    • “We should be able to build housing and whatever it takes to make businesses work”
  • There was a sense that laws and regulations were not evolving to accommodate modern agriculture.
• Small growers are at a disadvantage because the costs and processes for permitting, insuring and building housing for workers are too difficult and expensive.
“The housing shortage is due to regulations. Master planning imposed by the Coastal Act gets in the way of new developments. You’re not allowed to enlarge an existing building by more than 10%....This limitation is restricting. You have to file a coastal development permit. There should be a categorical exemption for increasing house size on agricultural land.”

Grower Interview
Other Stakeholders
People involved in agriculture and/or agricultural worker housing
Other Stakeholders: Working Conditions

• There was a common theme that workers are still victimized in the agricultural system.
  • “Conditions for workers are as bad now as when I arrived in the fields in the 1960s.”
  • Some employers have workers using two Social Security numbers to avoid paying overtime.
  • There are a lot of rest time and overtime abuses.
  • Some employers take money out of workers’ checks to pay for transportation from the border.
Other Stakeholders: Process for Development

• There was not agreement on how worker housing gets approved and developed.
  • Many stakeholders stated that NIMBY-ism and zoning are real problems.
  • Stakeholders across the board believe that the permitting process is inherently cumbersome.
  • We heard that farmworker housing projects are put in the front of the line and given priority by municipalities.
  • But we also heard that there are no exceptions for farmworker housing in the regulations.
“Housing is much better now than before. Before, indigenous workers lived in shacks on the outskirts of town. Now, more live in apartments.... Some are living in garages and studios. There is a... problem of excessive rents... $2,000 for a two bedroom is common and in many cases more families crowd in”

Stakeholder interview
All of those interviewed agreed that housing for the agricultural workforce is important. There need to be solutions for the current situation.

Solutions and processes for addressing the housing crisis were not universally agreed upon.
Housing Needs

Edward Samson, Tribal Programs and Special Projects Manager, California Coalition for Rural Housing (CCRH)
Calculating Farmworker Housing Needed

- 91,433 – estimated number of workers employed in agriculture in the region.
- 47,937 additional units needed to alleviate critical overcrowding.

Based on income levels and housing costs, farmworkers need subsidized housing

- Survey showed “access rate” of 7.6% of farmworkers access subsidized housing.
Calculating Farmworker Housing Needed

Applying the “access rate” of 7.6% of the number of units needed for subsidized housing, a total of 6,351 units of permanent affordable subsidized farmworker housing are needed.
Housing Developers

• Non-Profit
• For-Profit
• Housing Authorities

The Study describes the local organizations with significant expertise and experience.
Meeting the need

• Farmworker housing is not the only affordable housing for low income farmworkers.

• Other ways to address the housing gap:
  • Accessory Dwelling Units
  • Farm owners and labor contractors
  • Other tenure types which will be described in the next section.
Best Practices
Research
Robert Wiener, PhD
Executive Director,
California Coalition for Rural Housing
Continuing Lecturer, Community and Regional Development
University of California, Davis

Farmworker Housing Best Practices in California

Regional Forum
Farmworker Housing Study and Action Plan for the Salinas and Pajaro Valleys

Salinas, California
April 19, 2018
### Best-Practice Case Studies: 6 Housing Prototypes

<table>
<thead>
<tr>
<th>Case Study</th>
<th>Location</th>
<th>Units</th>
<th>Opening Year</th>
<th>Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mixed-Occupation Hybrid</strong></td>
<td>Azahar Apartments, Ventura</td>
<td>59</td>
<td>2012</td>
<td>Cabrillo Economic Development Corporation</td>
</tr>
<tr>
<td><strong>Mixed-Generation Hybrid</strong></td>
<td>Desert Gardens Apartments, Indio</td>
<td>88</td>
<td>1998</td>
<td>Coachella Valley Housing Coalition</td>
</tr>
<tr>
<td><strong>Modular, Post-Redevelopment</strong></td>
<td>George Ortiz Plaza I, Santa Rosa</td>
<td>30</td>
<td>2017</td>
<td>California Human Development Corporation</td>
</tr>
<tr>
<td><strong>Grower-Owned</strong></td>
<td>Aliso Village East, Santa Paula</td>
<td>272</td>
<td>2015</td>
<td>Limoneira Company</td>
</tr>
<tr>
<td><strong>Net Zero Energy</strong></td>
<td>Mutual Housing at Spring Lake, Woodland</td>
<td>62</td>
<td>2015</td>
<td>Mutual Housing California</td>
</tr>
<tr>
<td><strong>Non-State Migrant Housing</strong></td>
<td>River Ranch Farmworker Center</td>
<td>60</td>
<td>2003</td>
<td>Napa County Housing Authority</td>
</tr>
</tbody>
</table>
Azahar Apartments, Ventura
60 units, 30 Farmworker units, Opened 2012
Cabrillo Economic Development Corporation

Key Lessons Learned

- Including farmworker units in new affordable rental housing qualifies projects for State farmworker housing funding
- Including non-farmworker units in new affordable rental housing may disqualify projects for USDA loans, grants, subsidies
- Allowing some units to house non-farmworkers can ensure full occupancy and stable rental income
- Hybridity enables farmworker households no longer working in agriculture to remain in unit or move to another unit
- Social advantages of not isolating farmworkers, integrating into diverse community, overcoming NIMBYism
Key Lessons Learned

- Retired farmworkers contribute to child care, child-rearing, and mentoring of farmworker kids
- Parents and children contribute to elder care, sense of value and worth while aging-in-place
- Balancing use of common space challenging but possible
- Ensures use of facilities day and evening, increasing safety and making for village-like environment

Desert Gardens Apartments, Indio
88 units, 36 senior units, Opened 1998
Coachella Valley Housing Coalition
Key Lessons Learned

- Farmworker housing can be platform for cutting-edge innovation in energy-efficiency, green design and construction
- Designed to produce 334,000 KW hours annually resulting in $60,000 savings
- In 2017, solar electricity generation matched energy model, but consumption exceeded generation by 25%
- Efficient operation of equipment and resident education re: energy-saving as important as NZE design and construction
- Water consumption, however, 40% less than other similar projects
- Time will tell whether incremental design and construction costs to reach NZE — $1.5 million — will be offset by long-term savings
- Resident-intensive services, tenant control, and leadership development critical components of mutual housing model
Key Lessons Learned

- Voluntary creation of taxing district by local winegrape producers resulted in more than $7 million since 2002 and $450,000 annually to operate 3 migrant centers
- Even with land dedication by local grower and no debt-financing, operating margin for migrant housing very narrow
- Off-farm migrant housing owned by nonprofit or local public agency eligible for government grants and private donations and benefits multiple growers
- Off-farm migrant housing owned by nonprofit or local public agency, unlike State migrant centers, can be open more than 6 months per year and serve workers within 50 mile radius

River Ranch Farmworker Center, St. Helena
60 beds, Opened 2003
Napa County Housing Authority
Key Lessons Learned

- Not all agricultural employers have finances or space to provide worker housing.
- Limoneira has been dedicated to housing provision since start-up – aspect of their business model.
- Challenges occurred during planning and costs increased but offset by having sustainable workforce.
- Unlike nonprofit and public agency housing, no on-site programs for farmworker children and just starting to improve kids’ amenities.
Alternative Ownership Models

• Support the development of **new or conversion of existing housing into cooperatives** as an affordable alternative to renting and traditional ownership.

• Support resident-controlled **mutual housing and mutual housing associations** to empower tenants
Mutual Self-Help Housing

- Affordable homeownership for farmworkers
- Groups of 8-12 families build each other's homes for 10-12 months under supervision of nonprofit organization
- About 40 hours per week of family labor
- ‘Sweat-Equity’ reduces construction costs and serves as downpayment
- In rural areas, USDA § 502 Direct Loan pays for construction costs and converts to 33-year mortgage, interest as low as 1%
- Combination of USDA § 502 Direct Loan and Joe Serna, Jr., Farmworker Housing Grant can produce occupationally-restricted owner units for farmworkers
Limited-Equity housing cooperatives

- San Jerardo – 1979, first Limited-Equity Farmworker Housing Coop in California, first financed by USDA in U.S.
- 6 Farmworker housing cooperatives in Monterey County
- Advantages compared to fee-simple ownership –
  - lower entry and occupancy costs of buying cooperative shares
  - preserve ability to deduct mortgage interest and property taxes
- Disadvantages compared to fee-simple ownership –
  - limit on equity take-out upon sale – often 3% of appreciated value plus capital improvements –
  - limit on purchaser
- Unit shares sold to low-income household at affordable price
Community land trust (CLT)

CLT is community-based nonprofit that owns land in perpetuity for low-income use

Santa Cruz and Monterey Counties have long history of environmental and agricultural land trusts

Combine CLT with Limited-Equity Cooperative, Mutual Housing, or other ownership or rental model

Housing affordable because land costs taken out of purchase price – 99-year lease

Could be created on land dedicated by growers

CLT retains option to purchase owned unit and sell or rent to another low-income family
Other housing prototypes for Seasonal, Migrant Workers

- Tiny Houses
- Mobile Housing
- Tents
Farmworker Housing Financing Strategies for the Monterey Bay Region

Regional Forum
Farmworker Housing Study
and Action Plan for the Salinas and Pajaro Valleys

Salinas, California
April 19, 2018

Robert Wiener, PhD
Executive Director,
California Coalition for Rural Housing
Continuing Lecturer, Community and Regional Development
University of California, Davis
<table>
<thead>
<tr>
<th><strong>Federal</strong></th>
<th><strong>State</strong></th>
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<tbody>
<tr>
<td>USDA Section 514/516 Farm Labor Housing</td>
<td>HCD Joe Sema, Jr., Farm Worker Housing Grant</td>
</tr>
<tr>
<td>USDA Section 521 Rural Rental Assistance</td>
<td>HCD California Self-Help Housing Program</td>
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<td>USDA Section 502 Direct Loan/Section 523 Mutual</td>
<td>HCD CallHome</td>
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<tr>
<td>Self-Help Housing Technical Assistance</td>
<td>HCD Multifamily Housing Program</td>
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<td>HUD Community Development Block Grant</td>
<td>TCAC Federal and State Low-Income Housing Tax Credits</td>
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<td>HUD HOME Investment Partnerships</td>
<td>HCD Farm Worker Housing Tax Credit Assistance</td>
</tr>
<tr>
<td>Federal Home Loan Bank Board Affordable Housing</td>
<td>SGC Affordable Housing and Sustainable Communities Program</td>
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<td>Program</td>
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</table>

USDA = U.S. Department of Agriculture
HUD = U.S. Department of Housing and Urban Development
HCD = California Department of Housing and Community Development
TCAC = California Tax Credit Allocation Committee
SGC = California Strategic Growth Council
# Federal Government Funding Sources Used in Farm Worker Housing

<table>
<thead>
<tr>
<th>Federal Government Funding Source</th>
<th>2018 Status</th>
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<tbody>
<tr>
<td><strong>U.S. Department of Agriculture Rural Development, Rural Housing Service</strong></td>
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<tr>
<td>· Section 514/516 Farm Labor Housing Loans and Grants</td>
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<tr>
<td>· Section 521 Rural Rental Assistance</td>
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<tr>
<td>· Section 502 Direct Loan/Section 523 Construction Supervision Grants</td>
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<tr>
<td>· Section 515 Rural Rental Housing</td>
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<tr>
<td>· Section 538 Guaranteed Loan</td>
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<td><strong>U.S. Department of Housing and Urban Development</strong></td>
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<tr>
<td>· HOME Investment Partnerships Program</td>
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<td>· Community Development Block Grant Program</td>
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<td>· Section 8 – Project-Based and Housing Choice Vouchers</td>
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<td><strong>U.S. Department of the Treasury</strong></td>
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<td>· Federal Low-Income Housing Tax Credit</td>
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<td>· Tax-Exempt Private Activity Bonds</td>
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<tr>
<td><strong>Federal Home Loan Bank Board</strong></td>
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<td>· Affordable Housing Program</td>
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<tr>
<td>California Department of Housing and Community Development</td>
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<tr>
<td>• Joe Serna, Jr., Farm Worker Housing Grant</td>
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<td>• California Self-Help Housing</td>
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<td>• CalHome</td>
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<td>• Multifamily Housing Program</td>
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<tr>
<td>• Affordable Housing and Sustainable Communities</td>
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<td>• State HOME Program</td>
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<td>• Small Cities Community Development Block Grant Program</td>
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<td>California State Treasurer</td>
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<tr>
<td>• State Low-Income Housing Tax Credit</td>
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<tr>
<td>• Farmworker Housing Assistance Tax Credit</td>
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<td>• Tax-Exempt Private Activity Bonds</td>
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<td>Other Sources</td>
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<tr>
<td>• Local Government Redevelopment Agency Tax Increments</td>
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<tr>
<td>• Local Government General Funds and Housing Trust Funds</td>
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<tr>
<td>• Grower Self-Assessments and Contributions</td>
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<td>• Community Development Financial Institutions (CDFIs)</td>
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<td>• Banks and Other Private Financial Institutions</td>
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<td>• Private Philanthropies</td>
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<tr>
<td>• Sponsor Contributions, including developer fee deferrals</td>
<td>X</td>
</tr>
<tr>
<td>• Seller Carrybacks</td>
<td>X</td>
</tr>
</tbody>
</table>

*Inactive means currently unfunded.*
SB 2 Ongoing Housing Funding Allocations

**Year 1**
- Funding to Target Homelessness: 50%
- Planning Funds to Streamline Development: 50%

**Year 2 and Ongoing**
- Funding to Local Governments: 70%
  - Farmworker Housing: 10%
  - CalHFA "Missing Middle" Housing Development: 15%
  - Incentives to Streamline Housing: 5%
- Direct Allocation to Non-Entitlement Jurisdictions: 10%
- Competitive Funds for Non-Entitlement Jurisdictions: 7%
- Direct Allocation to Entitlement Jurisdictions: 83%
<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
<th>Agency</th>
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<tbody>
<tr>
<td>Veterans Housing and Homelessness Prevention Program</td>
<td>$1.0 billion</td>
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<tr>
<td>Multi-Family Housing Program</td>
<td>$1.5 billion</td>
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<tr>
<td>Transit-Oriented Development Implementation Program</td>
<td>$150 million</td>
<td>HCD</td>
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<tr>
<td>Infill Incentive Grant Program</td>
<td>$300 million</td>
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<tr>
<td>Home Purchase Assistance Program</td>
<td>$150 million</td>
<td>CalHFA</td>
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<tr>
<td><strong>Joe Serna, Jr., Farm Worker Housing Grant Program</strong></td>
<td><strong>$300 million</strong></td>
<td><strong>HCD</strong></td>
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<tr>
<td>Local Housing Trust Fund Matching Grant Program</td>
<td>$300 million</td>
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<tr>
<td>CalHome Program</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$4.0 billion</strong></td>
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</table>
Creating a regional or local FARMWORKER housing trust fund

Farmworker Housing Trust Fund

- In-Lieu Fees
- Housing Impact Fees
- Commercial and Industrial Linkage Fees
- Cannabis Business Taxes
- Grower Self-Assessments
- Land Value Recapture
- Parcel Taxes
- Transient Occupancy Taxes

Match with HCD Local Housing Trust Fund Matching Grant Program
Break – 10 minutes
Refreshments available
in Vista Room
Solutions – Draft
Action Plan
Getting Ready for New State Funding

Jennifer Seeger, Deputy Assistant Secretary, Division of Financial Assistance, CA HCD
Draft Action Plan Overview

- Housing can help stabilize agriculture workforce
- 47,937 units of farmworker housing to reduce overcrowding
- 6,351 units to maintain percentage of farmworkers in subsidized housing
- New funding, but additional resources required to keep pace with demand

Regional action plan is needed to quickly produce units

**Goal:** Build 5,300 permanent, affordable housing units over the next 5 years
Draft Action Plan Content

- Based upon recommendations in Study
- Review by Oversight Committee to provide local context
- 4 Sections
  - Housing Types
  - Suitable Sites
  - Financing
  - Regulatory Reform
Housing Types

Objective: Promote alternative farmworker housing tenure & prototypes that have worked in the Monterey Bay Region, California, and nation

Prioritize permanent, year-round housing for farmworker families
- Intergenerational housing that create opportunities for mutual help (i.e. childcare)
- Wrap around services to strengthen families
Alternative Housing Types

- Facilitate development of **Accessory Dwelling Units**
- Facilitate **private sector development** of farmworker housing – Tanimura & Antle in Spreckles
Housing Types & New Building Technologies

• Support energy efficiency to reduce operation costs and sustain farmworker housing projects overtime

• Educate jurisdictions and help streamline approval of new building technologies (modular housing)
Temporary/Emergency Housing Types

- Pilot innovative emergency housing types for seasonal, migrant farmworkers
- Collaborate with other jurisdiction to develop a model ordinance for temporary use of motels/hotels or other structures for seasonal workers
Questions?

Please turn in question card
Suitable Sites

Objective: Collaborate among jurisdictions to identify appropriate locations for farmworker housing

- Map appropriate sites for farmworker housing with local jurisdictions and streamline the approval processes
- Encourage local jurisdictions to evaluate General Plan and zoning and consider re-zoning properties based upon funding criteria
- Establish agreements between counties and cities that allow for contiguous, unincorporated county land to connect to city infrastructure for farmworker housing
Suitable Sites – Agricultural Areas

- Establish **Affordable Housing Overlay Zones** within Monterey County to bundle incentives for construction of farmworker housing
- **Relax restrictions on residential use of agriculturally-zoned land** in unincorporated county
- Encourage **on-farm employee housing**
- **Incentivize growers** with marginal land near urban uses to dedicate, discount, or lease land for farmworker housing, including no-cost release from Williamson Act contracts

- Allow property owners with sites appropriate for farmworker housing to **assemble or subdivide land** to accommodate larger, more economically feasible projects
- Encourage existing **land trusts** or the creation of new land trusts that **build and preserve affordable farmworker housing**
Suitable Sites - Transportation

• Support **implementation of AMBAG’s regional study of Transportation Alternatives for Rural Areas**, such as expanded vanpools or express transit service
• Coordinate with regional **transit agencies** to provide better **access between housing sites and agricultural workplaces**
Questions?

Please turn in question card
Financing

Objective 1: Proactively pursue and leverage governmental and non-governmental funds to increase the inventory of farmworker housing

Objective 2: Capitalize on existing regional and local housing trust funds and create new local funding sources for the construction, rehabilitation, acquisition, and operation of farmworker housing
Financing – New State Funding

- Effectively leverage new State funding resources - the Building Homes and Jobs Act (SB2) and possible funding of the Veterans and Affordable Housing Bond Act of 2018 (SB3)

- Advocate for expedited processing of SB 2 funding and reasonable program guidelines from the California Department of Housing and Community Development

- Outreach to local residents and advocate for the passage of the Veterans and Affordable Housing Bond in November 2018
Financing – New Local Funding

- **Include a local housing bond** measure on the Santa Cruz County ballot in November 2018 and effectively campaign for its passage
- **Initiate a local housing bond in Monterey County** for the November 2020 election
- Create **alternative funding mechanisms** for **agricultural businesses** to pool resources to build/operate farmworker housing
- **Explore establishment of commercial/industrial linkage fee**
- **Explore parcel taxes** (tax land rather than new development)
- **Explore allocating a portion of Cannabis Business taxes**
Financing – Leverage Existing Resources

• Update and strengthen local *Inclusionary Housing Programs*

• **Maximize local funding** resources to be in the best possible competitive position to leverage conventional non-local grants, investor equity, and low-cost financing

• **Pro-actively market parcels** that would be competitive under existing State-administered housing programs

• **Commit federal pass-through funds**, such as Community Development Block Grant and Home Investment Partnership grants

• **Explore an increase to Transient Occupancy Taxes** to support affordable housing for service workers and farmworkers
Financing – USDA Programs

• Aggressively apply for Federal and State housing finance programs that are restricted or benefit farmworkers
  Section 514/516 Farm Labor Housing Programs, Section 521 Rural Rental Assistance, Joe Serna, Jr., Farmworker Housing Grant, and Farmworker Housing Tax Credit
• Advocate for the continuation and expansion of Section 514/516 Farm Labor Housing and Section 523 Rural Rental Assistance Programs
• Educate affordable housing providers on combining Section 523 and Section 514/516
• Reform Section 514/516 housing loans and grants to allow projects that include both farmworker and non-farmworker units
• Reintroduce the Mutual Self-Help Housing method of sweat equity and owner-building of single-family homes using Section 502 Direct Loan and Section 523 Technical Assistance Grants with Joe Serna, Jr., Farmworker Housing Grant Program funds
Questions?

Please turn in question card
Regulatory Reforms

Objective: Change regulations to remove barriers, streamline processing, and reduce costs for the development of farmworker housing

Zoning

- Update restrictive and outdated zoning that limit residential densities, height, setbacks, and Floor-Area-Ratios (FARs) and identify and eliminate unnecessary discretionary reviews
- Identify and eliminate barriers for the development of employer-sponsored housing for compatible housing types
- Remove impediments to farmworker housing within areas subject to the California Coastal Commission
Regulatory Reforms - Processing

- Apply for SB 2 funding to update zoning and revise other regulations to streamline production of farmworker housing
- Allow for priority processing of by-right, year-round, permanent farmworker housing projects
- Fund and designate a point-person or ombudsperson responsible for shepherding farmworker housing project applications through the local government approval process
- Design and develop pre-approved plans and adopt modified development-by-right for farmworker housing
Regulatory Reforms - Fees

- Encourage local jurisdictions to adopt ordinances that waive development impact fees for affordable farmworker housing
- Support local jurisdictions in establishing development fee deferral programs for affordable and workforce housing
- Incentivize smaller, less expensive units by charging developer impact fees based on unit square footage rather than per unit
Regulatory Reforms - Incentives

• Encourage local jurisdictions to allow for greater flexibility in the provision of parking for affordable farmworker housing, where appropriate.
• Provide greater flexibility in ratio of residential and commercial space in mixed-use districts or zones
• Educate local jurisdictions about state-density bonus and encourage development of an enhanced or super-density bonus where appropriate
Regulatory Reforms - Education

• Conduct **outreach and education workshops** for the potential applicants to better understand the regulations governing farmworker housing
• Encourage local jurisdictions to proactively **collaborate with affordable housing developers to remove site-specific barriers**
• **Expand training** of city/county staff and elected officials about land use laws and regulations and **foster a can-do collaborative mindset**
Lunch available in Vista Room
Video: Impressions of Three Surveyors
Break – 10 minutes
Refreshments available in Vista Room
Breakout Sessions to Discuss Draft Action Plan
Reconvene and Present Ideas for Action Plan
Next Steps: Wrap Up Comments
Imagination Station, Networking and Snacks/Refreshments