

FARMWORKER HOUSING STUDY – SALINAS AND PAJARO VALLEY

DRAFT ACTION PLAN – APRIL 2018

Overview

This research found **that the estimated number of unique individual workers employed in agriculture in the region during 2016 was 91,433**. It is clear from the primary data collected in the survey phases of this study that farmworker housing in the Salinas-Pajaro Laborshed needs to be drastically increased.

Farmworker housing in the region is severely crowded. In assessing the needs based on survey data, an astounding **47,937 additional units of farmworker housing are needed** to alleviate critical overcrowding in farmworker households.

Based upon income levels and housing costs, farmworkers need subsidized housing. The survey determined that 7.6% of farmworkers currently access subsidized housing. Just to maintain that 7.6% "access rate," a total of **6,351 units of permanent affordable subsidized farmworker housing are needed**.

Study data demonstrates that the preponderance of workers are year-round residents. 75% of those surveyed are married, often living in households with minor children born in the United States. Although frequently the focus has been on providing housing for temporary farmworkers, the data is clear that the most significant need is for permanent farmworker family housing.

While there is new funding in the State of California for affordable housing including resources specifically targeted to farmworkers, the demand will not be met with what is currently available. Therefore, this action plan is focused on what we can collectively do to quickly produce affordable farmworker housing with a focus on permanent farmworker families.

Goal: Produce 5,300 permanent, affordable farmworker housing units over the next five years to stabilize the agriculture workforce in the Salinas and Pajaro Valley Region.

Housing Types

Objective: Promote alternative farmworker housing tenure and development prototypes that have worked in Monterey Bay Region, California, and other parts of the nation.

- H1. **Family housing priority:** Prioritize the construction of permanent, year-round housing for farmworker families.

- H2. **Intergenerational:** Facilitate the development of intergenerational farmworker housing for multiple generations of farmworkers (retirees, working adults, and children) to create opportunities for mutual self-reliance, such as provision of childcare and elder care. *Best practice includes the Desert Gardens Apartments in Indio.*
- H3. **Services:** Incentivize housing that incorporates wrap-around services to strengthen families, transfer new skills, and build leadership.
- H4. **Accessory Units:** Facilitate the development of Accessory Dwelling Units (ADUs) by considering the reduction of ADU impact and permit fees, disseminating public information, and establishing lender products for ADU new construction and rehabilitation.
- H5. **Seasonal:** Facilitate private sector development of farmworker housing with unrestricted funding sources to allow flexibility in providing housing for seasonal, migrant, or any other farmworker regardless of documentation.
- H6. **Energy Efficiency:** Support housing projects, both new construction and rehabilitation, which integrate energy efficiency, water conservation, and other green elements that reduce operational costs to sustain the project over time. *Best practice includes the Mutual Housing at Spring Lake in Woodland.*
- H7. **New Technologies:** Educate the local International Code Councils and Building Officials to streamline the approval of new building technologies, such as modular construction as alternative to traditional stick-built, which have the potential to more efficiently and economically scale up housing production. *Best practice includes George Ortiz Plaza I in Santa Rosa.*
- H8. **Emergency housing:** Investigate and pilot the use of innovative emergency housing types for seasonal, migrant farmworkers such as mobile homes.
- H9. **H-2A Worker Lodging:** Collaborate with other jurisdictions to develop a model ordinance for the temporary use of motels/hotels or other structures for H-2A or other seasonal farmworkers.
- H10. **Housing Cooperatives:** Support the development of new housing cooperatives or assist residents of existing housing, such as labor camps and mobile home parks, to convert their housing to limited-equity cooperatives as an affordable alternative to renting and fee-simple ownership.
- H11. **Mutual Housing:** Support resident-controlled mutual housing and mutual housing associations, which empower tenants to be leaders and activists in the governance and operation of their homes.

Suitable Sites

Objective: *Collaborate among jurisdictions to identify appropriate locations for farmworker housing within cities and unincorporated counties to facilitate development of farmworker housing.*

- S1. **Map Sites:** Map appropriate sites for farmworker housing in collaboration with local jurisdictions in the region and streamline the approval processes whenever possible.
- S2. **Zoning:** Encourage local jurisdictions to evaluate current General Plan and zoning based upon housing funding criteria and when appropriate re-zone properties to create additional sites for affordable, farmworker housing.
- S3. **City-County Agreements:** Establish agreements between counties and cities that allow for contiguous, unincorporated county land to connect to city infrastructure to facilitate development of farmworker housing.
- S4. **Agriculture Zoning:** Relax restrictions on the residential use of agriculturally-zoned land in unincorporated county areas that restrict off-farm residential development.
- S5. **Overlay Zones:** Promote the establishment of *Affordable Housing Overlay Zones* in 'high-opportunity' areas within Monterey County that include a bundle of effective and flexible incentives to encourage developers to build affordable and farmworker housing.
- S6. **On-farm housing:** Encourage on-farm employee housing.
- S7. **Ag Land:** Incentivize growers with marginal agricultural land contiguous to and surrounded by urban uses to dedicate, discount, or lease land for farmworker housing, including no-cost release from Williamson Act contracts.
- S8. **Assembling parcels:** Enable property owners with contiguous sites appropriate for farmworker housing to parcellate the land or create new lot lines to accommodate larger, more economically feasible projects.
- S9. **Land Trusts:** Encourage existing land trusts or the creation of new land trusts that build and preserve farmworker housing on land that is leased from the trust and held in restricted affordability in perpetuity.
- S10. **Transit Strategies:** Support the implementation of appropriate strategies identified in AMBAG's regional study of Transportation Alternatives for Rural Areas, such as expanded vanpools, mobility hub development, public/private partnerships with Transportation Network Companies, expanded express transit service, and workforce housing developments.

- S11. **Transit:** Coordinate with regional transit agencies to provide better access between housing sites and agricultural workplaces.

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.

- F1. **New State funding:** Effectively leverage new State funding resources including SB 2, the Building Homes and Jobs Act, and possible funding from voter approval of SB 3, the Veterans and Affordable Housing Bond Act of 2018, to finance new permanent, affordable farmworker housing.
- F2. **Expedite SB 2 funds:** Advocate that the California Department of Housing and Community Development (HCD) expedite processing of SB 2 funding and develop reasonable program guidelines to facilitate development of affordable farmworker housing.
- F3. **State Bond:** Outreach to local residents and advocate for the passage of the Veterans and Affordable Housing Bond in November 2018 as a source for affordable farmworker housing for the Region.
- F4. **Santa Cruz County bond:** Continue collaboration among Santa Cruz County stakeholders to include a local housing bond measure on the ballot in November 2018 and effectively campaign for its passage.
- F5. **Monterey County bond:** Continue efforts among Monterey County stakeholders to initiate a local housing bond for the November 2020 election.
- F6. **Ag Business Funding:** Facilitate the creation of alternative funding mechanisms by convening agricultural interests interested in sharing resources to build and operate farmworker housing both for year-round, permanent and seasonal migrant housing. *Best practice includes the Napa self-assessment of wine grape growers.*
- F7. **Inclusionary Housing:** Update and strengthen local *Inclusionary Housing Programs* as a mechanism to provide additional affordable housing units that could be targeted for farmworkers.
- F8. **Linkage Fees:** Explore the development of *Commercial/Industrial Linkage Fee Programs* to ensure there is a jobs-housing balance or fit to meet the affordable housing needs of new employees and local residents.

- F9. **Local Funding:** Maximize local funding resources to be in the best possible competitive position to leverage conventional non-local grants, investor equity, and low-cost financing for production and preservation of farmworker housing.
- F10. **Competitive Parcels:** Pro-actively market parcels within jurisdictions that would likely be competitive under existing State-administered housing programs, such as the Federal and State Low-Income Housing Tax Credit Programs.
- F11. **Local/federal funds:** Commit federal pass-through funds, such as Community Development Block Grant and Home Investment Partnership grants, to the production and preservation of farmworker housing.
- F12. **Parcel Taxes:** Explore *Parcel Taxes* for affordable housing (including farmworker housing) that would tax land rather than new development.
- F13. **Transient Occupancy Taxes:** Explore an increase to *Transient Occupancy Taxes* on hotels, motels, vacation rentals, and other accommodations in the Monterey Bay Region to support affordable housing for service workers and farmworkers.
- F14. **Cannabis Taxes:** Explore allocating a portion of Cannabis Business Taxes to foster affordable housing production including funding of planning staff to shepherd projects through the process.
- F15. **Federal/State funds:** Aggressively apply for Federal and State housing finance programs that are occupationally-restricted or advantage farmworker housing, namely USDA Section 514/516 Farm Labor Housing coupled with USDA Section 521 Rural Rental Assistance and California Joe Serna, Jr., Farmworker Housing Grant, State Farmworker Housing Tax Credit, and Multifamily Housing Program.
- F16. **Support USDA Programs:** Advocate for the continuation and expansion of USDA Section 514/516 Farm Labor Housing Program and USDA Section 523 Rural Rental Assistance Program.
- F17. **USDA funds:** Educate affordable housing providers about successful strategies to couple USDA Section 523 Rural Rental Assistance and USDA Section 514/516 Farm Labor Housing Programs to help fund affordable farmworker housing.
- F18. **USDA Regulations:** Reform the USDA Section 514/516 Farm Labor Housing loans and grants to allow projects that include both farmworker and non-farmworker units. *Best practices include the Amanecer Apartments in Pajaro and Azahar Place Apartments in Ventura.*
- F19. **Mutual Self-Help:** Reintroduce the Mutual Self-Help Housing method of sweat equity and owner-building of single-family homes under the supervision of local nonprofit housing organizations using a combination of USDA Rural Development Section 502 Direct Loan and Section 523 Technical Assistance Grants with State

Joe Serna, Jr., Farmworker Housing Grant Program funds to produce affordable homeownership opportunities for farmworkers.

Regulatory Reform

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

- R1. **Update Zoning:** Promote and fund the update of restrictive and outdated zoning designations that limit residential densities, height, setbacks, and Floor-Area-Ratios (FARs), especially in urban cores and corridors, and identify and eliminate unnecessary or redundant discretionary reviews that cause costly delays and discourage applicants.
- R2. **Remove Barriers- Employer-Sponsored Housing:** Identify and eliminate barriers for the development of employer-sponsored housing while ensuring that the development is built to allow for future conversion to multi-family should the employer sell the property.
- R3. **CA Coastal Commission obstacles:** Remove impediments to farmworker housing within areas subject to the California Coastal Commission through update of Local Coastal Plans and reform the regulations governing the exemption of agriculture activities and permits set by the California Coastal Act.
- R4. **SB 2 Funded Streamlining:** Apply for SB 2 funding to update zoning and revise other regulations to streamline production of farmworker housing and other housing types.
- R5. **Priority Processing:** Allow for priority processing of by-right, year-round, permanent farmworker housing projects that meet underlying zoning requirements.
- R6. **Ombudsman Assistance:** Fund and designate a point-person or ombudsperson responsible for shepherding farmworker housing project applications through the local government approval process and advocating for them. *Best practice includes an ombudsman in San Mateo County for farmworker housing.*
- R7. **Template Plans:** Design and develop pre-approved plans and adopt modified development-by-right for farmworker housing, including dormitory-style, modular, and multifamily prototypes proposed on agricultural parcels meeting specified site and zoning criteria in unincorporated areas. *Best practice includes a recent approach adopted in Ventura County.*
- R8. **Development Impact Fees:** Encourage local jurisdictions to consider adopting ordinances that waive development impact fees for affordable farmworker housing.

- R9. **Fee Deferral:** Support local jurisdictions in establishing development fee deferral programs for affordable and workforce housing and implement the program when requested by the developer.
- R10. **Fees - Smaller Units:** Incentivize smaller, less expensive units by charging developer impact fees based on unit square footage rather than per unit and reducing minimum net land area per unit requirements.
- R11. **Parking Requirements;** Encourage local jurisdictions to allow for greater flexibility in the provision of parking for affordable farmworker housing, where appropriate.
- R12. **Mixed Use Requirements:** Provide greater flexibility in ratio of residential and commercial space in mixed-use districts or zones to allow for more space that is residential.
- R13. **Density Bonus:** Educate local jurisdictions about the application of state density bonus to facilitate affordable farmworker housing and encourage the development of an enhanced or super-density bonus where appropriate.
- R14. **Outreach:** Conduct outreach and education workshops to stakeholders and the public so that potential applicants and local communities better understand the rules and regulations governing farmworker housing.
- R15. **Collaboration:** Encourage local jurisdictions to proactively collaborate with affordable housing developers and develop solutions that remove site-specific land use barriers whenever possible.
- R16. **Staff Training:** Expand training of city and county staff and local elected officials about State and local land use laws and regulations and foster can-do collaborative mindset.