



**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence  
Department of Housing



**Date:** March 24, 2015  
**Board Meeting Date:** April 28, 2015  
**Special Notice / Hearing:** None  
**Vote Required:** Majority

**To:** Honorable Board of Supervisors

**From:** William Lowell, Director

**Subject:** Loan from the Agricultural Workforce Housing Program

**RECOMMENDATION:**

Adopt a resolution authorizing the Director of the Department of Housing to execute an agreement, as approved by County Counsel, with Lea Family Farms to provide funding for two new mobile homes in Half Moon Bay through the Agricultural Workforce Housing Program for a term of May 1, 2015 through April 31, 2016 in the amount of \$200,000.

**BACKGROUND:**

On July 22, 2014, the Board, sitting as the Board of Commissioners of the Housing Authority of the County of San Mateo, approved the allocation of \$500,000 of Moving to Work Funds (Voucher Reserves) for various activities relating to agricultural workforce housing, including the commission of an agricultural workforce housing needs assessment and funding to repair existing or create new agricultural workforce housing units. The Board followed-up that allocation with a second \$500,000 commitment from FY 2014-2015 Measure A funding. Improving farm labor housing has been identified in the County's Housing Element as an important housing-related need.

The pilot program was created to facilitate the rehabilitation of existing farm worker housing and the replacement of existing dilapidated mobile home units, with the intent of building partnerships and providing the resources to enable farmers and agricultural landowners to improve housing for the County's low-income agriculture workforce. The direct beneficiaries of this work will be the low-income agricultural workers who live in these rehabilitated units.

The program provides no-interest, forgivable loans to qualified applicants. Housing tenants must be farmworkers working in San Mateo County. Owners will be required to continue to use the housing for low-income agricultural workers and to hold rent

payments and any other housing related expenses stable for one year and at an agreed level for the duration of the loan. The Department of Housing will monitor these commitments for the term of the loan.

### **DISCUSSION:**

The approximately 1,700 farm workers in San Mateo County face many challenges such as safe and affordable housing, adequate food, availability of health care, and transportation. In San Mateo County, the high cost of living, adds to these challenges.

Much of the identified housing in San Mateo County where farm workers live is considered substandard. San Mateo County farmers, farm worker advocates, and farm workers themselves are concerned about the quality of this housing as much of it is beyond its useful life. Furthermore, the housing was built for a seasonal workforce. San Mateo County's agricultural workforce is less transient than most, given the coast's extended growing season, the significance of nurseries that grow year round and the high level of training required of workers by nurseries and specialty crop growers. Over the years, a trend has developed as farm workers bring families with them to establish residency here. This has often resulted in families occupying housing built for single male farm workers. These two factors, year-round use and overcrowding, have accelerated the physical decline of the housing stock.

San Mateo County Environmental Health reports that farmers are very responsive in addressing any issue that the Department raises during its annual inspections of employee housing, spending funds annually on maintenance. They have worked together to address issues related to important issue areas such as heat, water, windows and flooring. The Department identifies the aging state of employee housing and overcrowding as the underlying reason for most of the problems. Basic maintenance for aging structures has become expensive due to the need for constant repairs. The Department refers to this work as the "band aid" approach. The key challenge is that many of the units need either replacement or significantly more substantial rehabilitation work than the farmers have the financial capacity to provide.

The current opportunity will provide funding for the purchase and installation of two manufactured housing units on the Lea Family Farms property in Half Moon Bay. Projected costs include:

|   |           |
|---|-----------|
| • Drawings- Septic Plan and Site Plan                   | \$1,500   |
| • Purchase and Installation of Septic System Upgrade    | \$25,000  |
| • Purchase Water Meter for Fire Protection              | \$800     |
| • Tap and Install Water Meter for Fire Protection       | \$10,000  |
| • Purchase Two 3 Bedroom, 2 Bath Mobile Homes           | \$125,000 |
| • Remove and Dispose of Old Mobile Homes                | \$3,000   |
| • Install Two New Mobile Homes                          | \$10,000  |
| • Construct Stairs and Skirting on Two New Mobile Homes | \$10,000  |
| • Contingency (2.5%)                                    | \$5,300   |

Total Project Costs

\$215,600

The County loan will provide \$200,000, with the Lea Family Farms providing the remaining project needs. The loan will be at zero interest, forgiven at a rate of \$14,000 per year per unit for 8 years. Any contribution from the Lea family to the project will result in a one year shorter forgiveness term for each \$14,000 contribution they make. During that time, the units will be provided to farm laborers at a rent that is affordable to low-income households. Occupancy restrictions will be monitored by the Department of Housing for the life of the loan.

County Counsel has reviewed and approved the resolution as to form.

Approval of this resolution contributes to the Shared Vision 2025 outcome of a Livable Community by enabling the Department of Housing to provide affordable housing to low-income households.

**PERFORMANCE MEASURE(S):**

| Measure  | FY 2014-15 Actual | FY 2015-16 Projected |
|--|-------------------|----------------------|
| New and rehabilitated housing units through the Farmworker Housing Program | 6                 | 7                    |

**FISCAL IMPACT:**

The loan will total \$200,000 using funding from the Agricultural Workforce Housing Program, originally funded with \$500,000 from Housing Authority Voucher Reserves and \$500,000 from Measure A funding. This project will be funded with the Measure A allocation.