

**bae** urban economics

in association with **SAGE** and **California Farmlink**

San Mateo County

Agricultural Workforce Housing Needs Assessment

*Report Without Appendices*

October 21, 2016

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# ACKNOWLEDGEMENTS

*Funding for this project has been provided primarily through San Mateo County's Measure A Sales Tax. This project has been made possible in part by a grant from the Community Opportunity Fund grantmaking strategy of Silicon Valley Community Foundation.*

*We gratefully acknowledge the following people and organizations for their assistance in producing this report.*

## **County of San Mateo**

Sarah Rosendahl, Office of Supervisor Don Horsley  
Heather Peters, Department of Housing  
Fred Crowder, Department of Agriculture  
Will Gibson, Department of Planning  
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*We also gratefully acknowledge the more than 300 agricultural workers who participated in our workforce survey and focus groups, 29 agricultural operators who participated in our producer survey, and many operators who facilitated on-site surveys of their agricultural workers and participated in focus groups. In addition, the San Mateo County Farm Bureau and the Central Coast Collaborative Regional Alliance for Farmer Training (CRAFT) facilitated the participation of their members in this study.*

## EXECUTIVE SUMMARY

This report provides an assessment of San Mateo County's agricultural workforce, as well as an assessment of the County's farm labor housing situation and housing needs. Report preparation relied on surveys and over 300 face-to-face interviews with agricultural workers in an effort to obtain information that accurately reflects current conditions and reliably projects the future housing needs of the County's agricultural operations. Research for the report also included a review of relevant literature and published data, a survey agricultural producers, focus group sessions with members of the agricultural workforce and producer communities, and interviews with individuals knowledgeable of local agricultural workforce housing issues. The report concludes with findings, and recommendations for actions that San Mateo County and other community stakeholders can implement in order to help improve the quality, availability, and affordability of housing for the County's agricultural workforce.

The San Mateo County Department of Housing served as the project manager, with input from the Office of Supervisor Don Horsley and from the San Mateo County Agricultural Commissioner's office. The San Mateo County Outreach team also supported the project by administering workforce surveys using bilingual capabilities. The County contracted with a consultant team headed by BAE Urban Economics to conduct the research and coordinate the elements necessary to prepare this report. Subcontractors to BAE included Sustainable Agricultural Education (SAGE) and Brett Melone (formerly San Mateo County Agricultural Ombudsman and presently with California Farmlink). The County also contracted with Puente de la Costa Sur (Puente), to provide assistance with outreach to agricultural workers and agricultural producers, and to provide input to the study. Funding for this project has been provided primarily through San Mateo County's Measure A Sales Tax. This project has been made possible in part by a grant from the Community Opportunity Fund grantmaking strategy of Silicon Valley Community Foundation.

### Key Conclusions

Following are key conclusions synthesized from the background literature and data review, responses to the two surveys, and insights from focus group sessions and key informant interviews.

**Unmet Need for Agricultural Workforce Housing** – Based on findings regarding the housing problems experienced by the existing agricultural workforce, there is a need for an estimated unmet need for 1,020 to 1,140 housing units that would be affordable and suitable for agricultural workers and their households. Any need for repair or replacement of agricultural worker housing that is in poor condition, in which the households are not currently overcrowded and/or experiencing excessive cost burdens would add to these numbers.

**Financial Needs** - With a high concentration of smaller farm operations that generate limited amounts of revenue, many of San Mateo County's agricultural producers would face difficulty in funding or financing improvements to existing housing or constructing new housing. Also, a large proportion of the agricultural workforce has relatively low incomes and cannot afford market rate

housing. These factors, combined with the high cost to acquire land, develop infrastructure, and build housing in the Coastside area means that subsidies will typically be necessary in order to develop housing that can be rented or sold at rates affordable to agricultural workforce households.

**Housing Availability** - The future of San Mateo County agricultural production will be dependent on labor availability, and producers are adjusting their operations in response to labor constraints. Based on the surveys and focus group comments, producers would hire more workers now and/or in the future if the workforce was available; however, producer survey responses and comments from focus group participants, including producers and workers, indicate that a key reason for the County's shrinking farm labor pool is the lack of available housing. During focus group sessions, producers indicated that housing availability is a key concern for producers in recruiting and retaining employees. At the same time, agricultural workers who participated in focus group sessions indicated that housing availability severely constrained their job mobility, and that workers living in on-farm housing would be reluctant to leave an unsatisfactory employment situation, because of the lack of other viable housing choices if they lost their employer-provided housing. A primary factor contributing to this situation is the high cost and unavailability of affordable housing throughout the greater Bay Area, where housing development is lagging behind job growth.

**Problems in Existing Housing** – Workforce survey responses, employee housing inspection records from the Environmental Health Department, and comments provided by key informants and focus group participants indicate a need for ongoing repair, maintenance and replacement of the existing farm labor housing stock. Although the Environmental Health Department indicated that the farm labor housing stock is generally improving based on observations during the annual inspection process, it is rare for annual Employee Housing inspections to find no deficiencies in a given housing facility, meaning that continual maintenance and improvement is an ongoing need. A significant contributor to this is the generally aged condition of the onsite farm labor housing stock that was designed for seasonal use, not year-round occupancy.

In addition to physical problems with the housing stock, there is also a relatively high incidence of overcrowding and excessive housing cost burdens among the agricultural workforce. Families in particular have a difficult time finding suitable housing, because there is a narrower range of housing options that is suitable for families, particularly those with children. In contrast, unaccompanied workers have more flexibility in how they meet their housing needs because they need to find accommodations for just one person and can fit into a range of different living situations. Agricultural workers are also susceptible to living in substandard housing or overcrowded conditions because there is a desire to be able to save money and/or send money to help support their families who live elsewhere.

**Regulatory Barriers** – There are numerous layers of regulations that can pose a constraint to provision of farm labor housing in the Coastside area, including “extra” layers in the form of Local Coastal Program regulations that must conform with the State Coastal Act, as well as permit and monitoring requirements imposed by the State for Employee Housing for five or more employees. In addition, the U.S. Department of Labor enforces federal regulations for housing for “migrant

agricultural workers”.<sup>1</sup> Regulatory constraints are consistently identified as one of the key barriers to maintaining and expanding the supply of housing for the agricultural workforce; however, in most cases these types of comments were general in nature and did not identify specific barriers that needed to be mitigated. Further study is necessary to identify real barriers versus perceived barriers, and the practical opportunities available to the County and local stakeholders to address barriers.

Another factor that influences regulatory barriers is attitudes about development within the Coastside area. Proposals for housing development can meet resistance due to environmental concerns and priorities for open space preservation. This creates an opportunity for the County to play a role in advocating to balance environmental and aesthetic concerns with the need to adequately house the agricultural workforce.

Existing County farm labor housing regulations encourage land owners to build farmworker housing, by exempting all units used for farmworker housing from the County’s density allocation requirements, by waiving fees and by providing an Agricultural Ombudsman. These streamlined procedures for creation of farm labor housing are balanced by fairly strict requirements that building be removed if they are no longer used as agricultural work force housing; however, these requirements are rarely implemented.

**Need for Third-Party Housing** - In addition to regulatory barriers and limited financial resources faced by all types of producers, many farmers lease their land, so they do not necessarily control the decision about placing housing on the properties they farm. In addition, for smaller operations, the capacity to obtain permits to build housing (i.e., the time that can be dedicated to navigating the permit process and taken away from farming operations), and the capacity to manage housing on an ongoing basis is limited, and those responsibilities take away from time that is needed to tend to farming operations. This set of issues, combined with the drawbacks that workers face in relying on employer-provided housing, mentioned above, highlight the importance of expanding the supply of agricultural workforce housing that is developed and managed by third-party providers, such as affordable housing developers, and targeted specifically to farmworkers.

**Housing Types Needed** - The most appropriate type of housing for two thirds-or more of the agricultural workforce in San Mateo County is permanent family housing.<sup>2</sup> The Coastside workforce is very rooted in the community, typically living and working for many years in the community. Most agricultural workers either live with their family, or would prefer to live with their family, if suitable housing were available in the Coastside area, and generally, there is a preference among agricultural workforce survey respondents for single-family homes. Due to lower incomes that are prevalent

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<sup>1</sup> As defined by the U.S. Department of Labor, “Migrant agricultural worker means an individual who is employed in agricultural employment of a seasonal or other temporary nature, and who is required to be absent overnight from his permanent place of residence.”

<sup>2</sup> For example, two-thirds of agricultural workforce survey respondents indicated they live with family members; two-thirds have lived in San Mateo County for 11 years or more; and 88 percent indicated that they live in the same home year round.

among agricultural workers, housing that is subsidized to be affordable to lower-income households is necessary. Agricultural workforce survey respondents and producers who participated in focus group sessions indicated a preference for housing provided at or near worksites dispersed throughout the Coastside. The very limited public transportation service in rural Coastside areas is another reason that proximity of housing to agricultural operations is important. Nevertheless, South County agricultural workers who participated in a focus group session indicated that an affordable housing complex such as Moonridge would be beneficial in that area, and over 80 percent of Moonridge residents who participated in the workforce survey indicated they were satisfied with their housing.

Due to the limited number of employees at many agricultural operations, single-family homes, mobilehomes (i.e., manufactured housing) and second units or accessory dwelling units would be suitable onsite housing solutions for many agricultural operations. Compared to the areas around Half Moon Bay and further to the north, there is more need for housing suitable for single workers in the South Coast area; however, South Coast agricultural worker focus group participants indicated that an important reason that many Pescadero area workers do not have their families with them is the lack of availability and affordability of family housing in the area.<sup>3</sup>

It should be noted that over half of the agricultural workforce survey respondents indicated that they did not have documentation of legal U.S. residency, thus, a substantial part of the agricultural workforce would not be eligible for federally-funded housing, which requires proof of legal residency. Provision of at least some new housing that relies on private, local, and state funding that does not impose requirements for proof of legal resident status should be a goal.

**Other Findings** - Based on agricultural workforce survey responses, only a small proportion of agricultural workers who do not live in Moonridge had been offered a lease agreement for their housing. Given this, property owners could benefit from information about how a lease agreement could protect them, while agricultural workers could also benefit from a better understanding of their rights as tenants and the importance of having a lease agreement. Landlords might benefit from the services of a property management company that could oversee leases, achieve administrative and maintenance efficiencies, and address housing issues in an effort to keep them separate from employment.

## Recommendations

The following is an overview of key recommendations to address conclusions regarding agricultural workforce housing needs presented above. The Recommendations section in the main body of the report includes additional discussion of the key recommendations, as well as additional supporting actions.

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<sup>3</sup> Although lack of affordability is an issue throughout the Coastside area, South Coast area agricultural workers are more likely than those who work elsewhere on the Coastside to live apart from their families.

### ***Financial Resources***

Given the small size and limited financial resources of many of San Mateo County's individual agricultural producers, combined with the relatively low incomes of the County's agricultural workforce, and the high cost of developing and maintaining housing, substantial sources of financial subsidy will be required to significantly expand the supply of affordable housing for the agricultural workforce. Locally-controlled funding is critical to sustaining and expanding local programs such as the County's Farmworker Housing Rehabilitation and Replacement Pilot Program. In addition, locally controlled funding can provide more flexibility than funds from State or federal sources and can also be valuable as a resource to leverage funds from other sources. As suggested in one of the producer survey responses, the County and its local agricultural landowners could consider whether it would be appropriate to pursue establishing an assessment district that would generate an ongoing stream of revenue that would help to fund housing projects for the agricultural workforce. One example of such district is the self-imposed assessment for farmworker housing assistance in Napa County, which is called County Service Area (CSA) No.4.

### ***Preservation of the Existing Housing Stock***

A top priority for agricultural workforce housing could be to preserve the existing housing stock that is available for the agricultural workforce. The County could continue and, if possible, expand the existing Farmworker Housing Rehabilitation and Replacement Pilot Program, which was viewed favorably by local agricultural stakeholders. It is acknowledged, however, that the farm labor housing stock also includes housing structures that are in poor condition due to old age or neglect, which may need replacement rather than preservation or rehabilitation.

### ***New Housing Production***

Single-family dwellings, second units, and/or manufactured housing units would be suitable solutions to address small farm onsite employee housing needs, given that most operations do not need to house large numbers of agricultural workers. Traditional "stick built" single-family homes and modern manufactured housing units can be suitable to provide the permanent family housing that would be attractive for large portions of the San Mateo County agricultural workforce, acknowledging that stick-built housing is typically more expensive per unit than manufactured housing. This type of housing would also address preferences expressed by workers and producers for housing that is dispersed throughout the Coastside agricultural areas, at or close to work sites.

Due to proximity to the greater Bay Area housing market, it will be beneficial to focus on safe, decent and affordable housing that is targeted specifically to the agricultural workforce so that farmworkers do not have to compete with other sectors' higher paid employees for available units. This could involve employer-provided housing and/or third-party housing that is restricted to farmworkers (e.g., due to funding sources that specifically target farmworkers).

While encouraging additional on-farm housing in housing units configured for families could be a priority, there are inherent advantages to workers if housing is decoupled from employment. This would give employees more mobility to change jobs without fear of losing their housing, and more



autonomy from their employers during non-work hours. To address this, the County could explore the possibility of developing third-party owned housing in the South Coast area, so that farmworkers in that area will have expanded options for housing that is not tied to their employment. Such a project might also give workers who currently live away from their families the opportunity to bring their family members to live with them in the area.

For off-site housing intended to house a number of farmworker households, multifamily housing structures (e.g., apartments, duplexes, etc.) may be the most cost-effective form of construction; however, due to the density of development, multifamily housing typically requires more infrastructure, such as community water and/or sewer systems, in order to be viable and availability of this type of infrastructure is a constraint in the rural Coastside areas.

The County could also explore the possibility of developing a “self-help” housing project, such as those developed by Habitat for Humanity, to create an affordable homeownership opportunity for agricultural workers, recognizing their long-term work and residency in the area. Worker focus group participants confirmed that this type of affordable ownership opportunity would be attractive to long-term Coastside agricultural workers who feel rooted in the community and wish to stay in the area that they consider their permanent home. This type of housing development could be combined with a first-time home-buyer program, such as that offered by HEART of San Mateo County, to help farmworker households qualify to purchase homes.

### ***Regulatory Efficiencies and Assistance***

A recurrent theme reflected in the information collected during the course of this study is that regulatory barriers create significant challenges to constructing and operating housing for the agricultural workforce in the Coastside area. Agricultural producers, agricultural workers, and others knowledgeable of conditions in the Coastside area tended to express these sentiments in broad terms, rather than identifying specific regulatory issues that the County could address. Given the complexity of regulations that impact housing for the agricultural workforce, including local, State, and federal requirements, the County could convene a working group to explore these issues further and identify practical steps that the County and/or other stakeholders could take to mitigate any unnecessary barriers.

Although some mitigation of regulatory barriers may be possible, various layers of local, State, and federal regulations will inevitably remain in some form. To facilitate understanding and compliance with the regulations affecting housing for the agricultural workforce, the County could develop a reference guide that contains the relevant sections of the different policy and regulatory documents in one place.

The San Mateo County Agricultural Ombudsman, who works out of the San Mateo County Resource Conservation District office, does help producers with applications for new farm labor housing and the County could continue this service. County GIS staff could support this by utilizing the GIS system to provide accurate base maps to applicants and/or help in developing site plans. Current

efforts to establish a one-stop shop for permitting of farm labor housing could be continued as a strategy to help interested owners navigate local and State land use requirements, many of which are dictated by the State Coastal Act and would be difficult for San Mateo County to change.

To facilitate applications for new farm labor housing, the County could examine the potential usefulness of a resource packet that would provide information and guidance on the farm labor housing permitting process along with project case studies to illustrate the process, requirements, and completed projects.

### ***Information and Education***

To address the concern that open space organizations may be biased against having housing on their land, the County could facilitate discussion among local agricultural stakeholders and Peninsula Open Space Trust (POST) and Midpeninsula Regional Open Space District (MROSD) representatives to develop a common understanding of agricultural workforce housing needs and to identify how preservation of existing housing and development of new housing can balance those needs with environmental and aesthetic concerns.

In response to the finding that few agricultural workers other than those living in Moonridge were offered a lease agreement for their current housing, the County could facilitate the development of a model residential lease agreement for landlords to use, which could include information regarding emergency rent assistance available via sources such as through the Coastside Opportunity Center in El Granada, tenant-landlord mediation resources, etc. Related to this, the County could work with the U.S. Department of Labor to obtain an informational handout that could be distributed to owners (or prospective owners) of farm labor housing regarding the relevant federal regulations applicable to employer-provided housing.

Another potential application of a model lease tool suggested in a focus group session is a model terms for a farm lease agreement that would contain provisions to allow the tenant to make improvements to the property (i.e., construct housing) and then recoup their investment if their lease expires prior to being able to amortize the cost of the improvements. This is a project that the Farm Bureau and/or CRAFT could lead, as a benefit to their members.

Given producers' stated interest in providing agricultural workforce housing if financial and regulatory assistance were provided, the County could provide educational resources to landowners and agricultural producers about the various types of technical and financial assistance available from USDA, the State of California, the County, and others that could be utilized to develop, improve, or expand onsite farm labor housing. This could be done through collaboration with the Farm Bureau, Central Coast Collaborative Regional Alliance for Farmer Training (CRAFT), and Puente.

# INTRODUCTION

In response to strong interest among local stakeholders to develop a better understanding of the current and future needs for agricultural workforce housing in the County, San Mateo County commissioned this housing needs assessment for the agricultural workforce. This study also addresses San Mateo County Housing Element program 27.4, which calls for the County to undertake an assessment of the County's farm labor population, existing farm labor housing stock, farm labor housing conditions, and farm labor housing needs. For the purposes of this study, agricultural workforce includes anyone who earns their living through farming activities, including field or nursery workers, crew leaders, owners and managers, and other workers involved with growing, packing, and processing agricultural products, including livestock, aquaculture and aquaponics. See Appendix A for a listing of terms and definitions as they apply to this study.

San Mateo County's agricultural activity is primarily on the Coastside and County staff directing the study decided to focus this study on that area. This study provides a comprehensive assessment of information related to the County's agricultural workforce, current housing, and housing needs based on existing agricultural operations and projected future operations. Among other elements, primary components of the study include:

- A comprehensive literature review
- A survey of the County's agricultural workforce regarding their current housing conditions and housing needs
- A survey of County agricultural producers regarding trends in cultivation, numbers of employees, and their current housing conditions and employee housing needs
- Interviews and focus group sessions with San Mateo County agriculture stakeholders to further explore issues

The study results will be used to determine the best use of current resources that are available to help improve housing for the agricultural workforce and potentially support the development of further resources to improve or expand housing for this population. The study provides the first research-based understanding of the County's agricultural workforce housing needs. As such, the contents provide guidance for policies and programs in order to support this population.

The San Mateo County Housing Department managed the study, working closely with Supervisor Don Horsley's office, the San Mateo County Planning Department, and the San Mateo County Agricultural Commissioner's office. The County contracted with a consultant team headed by BAE Urban Economics, which managed the research and prepared the study report with support from Sustainable Agriculture Education (SAGE) and California Farmlink. Separately, the County also contracted with Puente de la Costa Sur, a non-profit based in Pescadero, to assist with agricultural worker outreach for the study, with Ben Ranz spearheading these efforts for the Pescadero based non-profit. Bilingual San Mateo County Outreach Team members Ellie Dallman and Ashley Quintana conducted in-person interviews with over 300 farmworkers as part of the study's workforce survey component. Collectively, this grouping of individuals and organizations is referred to hereafter as

the Study Team. For purposes of project management and coordination, San Mateo County also designated an Executive Committee, which included Heather Peters of the San Mateo County Housing Division, Sarah Rosendahl of Supervisor Horsley's office, Agricultural Commissioner Fred Crowder, and Matt Kowta of BAE.

Funding for this project was provided primarily through San Mateo County's Measure A Sales Tax. This project has been made possible in part by a grant from the Community Opportunity Fund grantmaking strategy of Silicon Valley Community Foundation.

## BACKGROUND INFORMATION

A range of background information was available to serve as a starting point to begin to understand the needs of the San Mateo County agricultural workforce. Information regarding the existing agricultural operations in San Mateo County and the associated labor force include San Mateo County Agricultural Commissioner's Crop Reports from 2015 and earlier, the Economic Contributions of San Mateo County Agriculture report, prepared by Agricultural Impact Associates on behalf of the San Mateo County Agricultural Commissioner's Office (2014), the report titled, Aggregating, Distributing, and Marketing Local Foods in San Mateo County, California prepared by Community Alliance with Family Farmers (2014) on behalf of the San Mateo County Food Systems Alliance, and the San Mateo County Food System Assessment, by the San Mateo County Food System Alliance (2014).

BAE also collected and reviewed published data regarding San Mateo County agricultural employment and wage information from the California Employment Development Department and United States Department of Agriculture (USDA) Census of Agriculture. Other documents reviewed include the San Mateo County Housing White Paper, the Housing Element of the San Mateo County General Plan, the San Mateo County Local Coastal Program, the Analysis of Impediments to Fair Housing and Consolidated Plan for San Mateo County, and the San Mateo County Planning and Building Department's handout titled, *Application Process and Procedures for Farm Labor Housing*. BAE also collected and reviewed data from the San Mateo County Department of Environmental Health, from annual Employee Housing inspections conducted by the department, as well as information furnished by MidPen Housing regarding farmworker occupancy at the Moonridge affordable housing community just outside the City of Half Moon Bay.

### **Agricultural Production**

According to the report, Economic Contributions of San Mateo County Agriculture, based on the \$137 million reported gross crop value in the 2011 Crop Report, San Mateo County agriculture represents \$160 million in direct economic output, and 1,204 direct employees, with almost 95 percent of that activity concentrated along the San Mateo County Coast. Indirect and induced economic impacts (i.e., multiplier effects) within the County increase the total economic impacts of the County's agriculture to \$216 million in annual output and 4,708 jobs.

The San Mateo County Food System Assessment noted that although San Mateo County producers grow over 50 different types of vegetable crops, more than 30 types of fruits and nuts, and six types of livestock, there has been a shift in agricultural production since the 1950s, away from edible food products to floral and nursery products. According to the Agricultural Commissioner, this is due to both a reduction in planted acreage for field crops (oats, grains, etc.) and outdoor floral crops. The reduction in acreage also reflects a reduction in the practice of multi-cropping (i.e., producing two or more crops on the same plot of land in the same growing season). With water always having been in short supply on the coast, there is some dryland farming, but also an incentive to produce higher value perennial crops (e.g., artichokes), and crops with long growing seasons (e.g., Brussels sprouts, leeks) to provide a greater return.

### **County Agricultural Commissioner's Crop Reports**

Crop reports published and maintained since the 1940 crop year by the San Mateo County Agriculture Commissioner's office indicate that the acreage dedicated to San Mateo County agriculture has historically been declining. Since the 1980 crop year, total acreage has dropped from 14,829 acres to 3,822 in 2015 (see Table 1 below). According to the County Agricultural Commissioner, this statistic can be misleading because, while there has been a reduction in planted acreage for outdoor floral crops, the statistics also reflect a reduction in the practice of multi-cropping (i.e., producing two or more crops on the same plot of land in the same growing season). The relatively small acreage currently attributed to Floral and Nursery Crops belies the fact that Floral and Nursery Crops represent almost 80 percent of the dollar value of San Mateo County's agricultural production. With less water, there is more dryland farming, increased production of perennial crops (e.g., artichokes), and crops with long growing seasons (e.g., Brussels sprouts, leeks). Land use for pasture has dropped from 40,600 acres to 22,479 acres as increasing land prices, disappearance of local processing facilities, and drought all reduce the number of head of cattle on the range.

**Table 1: San Mateo County Agricultural Acreage, 1980-2015**

<b>Crop Type</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Vegetables	3,530	2,905	2,509	2,004	2,029	1,987	2,105
Floral and Nursery	1,929	2,037	1,437	880	789	762	722
Field Crops	9,230	3,646	1,300	745	680	671	718
Fruits & Nuts	140	157	105	238	255	259	277
<b>Total Crop Acreage</b>	<b>14,829</b>	<b>8,745</b>	<b>5,351</b>	<b>3,867</b>	<b>3,753</b>	<b>3,679</b>	<b>3,822</b>
<b>Pasture - Existing Acreage</b>	<b>40,600</b>	<b>30,300</b>	<b>30,300</b>	<b>20,085</b>	<b>21,868</b>	<b>22,026</b>	<b>22,479</b>

Source: San Mateo County Agricultural Crop Reports, BAE 2016.

## **Agricultural Workforce**

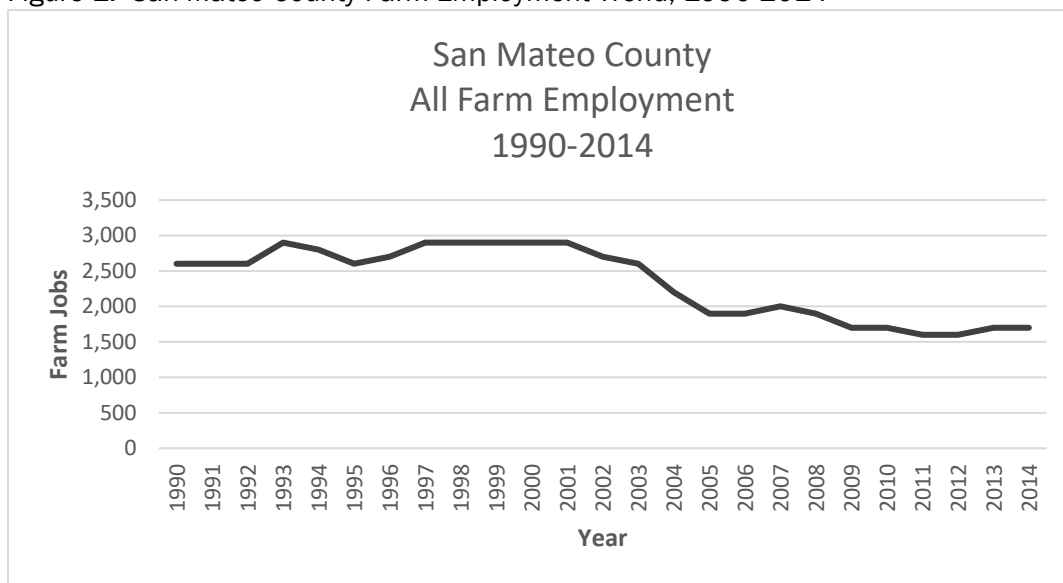
### **California Employment Development Department**

The California Employment Development Department (EDD) compiles data at the County level, on a monthly and annual basis regarding employment by industry. For San Mateo County, EDD data indicate a drop in annual average farm employment from close to 3,000 in the year 2000, down to about 1,700 workers in 2014.<sup>4</sup> Figure 1, below, depicts the trend in agricultural employment over this time period.

<sup>4</sup> Farm employment includes workers engaged in growing crops, raising animals, harvesting fish and other animals from a farm, ranch, or natural habitats. Does not include logging. Includes self-employed workers, such as farmers and ranchers who work for profit in their own farm.

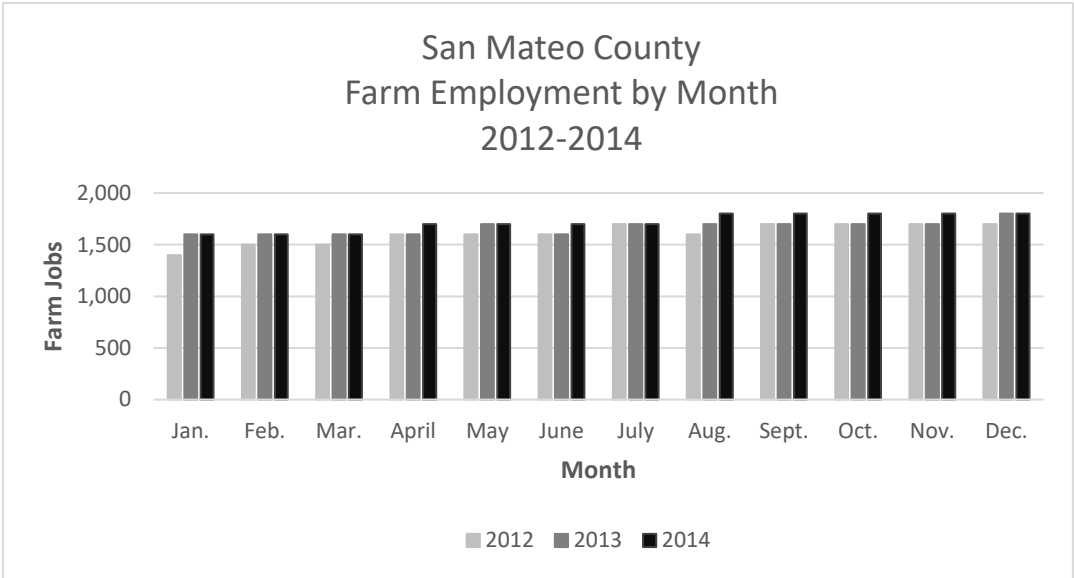
During the year, agricultural employment can fluctuate according to the labor needs during the various periods of the growing season, from planting to harvesting. The EDD data graphed in Figure 2 indicate that San Mateo County farm employment is fairly stable during the course of a year, varying by no more than two hundred employees from peak to trough during 2012, 2013, and 2014; however, information shared by one of the County’s larger agricultural employers indicates that some of the seasonality of local agricultural employment is likely masked by the fact that some producers utilize farm labor contractors based outside of the County (whose employees would be recognized in the County in which their employer is based) to handle peak labor needs. Generally, January and February are the months with the lowest agricultural employment, coinciding with a winter lull in certain agricultural production activities and the time of year that a portion of the agricultural workforce travels to Mexico to visit family who remain in that country. Nevertheless, this information portrays a relatively stable year ‘round agricultural workforce, with producers who participated in the focus group sessions reporting that they attempt to keep their employees busy during as much of the year as possible, so that they can retain them and reduce the need to recruit new employees each growing season, which is becoming increasingly difficult.

Figure 1: San Mateo County Farm Employment Trend, 1990-2014



Source: California Employment Development Department, 2015.

Figure 2: San Mateo County Farm Employment by Month, 2012-2014



Source: California Employment Development Department, 2015.

**2012 Agricultural Census**

The Agricultural Census, conducted by the U.S. Department of Agriculture collects a comprehensive set of data on farming operations in each County. The 2012 Agricultural Census is the most recent available, indicating that San Mateo County had a total of 334 farms, covering a total of 48,160 acres.<sup>5</sup>

By acreage, most farms are relatively small in size, with 126 farms of one to nine acres, and another 80 between 10 and 49 acres. These two smallest categories represent about 62 percent of the total. By dollar value, less than 20 percent of the farms had annual sales of \$50,000 or more, with an average gross farm income (before taxes and expenses) of \$48,350 for the year. Given these figures it is not surprising that the Agricultural Census also reports that farming was only reported as the primary occupation of about 56 percent of the principal operators of San Mateo County farms. This information indicates that many local agricultural operations are relatively small in scale, and may have difficulty making large capital outlays to construct or improve farm labor housing but that they will also not typically require a large number of farm labor housing accommodations.

According to the Agricultural Census, 166 San Mateo County farms had hired farm labor, employing 1,722 workers during 2012. Of those farms hiring farm labor, 99 had fewer than five workers, and only 27 operations employed 10 or more workers. Within the County, the 2012 Agricultural Census

<sup>5</sup> USDA's Agricultural Census has a different method for counting farm acreage than the County and includes acreage and land that is not actively under agricultural production. The Agricultural Census includes about 9,500 acres of land in farmsteads, homes, buildings, livestock facilities, roads, wasteland, etc., and about 8,000 acres of "woodland". The Agricultural Census includes about 22,000 acres of pastureland, which is fairly comparable to the Crop Report rangeland figure. The Agricultural Census includes 8,476 acres of land categorized as crop land, which is significantly greater than what is reported in the County Crop Report because the Crop Report only counts land that is being actively farmed.



indicated only 15 farms employed a total of 88 migrant farmworkers<sup>6</sup>, again reinforcing the notion that the County's agricultural workforce is primarily a year round resident workforce. Only about 27 percent of the farms employing hired labor indicated that they only have workers who work fewer than 150 days per year; the remainder indicated that at least some or all of their workers who work 150 days or more per year.

One other significant data point for San Mateo County farms contained in the Agricultural Census is the fact that the average age of principal operators of farms in San Mateo County as of 2012 was 58.6 years. This indicates that there are many long-term farm operators within the County who may retire in the next ten years. This generational transition within the local farming community may have significant implications for agricultural workforce housing needs if the current generation of farmers chooses to retain ownership of farmland and to continue to occupy onsite housing. If the retiring farmers then lease their land to new farmers, the new farmers will then add to the demand for housing for the agricultural workforce.

### ***Estimated San Mateo County Agricultural Workforce***

The estimates of farm employment from the EDD and from the Agricultural Census both indicate about 1,700 farm employees in San Mateo County. While the EDD data include employees as well as farmers and ranchers who are self-employed, the Agricultural Census may exclude some farm owners. To come up with an upper-end estimate of the total agricultural workforce in San Mateo County based on the Agricultural Census, it can be assumed that each of the 334 farms identified in the Agricultural Census has one owner who is not considered an employee. Then based on the Agricultural Census estimate that farming is the primary occupation of 56 percent of the principal operators of San Mateo County farms, this would suggest that up to 187 farm owners are also agricultural workers, in that they derive most of their income from farming. Combining this figure with the estimated farm employees indicates a total San Mateo County agricultural workforce of up to approximately 1,900 workers. Based on the information from these two sources, the San Mateo County agricultural workforce can be estimated at approximately 1,700 to 1,900 workers.

## **Regulatory Background on Development of New Housing**

This section provides a brief overview of the regulatory environment for development of new housing that can serve the agricultural workforce in the Coastside San Mateo County area. As the objective of this report is to identify recommendations for San Mateo County to improve the availability, quality, and affordability of housing for the agricultural workforce, the focus is on the regulations applicable within the unincorporated area, although it is acknowledged that housing could be constructed in the City of Half Moon Bay to serve the agricultural workforce or to a lesser extent, nearby cities like Pacifica or cities on the Bayside of the County. While regulatory conditions in jurisdictions other than San Mateo County are beyond the scope of this study, there are agricultural operations and housing in the City of Half Moon Bay. Recommendations from this study include

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<sup>6</sup> This figure is based on the specific definition of a migrant farmworker used for the U.S. Department of Agriculture, 2012 Agricultural Census: "A migrant farm worker is a farm worker whose employment required travel that prevented the worker from returning to his/her permanent place of residence the same day."

further assessment of the impacts of regulatory barriers on housing for the agricultural workforce. This follow-up work could include exploration of regulatory barriers in Half Moon Bay and their impact on the overall availability of housing for San Mateo County's agricultural workforce.

### ***Local Coastal Program***

The California Coastal Act requires that local jurisdictions prepare a Local Coastal Program (LCP) for land within the Coastal Zone. The Coastal Zone generally extends inland from the coast to the first major ridge paralleling the coastline, or a distance of five miles, whichever is less. The California Coastal Commission must certify that the LCP complies with the Coastal Act, and has certified San Mateo County's LCP, giving the County permitting authority in the Coastal Zone. After certification, a Coastal Development Permit is required for most new development within the Coastal Zone, including new residential development and associated infrastructure. Because this is a requirement of State law, it is an additional and unavoidable regulatory hurdle for development in the Coastal Zone that does not exist outside the Coastal Zone. San Mateo County reviews and acts on Coastal Development permit applications on behalf of the State; however, in many cases, the County's actions on Coastal Development Permits are appealable to the Coastal Commission. If a Coastal Development Permit is appealed to the Coastal Commission, the regulatory process becomes longer and more costly.

The Coastal Act establishes agriculture as a priority land use in the Coastal Zone, which is beneficial to agriculture in that it encourages agriculture as an ongoing activity in the area. In addition, the San Mateo County LCP contains a number of policies that favor farm labor housing as a use within the Coastal Zone. Policy 3.29 defines "farm labor housing" as mobile homes or other housing structures intended to house persons or families, at least one of whom derives a substantial portion of his/her income from employment in an agricultural or floricultural operation. Following are several other policies relevant to farm labor housing in the Coastal Zone:

- Policy 1.8 exempts farm labor housing from the density credits requirement for new development.
- Policy 1.24 exempts farm labor housing from timing restrictions for new development in the South Coast area.
- Policy 3.12 designates affordable housing and designated family farm labor housing as priority land use for which water and sewer capacity will be reserved.
- Policy 3.23 commits the County to use resources to expand farm labor housing choices and promote a stable, non-itinerant labor force by emphasizing provision of family housing.
- Policy 5.5 identifies single-family residences and farm labor housing as conditionally permitted uses on prime agricultural lands designated as agriculture and on lands suitable for agriculture designated as agriculture.
- Policy 5.23 recommends to the California State Water Resources Control Board (CSWRCB) that when issuing permits for appropriate water rights, the CSWRCB establish new and existing farm family and farm labor housing as among their priorities.

While the LCP provides important policy support for agriculture as a priority land use within the Coastal Zone, other components of the Coastal Act, including restrictions on new development and infrastructure to serve it, and the requirement for issuance of Coastal Development Permits represents an additional regulatory layer that producers must address before they can obtain permission to develop workforce housing, which can become a constraint to the provision of housing to serve the agricultural workforce. Further, changes in the County's zoning and General Plan land use designations within the Coastal Zone require Coastal Commission review and approval which can take a minimum of one year, but could require significantly longer depending on the type and extent of the desired change. In addition, in 1986, the San Mateo County voters approved Measure A (The Coastal Protection Initiative), which requires countywide voter approval for LCP amendments that would weaken limitations on non-agricultural development within the Coastal Zone. These factors mean that San Mateo County is significantly constrained in its ability to adjust land use policies within the Coastal Zone if, for example, the County wanted to revisit policies on development of agricultural workforce housing development that are discussed in the following subsections.

### **Zoning**

San Mateo County has adopted zoning regulations that are consistent with its LCP, as required by state law, and those zoning regulations have been certified by the Coastal Commission.

Most of the unincorporated land in the Coastside area is zoned either PAD/CD or RM-CZ/CD.<sup>7</sup> PAD indicates Planned Agricultural District – Coastal Zone; RM-CZ indicates Resource Management – Coastal Zone. The additional “CD” designation indicates that the land is in the Coastal Development District, which covers the Coastal Zone and where issuance of a Coastal Development permit is typically necessary, in addition to standard planning approvals.

- Single-family residences and farm labor housing are permitted on PAD-zoned property, with the issuance of a Planned Agricultural Permit.
- Multifamily housing, if it is affordable housing, is permitted in PAD-zoned areas that are not prime agricultural land, upon issuance of a Planned Agricultural Permit.
- Single-family residences, multifamily residences, temporary trailer parks, and other housing for farm laborers are allowed in the RM district with a permit.

For single-family residences and multifamily housing that is not designated as farm labor housing, the County establishes a system of assigning density credits to parcels, which dictates how many residential units can be constructed. Housing designated as farm labor housing is exempted from the density credit system. According to Kerry Burke, a planning and land use consultant who works with applicants who are interested in obtaining development permits, the most likely constraint to

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<sup>7</sup> See zoning map at: [http://planning.smcgov.org/sites/planning.smcgov.org/files/documents/files/smc\\_zoning.pdf](http://planning.smcgov.org/sites/planning.smcgov.org/files/documents/files/smc_zoning.pdf). There are numerous parcels zoned R-1, particularly in the Mid-Coast area; however, because the zoning is intended to accommodate primarily single-family homes on individual parcels, R-1 parcels are not likely cost-effective for development of farm labor housing.

development of farm labor housing will be availability of sufficient water to meet the needs of the new housing, rather than regulatory constraints.<sup>8</sup> Agricultural producers interested in developing more housing on their properties also mentioned this limitation during focus group sessions.

There are limited areas in the County’s Coastal Zone that have other zoning designations, including various residential and commercial zoning districts (R-1, R-3, C-1, etc.) in unincorporated areas such as San Gregorio, Pescadero, El Granada, La Honda, Loma Mar, and Montara. A range of non-agricultural development is permitted in these zoning districts and existing nodes of residential and/or commercial development currently exist in these areas.

**County Regulations for Farm Labor Housing**

In addition to the applicable zoning regulations discussed above, the County also has specific requirements for farm labor housing (FLH). The County defines FLH as follows:

*“Farm labor housing is housing units that can only be occupied by farm laborers and their immediate family members. A “farm laborer” is defined as a person who derives more than 20 hours per week average employment from on- or off-site agricultural operations (within San Mateo County) and earns at least half their income from agriculturally-related work. Applicants for farm labor housing must demonstrate that the size of the housing requested is no larger than the minimum needed to adequately house farm laborer(s) and their immediate family members.”<sup>9</sup>*

This definition includes farm owners as well as farm employees. Also, as noted above, farm labor housing units are exempt from the density restrictions of the zoning ordinance. In addition, as stated in the County’s informational handout for farm labor housing, the County waives all Planning and Building fees for farm labor housing. The County also waives Environmental Health fees that are related to water and septic system improvements for new or rehabilitated farm labor housing. However, if the number of farm laborers housed is five (5) or greater, the Environmental Health Division must also issue an “Employee Housing” permit, in compliance with State law. For these permits, the California Employee Housing Act mandates a fee which must be paid to the Environmental Health Division each year. Along with the annual Employee Housing permit fee, projects housing five or more employees are also subject to annual inspection by the Environmental Health Division, in compliance with State requirements. Annual Environmental Health inspection fees for Employee Housing include a \$200 issuance fee per facility, plus \$27 per employee housed.

The County Planning approval terms for farm labor housing projects that accommodate five or more employees last for a 10-year period, after which point they can be renewed. For the smaller projects that house four or fewer employees, there is no annual inspection, but the discretionary approval terms last for three to five years, with input given on the appropriate length of the approval by the

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<sup>8</sup> Personal communication. Kerry Burke, telephone conversation with Matt Kowta. May 23, 2014.  
<sup>9</sup> County of San Mateo, “Farm Labor Housing – Application Process and Procedures” handout. October 8, 2014.

Agricultural Advisory Committee, and consideration of other relevant factors. This process of providing approvals with a limited, renewable term can be seen as a regulatory burden as well as a process necessary for effective monitoring and enforcement of the use of farm labor housing for its intended purpose. While it can be a burden and a constraint for property owners if they are only able to secure approvals that last for three to five years, feedback provided in the stakeholder review process for the initial draft of this report indicated that it is also important to conduct inspections regularly, perhaps annually, in order to ensure that farm labor housing units are used in accordance with the terms of their approval (i.e., not being occupied by persons other than qualified agricultural workers). This issue could be explored further as part of one of the recommendation from this study that calls for follow-up study of regulatory barriers to farm labor housing.

## **Existing Housing Resources for the Agricultural Workforce**

There are a range of housing resources currently used by the San Mateo County agricultural workforce, including farm labor housing that is provided onsite by agricultural producers, offsite affordable housing operated by third party organizations, and other privately owned rental housing or for-sale housing that is typically offered at market rates.

### ***General Coastside Area Housing Conditions***

An important piece of the equation for agricultural workforce housing is the status of the general housing market in the area within which most of the agricultural workforce resides. Some agricultural producers provide housing for some of the workforce, and other agricultural workers may be fortunate to secure a home within a below-market rate housing development that is either targeted to lower-income households in general, or to farmworker households specifically. Unfortunately, these resources are not sufficient to house the County's entire agricultural workforce and their families; therefore, a portion of the agricultural workforce has to compete with other individuals and households to rent or purchase a house, typically within the general Coastside area.

To provide context for the agricultural workforce housing needs assessment, it is important to provide information regarding general housing market conditions in the Coastside area. To do so, BAE defined the San Mateo County Coastside Area (hereafter, "Coastside") as a series of Census Tracts that extend along the San Mateo County coast, from the Montara area in the north, to the Pescadero area and the County's southern border. This area does include housing in the City of Half Moon Bay. A map of these Census Tracts is shown below as Figure 3, and a listing of the Census Tracts is included in Appendix B.

### **Overall Housing Supply**

As summarized in Table 2, the Coastside housing stock consists of approximately 11,800 housing units, of which about three-fourths are single-family detached homes, according to the American Community Survey. The remaining 25 percent of units are distributed across a range of other housing types, including units in two- to four-plex structures, mobile homes, apartments and other housing types.

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**Table 2: Housing Units by Number of Units in Structure, 2010-2014**

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<b>Units in Structure</b>	<b>San Mateo County Coastside Area (a)</b>	
	<b>Number</b>	<b>Percent</b>
Detached Single-Family	8,853	74.9%
Attached Single-Family	753	6.4%
2 to 4 Units	983	8.3%
5 to 19 Units	240	2.0%
20 to 49 Units	60	0.5%
50 Units or More	195	1.7%
Mobile Homes	720	6.1%
Boats, RV's, Vans, Other	14	0.1%
<b>Total, All Housing Units</b>	<b>11,818</b>	<b>100%</b>

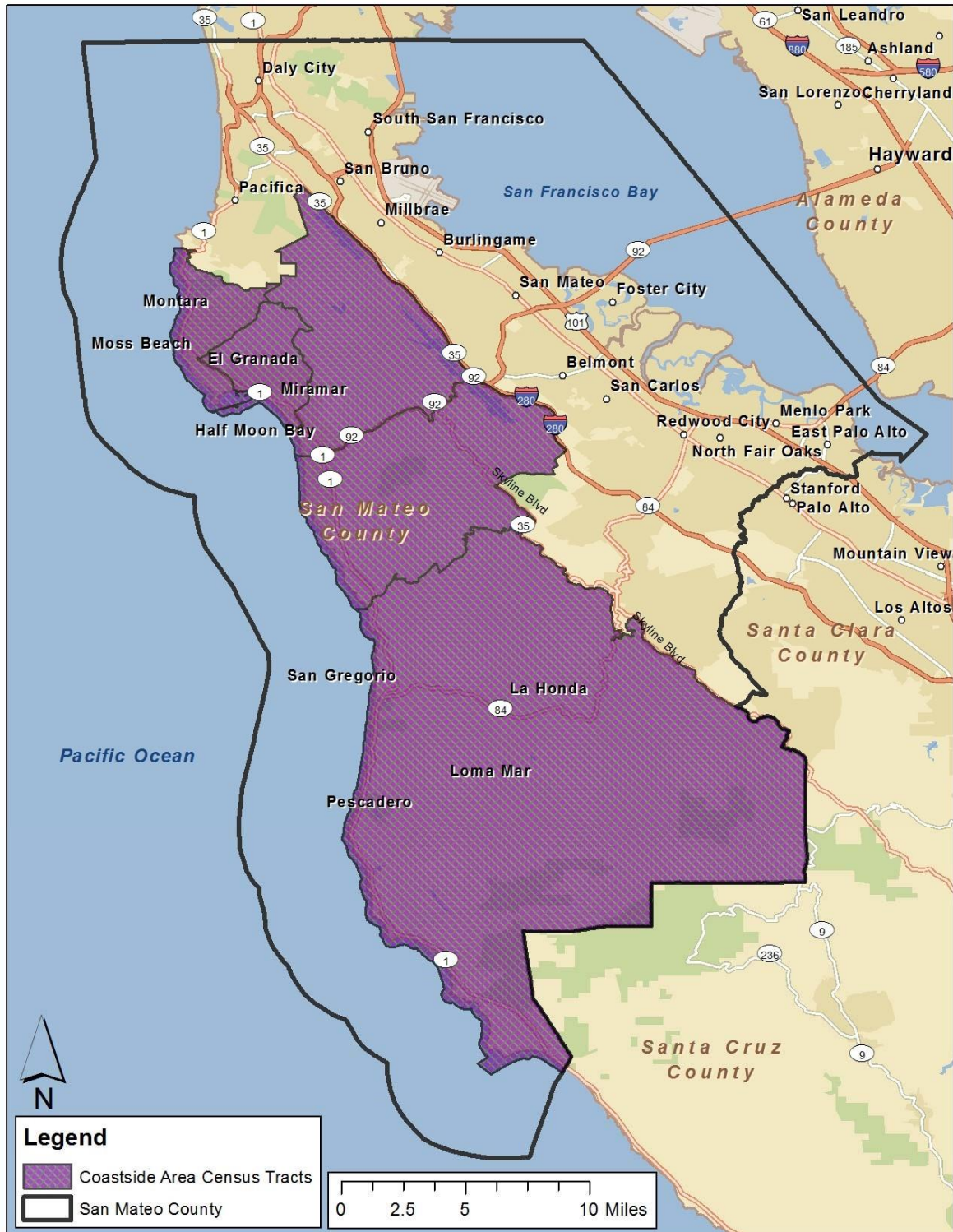
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Note:

(a) The San Mateo County Coastside Area is defined using 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix B.

Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

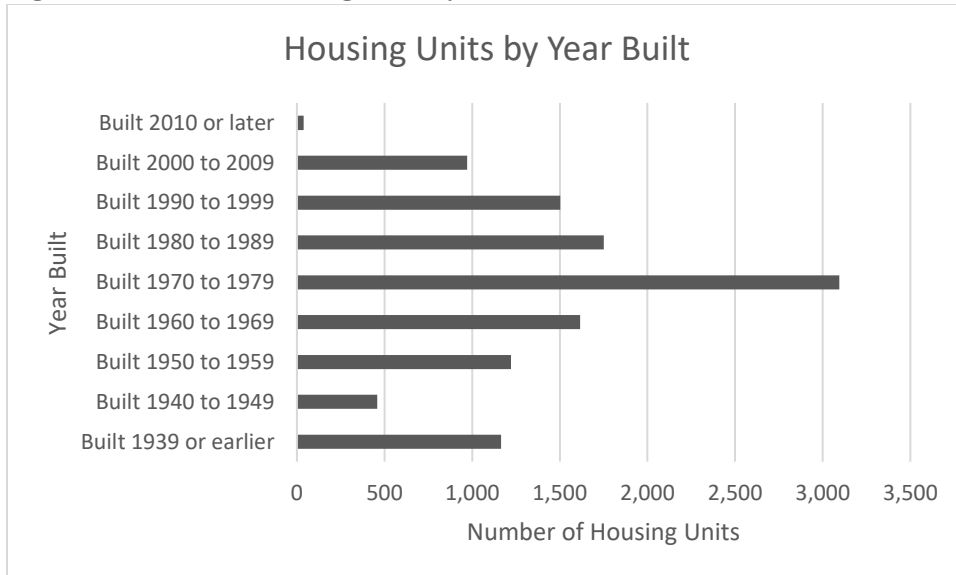
Figure 3: San Mateo County Coastside Area Census Tracts



### Age of the Housing Stock

Generally, the housing stock is moderately aged, with the majority of housing built prior to 1980. This means that a substantial portion of the housing stock is more than 30 years old, which can signal a need for significant maintenance and renovation if the units have not been diligently maintained. Figure 4 illustrates the distribution of Coastside units by year built.

Figure 4: Coastside Housing Units by Year Built



Source: American Community Survey, 2010-2014.

### Housing Vacancy

Housing occupancy and vacancy statistics provide a good indicator of the availability of housing for people who are new to the area or for existing residents who wish to move to a different housing unit within the area. According to the American Community Survey for the 2010-2014 time period, the Coastside housing market is indeed very tight, with very limited availability of units should an individual or household need to secure housing within the area. Conversations with focus group participants indicated that it is very unlikely that a worker would come to the Coastside area without having a personal connection who would help him or her find local housing.

The average vacancy rate during the 2000-2014 period for the Coastside housing stock was just over ten percent, which in many situations would be considered a sign of excess supply relative to housing demand; however, examination of the breakout provided in Table 3 shows that over three fourths of the vacant housing units were not actually available for occupancy, including 5.4 percent of the overall stock that is held vacant for seasonal use (e.g., second homes, vacation rentals), and that only 1.3 percent and 0.8 percent of the total housing stock was vacant, for rent or for sale, respectively. In addition, when functional vacancy rates are this low, this often leads to increases in housing prices and rental rates that exceed increases in household incomes, due to strong demand and limited supply.



### Tenure

The tenure pattern reported by the American Community Survey indicates that over the 2010-2014 time period, the Coastside homeownership rate averaged 73.2 percent. This homeownership rate is consistent with the housing stock, which is dominated by single-family detached homes that are most often occupied by homeowners. The portion of the housing stock consisting of attached and multifamily units, most typically offered as rental units and typically more affordable than single-family homes, is relatively small. This limits the housing options available to lower income households, including many farmworker households.

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**Table 3: Housing Occupancy and Vacancy Status, 2010-2014**

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<b>Occupancy Status</b>	<b>San Mateo County Coastside Area (a)</b>	
	<b>Number</b>	<b>Percent</b>
Occupied Housing Units	10,619	89.9%
Vacant Housing Units	1,199	10.1%
<i>For rent</i>	156	1.3%
<i>Rented, not occupied</i>	0	0.0%
<i>For sale only</i>	95	0.8%
<i>Sold, not occupied</i>	0	0.0%
<i>For seasonal use</i>	642	5.4%
<i>For migrant workers</i>	23	0.2%
<i>Other vacant (b)</i>	283	2.4%
<b>Total, All Housing Units</b>	<b>11,818</b>	<b>100%</b>

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Notes:

(a) The San Mateo County Coastside Area is defined using 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix B.

(b) Includes all vacant units that do not fit into any of the other categories of vacancy.

Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

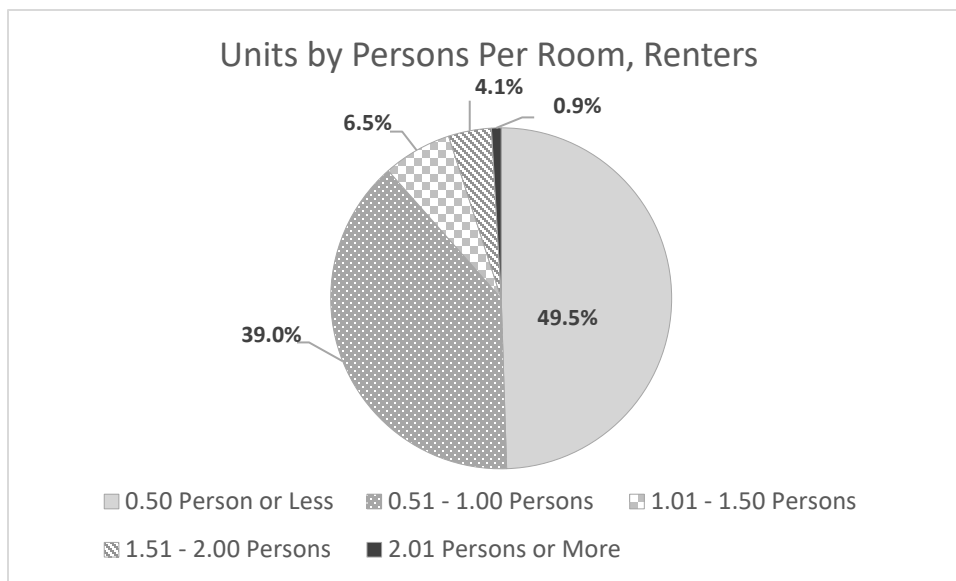
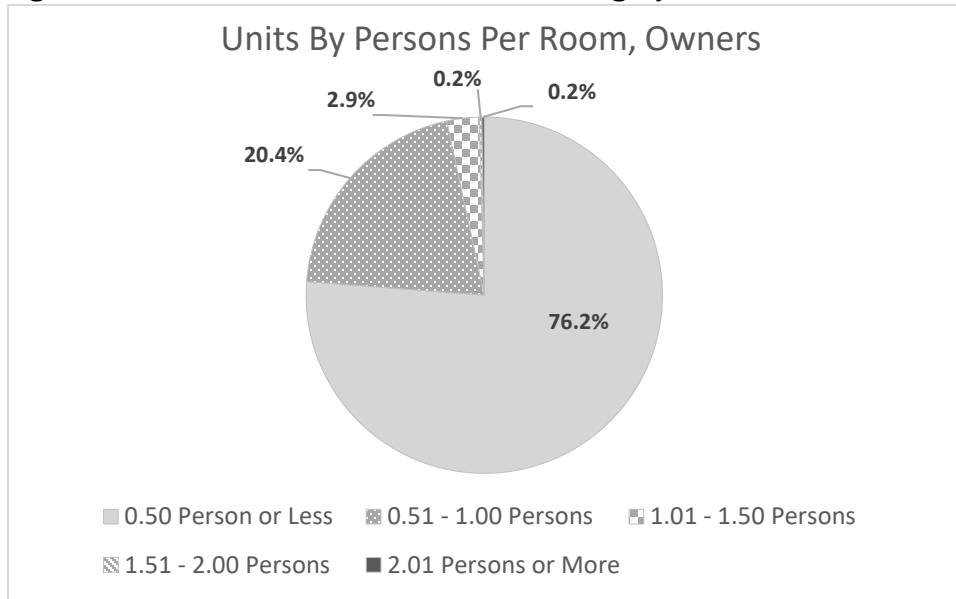
### Overcrowding

Overcrowding is one of the key indicators for households that are experiencing housing problems; thus, it is important to understand the incidence of overcrowding for all households in the Coastside area, so that comparisons can be drawn with the experience of agricultural workforce households. Figure 5 depicts the number of persons per room for all Coastside area households, broken out for owners on the top and for renters on the bottom. Households in which there are more than 1.0 persons per room<sup>10</sup> are considered over-crowded. As shown in the figure, approximately 3.3 percent of owners and 11.5 percent of renters are considered to be living in over-crowded conditions during the 2010-2014 time frame. As illustrated in the figure, renters are more likely to experience overcrowding than homeowners.

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<sup>10</sup> According to the federal definition of overcrowding, a room within a housing unit excludes bathrooms, porches, balconies, foyers, halls or half-rooms.

Figure 5: Persons Per Room in Coastside Housing, by Tenure



Source: American Community Survey, 2010-2014.

### Rental Rates

The American Community Survey provides information on housing rental rates reported by the survey respondents. For the Coastside area, the average rental rate between 2010 and 2014 was \$1,577 and the median was \$1,503 per month.<sup>11</sup> Based on the median rent, and making an allowance for renters' utility expenses, in order to afford the median-priced rental, a household

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<sup>11</sup> It should be noted that these figures likely understate the current rental rates in the Coastside area, given the general increase in rents over the last several years. For example, HUD raised the "fair market rent" estimate for a two-bedroom apartment in San Mateo County from \$2,062 in 2015 to \$2,289 in 2016.

would need to have annual income of over \$60,000 per year, in order to spend no more than 30 percent of their income for the median-priced rental unit. Thirty percent of income is a common standard for calculating housing affordability, with households that pay 30 percent or more of their income for housing considered to be overly cost-burdened. Table 4 shows the distribution of rental rates for renter-occupied housing units in the Coastsides area. These rental rates illustrate that the supply of rental housing that would be affordable to lower-income households is limited in the Coastsides area and, as discussed below, this leads a percentage of households to find it necessary to either pay a portion of their income for housing that is considered excessive, in order to afford market rate rents, or to compromise on the size or quality of unit that they rent as a tradeoff against dedicating more of their income to rent payments.

**Table 4: Rental Rate Distribution, 2010-2014**

<b>Rental Rate</b>	<b>San Mateo County Coastsides Area (a)</b>	
	<b>Number</b>	<b>Percent</b>
No Cash Rent	60	2.1%
Less than \$100	18	0.6%
\$100 to \$249	122	4.3%
\$250 to \$499	93	3.3%
\$500 to \$749	290	10.2%
\$750 to \$999	216	7.6%
\$1,000 to \$1,499	649	22.8%
\$1,500 to \$1,999	689	24.2%
\$2,000 or more	708	24.9%
<b>Total, All Renters</b>	<b>2,845</b>	<b>100%</b>
<b>Average Rental Rate</b>	<b>\$1,577</b>	
<b>Median Rental Rate (b)</b>	<b>\$1,503</b>	

Note:  
 (a) The San Mateo County Coastsides Area is defined using 2010 Census Tracts. For a complete listing of the included Census Tracts, please refer to Appendix B.  
 (b) Median rental rate figures were extrapolated based on detailed rental rate distribution data.

Sources: U.S. Census Bureau, 2010-2014 American Community Survey, 2016; BAE, 2016.

Single-Family Home Sales Prices

The San Mateo County Association of Realtors produces summary statistics for home sales within the County, which are summarized in Table 5, below. As shown in the table, housing prices in the Coastsides area reflect the generally high housing costs in the greater Bay Area. Table 5 shows the breakouts by sub-area provided by the Association of Realtors, indicating that housing tends to be slightly less expensive in the southern Coastsides area as compared to the northern Coastsides area; however, there were relatively few housing units sold in the south compared to the north, in 2015. At any rate, even in La Honda, the area with the lowest median-priced home, the housing prices are at levels that are not attainable by most lower- or moderate-income households.

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**Table 5: Single-Family Home Sales by Region, 2015**

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<u>Region</u>	<u>Number of Sales</u>	<u>Average Size (Sq. Ft.)</u>	<u>Median Sale Price</u>	<u>Average Sale Price</u>
<b>Northern Coastside Area</b>				
Montara	32	1,964	\$958,000	\$1,044,815
Moss Beach	36	1,995	\$968,500	\$1,117,523
El Granada	51	2,130	\$1,050,000	\$1,051,258
Half Moon Bay	135	2,407	\$1,150,000	\$1,246,963
<b>Southern Coastside Area</b>				
San Gregorio	2	1,893	\$732,500	\$732,500
La Honda	27	1,562	\$600,000	\$829,851
Loma Mar	3	1,750	\$680,000	\$824,333
Pescadero	12	1,480	\$868,375	\$1,037,229

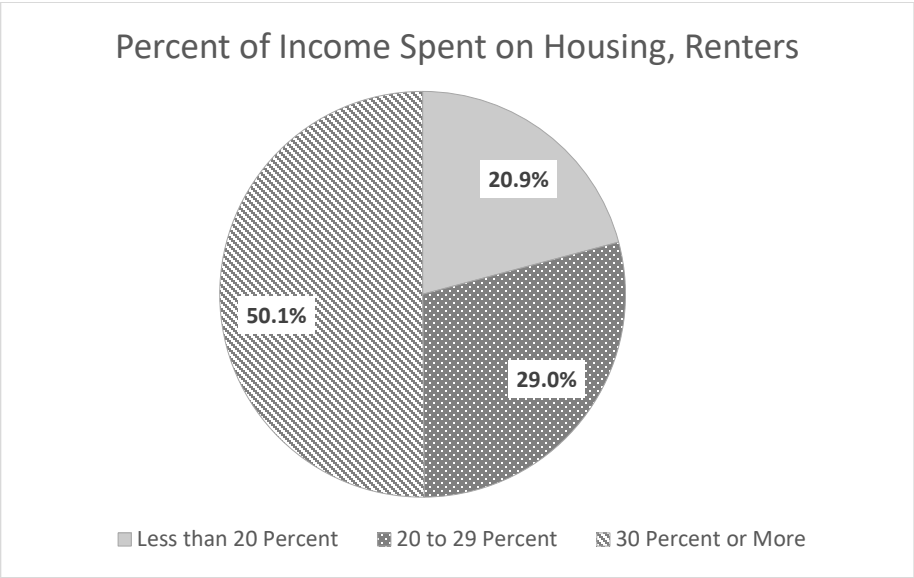
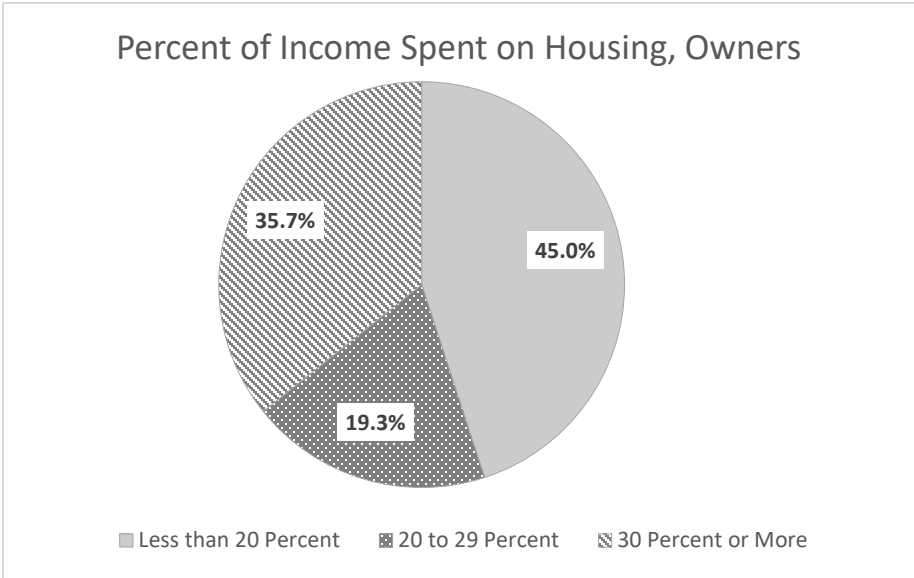
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Sources: San Mateo County Association of Realtors, 2016; BAE, 2016.

### Housing Cost Burden

As discussed above, payment of 30 percent or more of household income for housing costs is considered an excessive housing cost burden. The American Community Survey collects housing cost burden information from survey respondents. Figure 6, below, illustrates the proportion of Coastside owner and renter households that are considered to have excessive cost burdens. According to the American Community Survey, 35.7 percent of owner households and 50.1 percent of renter households in the Coastside area paid 30 percent or more of their incomes for housing costs during the 2010-2014 time period, clearly indicating that renters, who tend to have lower incomes than owners, are disproportionately impacted by excessive housing costs.

Figure 6: Coastside Area Housing Cost Burden, 2010-2014



Source: American Community Survey, 2010-2014.

**Moonridge**

Moonridge offers 160 units of affordable housing at a site south of Half Moon Bay, at 2001 Miramontes Point Road. The community was developed in two phases. Moonridge I (the western portion of the development) was completed in 1999 and Moonridge II (the eastern portion of the site) in 2001. Each phase consists of 80 units. Units are 2-, 3-, and 4-bedroom units configured as two-story flats and townhouses. MidPen Housing owns and operates the property, which was developed to serve households with incomes that are no more than 60 percent of the Area Median Income (AMI) for San Mateo County. In Moonridge I, units are restricted for incomes of 30%, 35%, or 50% of AMI. In Moonridge II, units are restricted for households with incomes of 40%, 50%, or 60% of AMI. As of 2015, 60% of AMI would be approximately \$60,000 for a four-person

household, according to HCD's 2015 State Income Limits for San Mateo County. In both Moonridge I and II, periodic rent adjustments are based on changes to income limits published by HUD, which in turn dictate the rental rates that can be charged to tenants. These adjustments are independent of the specific incomes earned by project tenants, meaning that an increase in a tenant's income will not cause an increase in the rent that they must pay.

Moonridge management reports that there are separate waiting lists for Moonridge I and Moonridge II, and both have been closed since 2013, with over 300 applications on file for each phase. During the last several years, unit turnover in both Moonridge I and II has been less than one unit per year. Moonridge has many long-term tenants, including many who have lived in the community since it first opened. Worker focus group participants indicated that Moonridge residents generally plan to stay there indefinitely, because they like the community and the affordability.<sup>12</sup> Moonridge management further indicated that most people who live in Moonridge are people who already lived and worked in the Coastside area, and that they do not notice any pattern of people qualifying to work in Moonridge as an agricultural worker and then changing to a different type of job once they have secured a subsidized unit.

During the course of this study, various comments from the local community indicated that there is not a clear understanding of how the Moonridge project must operate, due to planning approvals and the regulatory agreements that accompanied its funding sources. Information furnished by County staff indicates that planning approvals were granted to the project with the understanding that the entire project would be dedicated to farmworker households. However, according to Moonridge management, the project was only partially funded by farmworker housing grant funds, so MidPen can only restrict a portion of the project to farmworker households.

The Moonridge II portion of the project was funded in part by the Farm Worker Housing Grant Program of the State Housing and Community Development Department (HCD). As a result, at time of move-in, 51% of the household income must come from an "agricultural" source, however, the regulatory agreement with HCD also states that if an assisted unit is subject to state or federal rules governing low income housing tax credits, the provisions of those rules regarding continued occupancy by formerly eligible households shall apply. Since Moonridge II is also funded by tax credits, the tax credit provisions apply and, therefore, the tax credit rules do not allow for termination of tenancy due to changes in income or employment at the annual recertification process.<sup>13</sup> Nevertheless, Moonridge management reports that 79 of the 80 Moonridge II housing units are occupied by farmworker families.

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<sup>12</sup> Based on the results of the agricultural workforce survey, discussed later in this report, agricultural workers' overall satisfaction with living in Moonridge is quite high, with 84 percent of survey respondents who live in the complex indicating that they are satisfied with their current housing.

Moonridge I was not funded by the HCD Farm Worker Housing Grant program, so residents do not have to qualify as farmworkers in order to live there. Nevertheless, information furnished by Moonridge management indicates that 61 of the 80 units in Moonridge I are occupied by farmworker households.

### ***Farm Labor Housing for Five or More Workers***

As mentioned above, when a business, including an agricultural operator provides housing for five or more employees, they are required by State law to obtain an Employee Housing permit from the County's Environmental Health Division. According to County records, there are 16 such housing owners registered with the County, with housing for a total of 240 workers, primarily in the Half Moon Bay or Pescadero areas, with one facility registered in Menlo Park for 16 workers.

In compliance with State law, the Environmental Health Division inspects housing for compliance with basic health and life safety standards. Housing facilities are often older structures and do not necessarily comply with modern building standards. Discussions with staff from the Environmental Health Division, and review of annual inspection records indicate that the existing farm labor housing facilities inspected by the department usually do not have major problems, with inspections noting deficiencies such as smoke alarms needing servicing and other relatively minor problems. Nevertheless, inspection records furnished by the Department of Environmental Health indicate that regular inspections are important, as only one of 16 projects inspected in 2015 had deficiencies in zero categories. Three properties had one deficiency, and three properties had two deficiencies. Six properties had three deficiencies, two had four deficiencies, and one had five deficiencies. Overall, Environmental Health staff interviewed as part of this study feel that the condition of the farm labor housing stock is generally improving over time and the number of units is being maintained in compliance with state regulations; however, there have not been significant additions to the farm labor housing stock over time and there are some farm labor housing structures are so old that they are in need of replacement. Additional information regarding the condition of farm labor housing units is presented in the section of this report that contains the results of the survey of agricultural workers.

### ***Other Agricultural Workforce Housing***

The San Mateo County Planning Department also has records for additional housing that accommodates members of the agricultural workforce, but which falls under the threshold of five or more employees that requires permitting by the Department of Environmental Health on behalf of the State. According to the County's records, there are 24 such properties which collectively provide housing for 88 agricultural workforce members. All this housing, with the exception of housing for one employee in Woodside, is located in the Coastsides area.

### ***Other Subsidized Third-Party Housing in Coastsides Area***

Aside from the Moonridge project, there are limited subsidized housing projects operated by third parties (i.e., not employee housing provided by agricultural operators) that are open to qualifying lower income households, whether part of the agricultural workforce or not.

MidPen Housing operates the Main Street Park affordable housing project in Half Moon Bay, which is a 64-unit affordable family housing complex that is available to families with incomes up to 60 percent of the Area Median Income. According to MidPen Housing, 19 of the units are occupied by farmworker households.

The remainder of the subsidized housing projects in the Coastside area are located in Half Moon Bay and targeted to seniors, which means that they will provide limited opportunities for farmworkers. These projects include:

- MidPen also operates Half Moon Village, which is a 160-unit housing complex targeted to seniors with incomes up to 60 percent of the Area Median Income. The project received funding from Low Income Housing Tax Credits and the U.S. Department of Housing and Urban Development (HUD).
- Lesley Gardens, owned by Lesley Senior Communities, is an affordable housing complex that has 63 one-bedroom units for seniors, with preference for extremely low-income households. It was financed using HUD Section 202 funds and funds from the Federal Home Loan Bank.
- Ocean View Plaza, also owned by Lesley Senior Communities, is an affordable housing project containing 50 apartment units for seniors, constructed using HUD Section 202 financing.
- Coastside Senior Housing is a project owned by Mercy Housing that was financed by low-income housing tax credits (LIHTC), providing 40 one-bedroom units for extremely low-income senior households.

In addition to these project-based affordable housing developments, there may be some low income agricultural workers who have obtained Housing Choice Vouchers (formerly known as Section 8 vouchers), which allow them to rent housing on the open market and pay 30 percent of their income for the housing, with HUD paying the difference between the “Fair Market Rent” determined by HUD and their income-based payment.

## Summary

The total portion of the agricultural workforce housed in the existing housing that is specifically targeting farmworkers can be estimated based on the workforce survey response, which indicates that 95% of the agricultural workforce households surveyed had one member who worked more than 20 hours per week in agriculture earned at least half of their income from agriculture. Assuming that this translates to one agricultural worker per household, combined with the information furnished by MidPen Housing, the Department of Environmental Health, and the Planning and Building Department, following is an estimate of the capacity of the housing supply dedicated to the agricultural workforce in the Coastside area and the current usage according to available information:

- Moonridge II – 79 agricultural workers
- Moonridge I – 61 agricultural workers



- Farm Labor Housing permitted for 5 or More employees – 240 agricultural workers
- Farm Labor Housing permitted for Fewer than 5 employees – 88 agricultural workers

These total to approximately 468 agricultural workers in housing specifically targeted to agricultural workers. Based on a resident agricultural workforce of approximately 1,700 to 1,900 workers, this means that between 25 and 28 percent of the agricultural workforce is potentially able to occupy local housing targeted to these workers and their households. Some additional portion of the local agricultural workforce may also be occupying affordable housing units located in the affordable housing not targeted specifically to farmworkers. Adding the 19 units in the Main Street Park project that are occupied by farmworker families, the percentages increase to 26 to 29 percent of the agricultural workforce that is housed in affordable housing. While it is likely that no other industry within the Coastsides area has such a large portion of its workforce in housing that is specifically targeted to those workers, it is most likely still the case that the majority of Coastsides area agricultural workers must compete on the open market for available housing.

Most likely, those agricultural workers who are not able to secure housing targeted to farmworkers will face difficulty in affording the market rate housing, particularly farm laborers. For example, according to wage data from the EDD for the San Francisco-Redwood City-South San Francisco metro area (San Francisco and San Mateo Counties) in the first quarter of 2015, the median annual wage for farmworkers and laborers in the area was \$22,264 per year. By comparison, the median annual wage for workers across all occupations was \$53,565, meaning that the median wage for agricultural workers is about 58 percent below the median wage for all employees in the larger region. For reference, the 2016 federal poverty guideline for a family of four is \$24,300, meaning that a farmworker household with only one employed member who earned the median wage for farmworkers and laborers in 2015 would fall below the national poverty level, which does not take into account the regional cost of living.

The relatively low wages make it very difficult for farm laborers to compete for housing within the very tight for-sale and rental housing market conditions previously discussed. On the other hand, the median wage for Farming, Fishing, and Forestry Supervisors within the metro area was \$62,161 per year, indicating that some agricultural workforce members who work at more of a managerial level may be relatively better positioned to compete for housing; however, it should be recognized that even at this level, without income from other sources or additional working household members, a farmworker household could face housing affordability challenges, depending on the size of his or her household and other factors.

## **San Mateo County Assistance Related to Agricultural Workforce Housing**

### ***San Mateo County Farmworker Housing Rehabilitation & Replacement Pilot Program***

In 2015, San Mateo County initiated this program with goal of preserving housing opportunities for agricultural workers through replacement and/or rehabilitation of current substandard housing. The funding is from the Department of Housing and County Measure A funds. Through the program, the County makes no-interest forgivable loans to property owners, in exchange for commitments to

house low-income agricultural workers and restrict the rental rates charged, during the term of the loan. The County has worked with several operators to rehabilitate and replace substandard housing units. Completed projects include rehabilitation of two existing mobilehomes, and replacement of two existing trailers with new mobilehomes. Two additional projects that are underway involve rehabilitation of an existing single-family home and replacement of an existing home that must be demolished. The County is currently working on two additional projects that propose to replace one existing single-family home with a new mobilehome, and add two additional new mobilehomes; one a single unit and one a double unit.

***San Mateo County Agricultural Ombudsman***

The San Mateo County Agricultural Ombudsman, a position developed by and funded by the County is an employee of the San Mateo County Resource Conservation District. The Agricultural Ombudsman assists local producers with the County's permitting process (including permits for farm labor housing), helps County staff understand agriculture in San Mateo County, and identifies opportunities to streamline the County's permitting process.

***Half Moon Bay Satellite Planning Office***

In 2014, San Mateo County established a satellite office of the County's Planning and Building Department within the County Agricultural Commissioner's Half Moon Bay office, to provide the agricultural community and other constituents in the Coastsides area with convenient access to County planning staff who can assist with permit, zoning, and other planning matters.

# PRODUCER SURVEY

Although not as large as the agricultural workforce survey, the agricultural producer survey was an important study component. The purpose of the producer survey was to collect information on respondents' current agricultural activities, agricultural workforce, and other existing conditions, and also to collect information from producers in order to gain an understanding of their outlook for the future, including changes in agricultural labor force requirements and the relationship to workforce housing availability.

## Survey Methodology

BAE developed the producer survey instrument with input from the rest of the Study team. County staff then submitted the draft producer survey to several agricultural producers and collected their input. Based on the additional input, BAE revised the survey and prepared both an online version using the SurveyMonkey website as well as a survey copy formatted for hard copy distribution. A copy of the hard copy version is attached as Appendix C.

County staff prepared survey packets and forwarded them to the Farm Bureau for distribution to all Farm Bureau members with cover letters from the President of the Farm Bureau and from San Mateo County Supervisor Don Horsley asking them to participate in the study. County staff also distributed an invitation to participate in the survey, along with a link to the online survey, to CRAFT members.

In total, 29 producers completed the survey who collectively employ approximately 1,400<sup>14</sup> agricultural workers, or about 74 to 82 percent of County's annual average agricultural employees. The total acreage of farm operations covered by the survey responses was 1,545 acres of farm land and 6,830 acres of livestock operations. This compares to 2,246 acres of vegetable crops and fruit and nut crops and 8,094 acres of livestock operations reported in the 2014 San Mateo County Crop Report. Survey respondents also indicated the acreage of outdoor potted plant or cut flower operations, and square feet of greenhouse or potted plant or cut flower operations; however, the figures reported by the respondents exceed the Crop Report figures by sizable margins, indicating that one or more potted plant and/or cut flower operators may have provided information regarding their total operation size rather than actual area under active production. Nevertheless, this information does indicate that the survey respondents collectively represented a large portion of the County's agricultural production and agricultural employers.

## Producer Survey Respondent Characteristics

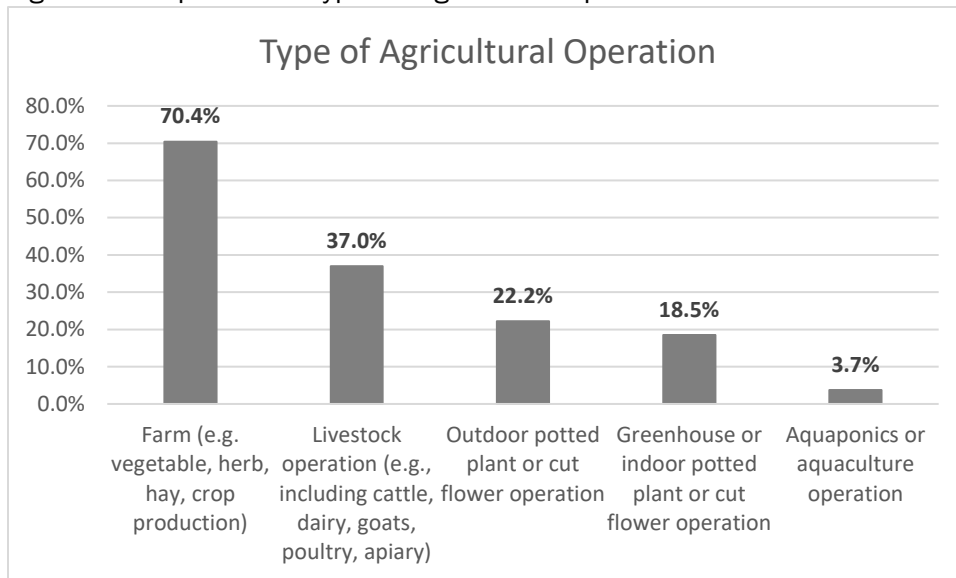
Following is a range of data regarding the characteristics of the producer survey respondents. Due to the relatively small size of the survey sample, the survey response statistics should be used to form a general understanding of some of the key characteristics of San Mateo County agricultural producers, but they should not be interpreted as a precise representation of the County's producers.

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<sup>14</sup> This figure represents the total number of peak season employees reported by individual survey respondents.

**Type of Agricultural Operation (See Figure 7; respondents could indicate more than one):**

Figure 7: Respondents' Types of Agricultural Operations



Source: San Mateo County Agricultural Producer Survey, 2016.

The respondent characteristics depicted above indicate that the producer survey achieved participation from operators who represent the broad range of San Mateo County agricultural production types. It should be noted that while the numbers of outdoor potted plant, cut flower, and greenhouse or indoor potted plant or cut flower operations are less than the majority of survey respondents, these types of businesses actually represent almost 80 percent of the County's agricultural production, by crop value and, as mentioned previously, employ approximately 74 to 82 percent of the County's annual average agricultural workforce.

**Location of Operations (See Figure 8 and Figure 9; respondents could indicate more than one):**

Figure 8 delineates the sub-areas defined for the purposes of both the producer survey and the agricultural workforce survey. Figure 9 summarizes the locations where producer survey respondents indicated they have agricultural operations within San Mateo County.

Figure 8: Map of San Mateo County Coastside Subareas

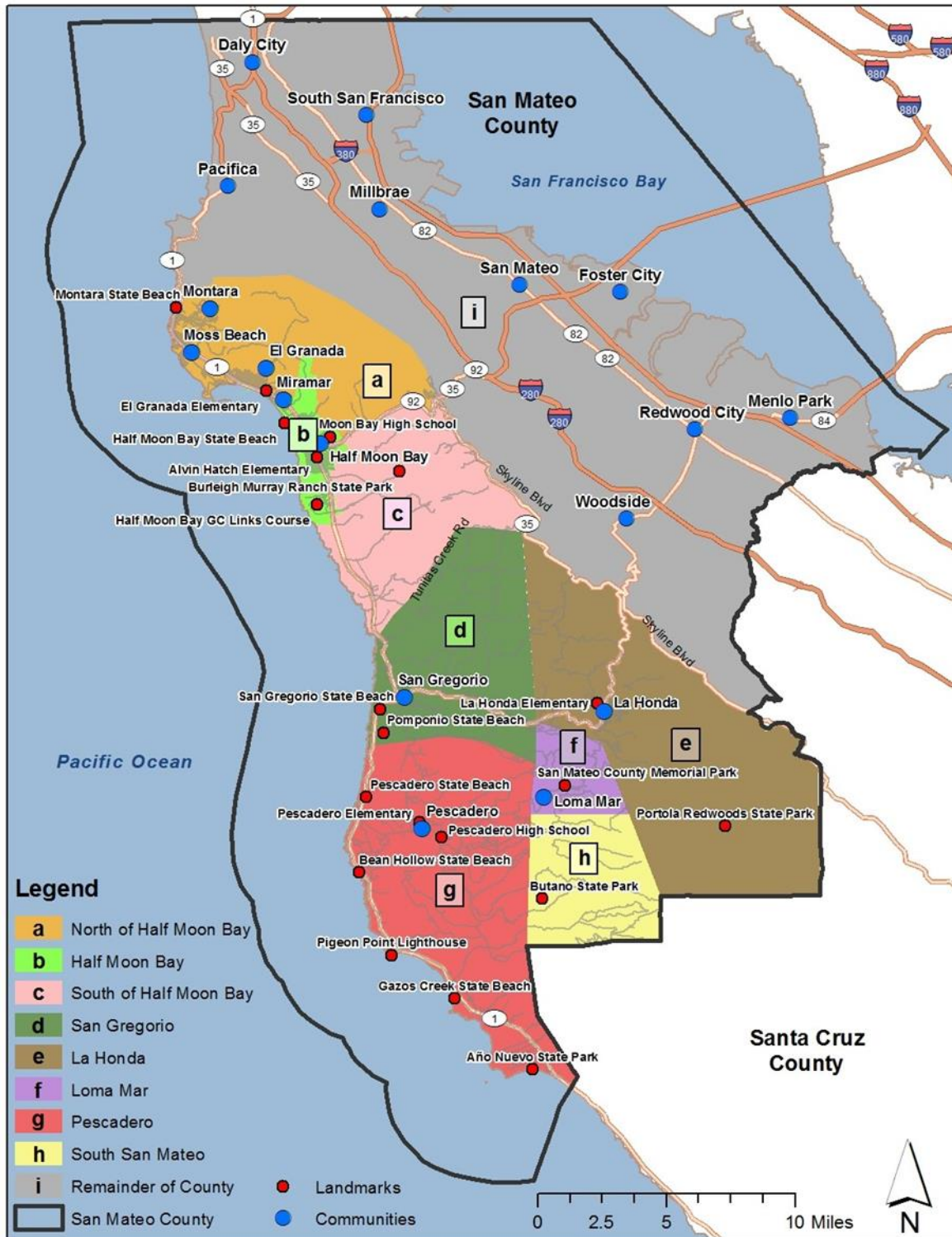
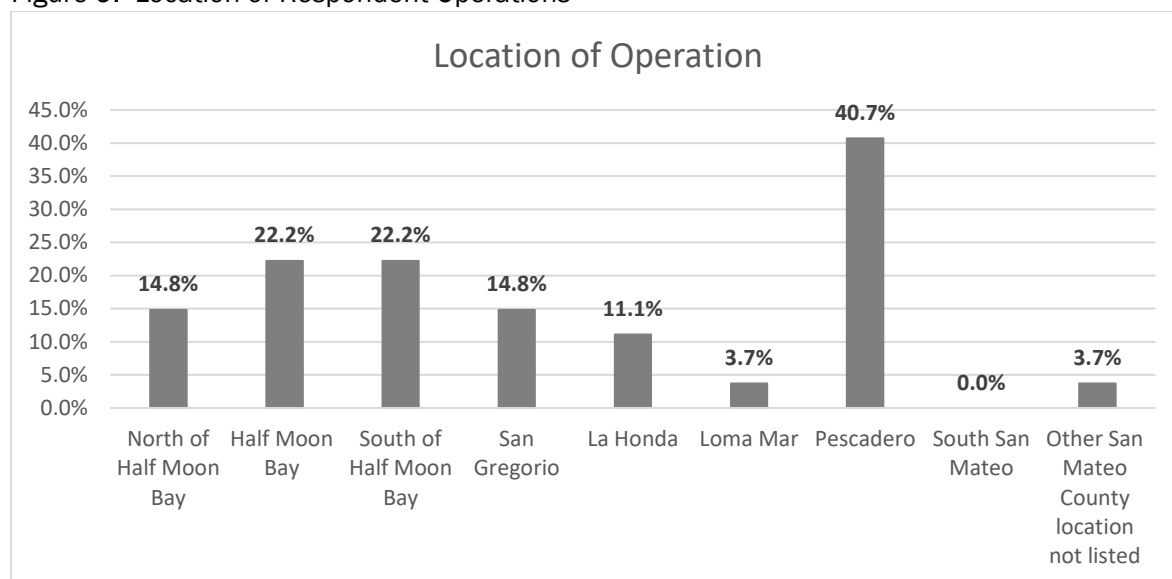


Figure 9: Location of Respondent Operations



Source: San Mateo County Agricultural Producer Survey, 2016.

BAE compared the information in the chart above regarding the location of survey respondent operations with available listings of agricultural producers from the San Mateo Department of Agriculture. While the Agriculture Department listings are not complete, it appears that the distribution of respondents is generally representative of the pool of Coastside producers, but producers in the South Coast area may be somewhat over-represented.

## Highlights of Survey Responses

Following are highlights of the producer survey responses. Appendix D contains a more detailed summary of the survey responses.

### *Changes in Operations Over Last Five Years*

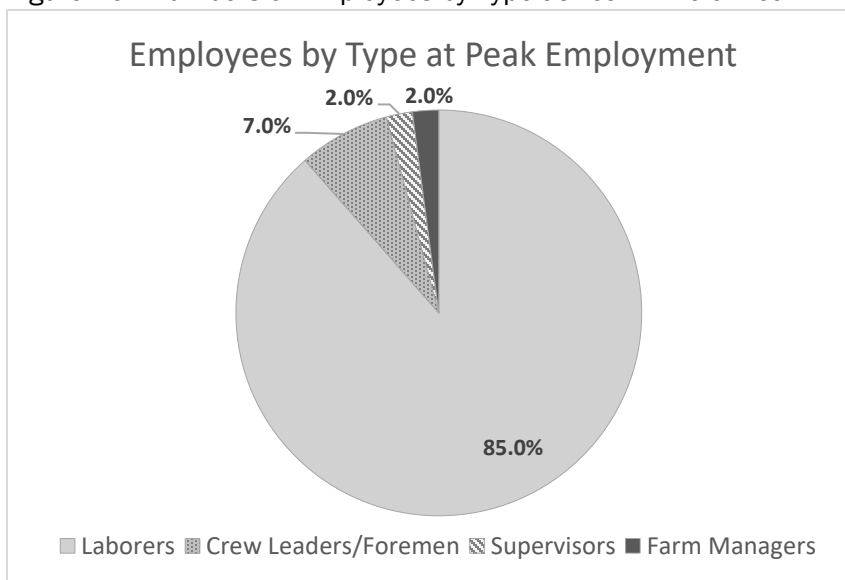
- The amount of land or building space used by most respondents (57%) has remained stable over the last five years, while 25% of respondents reported increases, and 17.9% of respondents reported decreases in that timeframe.
- 57% of producers said that labor demands per acre or per square foot have remained about the same over the last five years, 32.1% said it has increased, and 10.7% said it has decreased.

These responses suggest that, on the whole, the agricultural operations have been stable to slightly increasing over the last five years, with a slight shift towards more labor intensive crops and/or production techniques. Taken in combination, these trends indicate that demand for agricultural workforce housing likely increased over the last five years.

### **Seasonal Fluctuations in Employment**

- Though some operations can be very busy during these months, survey respondents indicated that January, February, and March tend to be the months with noticeably less peak employment, with only 12%, 16%, and 36% of operators identifying these as peak employment months, respectively. This is consistent with EDD monthly employment data
- During peak employment, 85% of employees are laborers, 7% are crew leaders/foremen, 2% supervisors and 2% farm managers (See Figure 9)
- Laborers and crew leaders have the largest drop in the low season while supervisors and manager numbers tend to be stable year round
- Respondents employ 43% of workers for more than 10 months per year; 11% between 7 and 10 months, 37% between three and six months, and 9% less than three months

Figure 10: Numbers of Employees by Type at Peak Time of Year



Source: San Mateo County Agricultural Producer Survey, 2016.

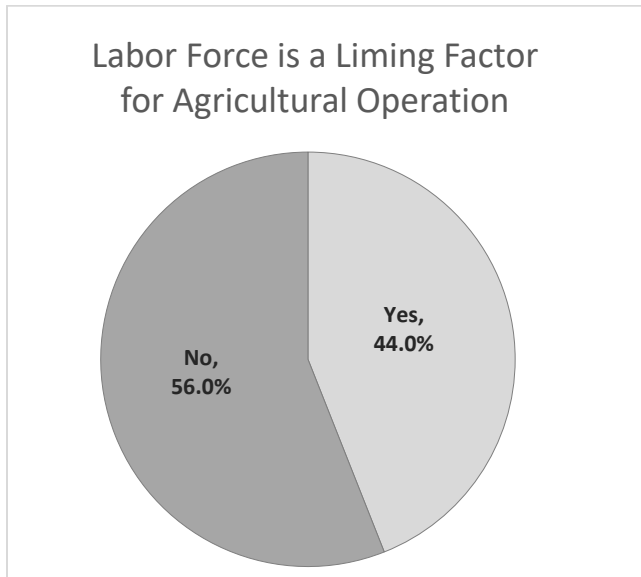
These survey responses reinforce the EDD monthly employment data that indicate the County agricultural sector as a whole has a low season for employment during the January to March time-frame; however, for certain producers, such as nursery flower producers, the days leading up to Valentine's Day can be among the busiest of the year.

### **Characterization of 2014 Operations**

- 76% said that 2014 was a typical or average level of employment for their operations; but all the remaining 24% said it was a below average year for employee levels.
- Of the 6 respondents (24%) who answered their labor was below average in 2014, three said it was due to labor shortage and one said it was due to losing one worker who could not find housing; other responses were due to drought and due to business being weak

- 44% indicated that labor force availability is currently a limiting factor in their operations (See Figure 11)

Figure 11: Proportion of Respondents Indicating that Labor Force Availability is Currently a Limiting Factor



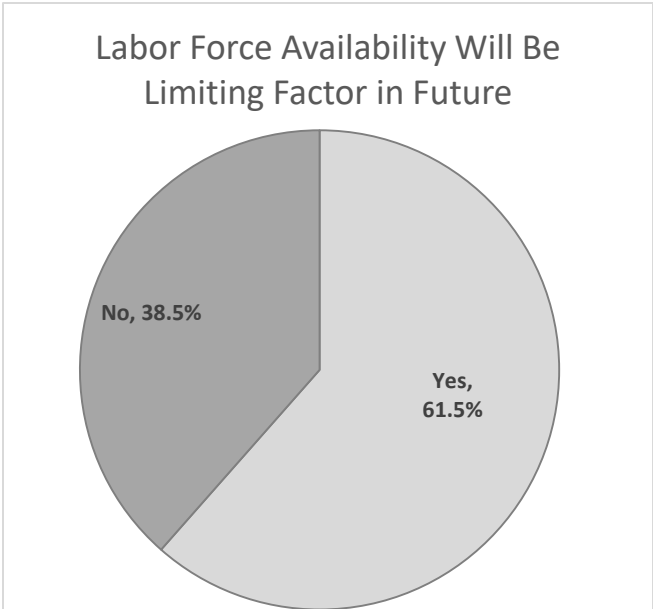
Source: San Mateo County Agricultural Producer Survey, 2016.

**Outlook for the Future**

- 61.5% indicated that they expect labor availability to be a limiting factor in the future (See Figure 12)
- 46.4% said that they expect their labor needs per acre or per square foot to increase over the next 5 years, with 42.9% expecting to remain the same, and 10.7% expecting it to decrease.
- 52% of respondents who expected changes in labor needs said it was due to expected increases in acres or square footage; 47% expected decreases due to water availability or other factors
- All 4 respondents who indicated decrease due to factors other than water availability indicated labor shortage was the reason
- 38.1% indicated they expect more permanent employees over next 5 years vs. 28.6% fewer
- 42.9% indicated more temporary or seasonal employees vs. 9.5% who indicated fewer over the next 5 years
- 14.3% indicated more workers provided by labor contractors vs. 4.8% who indicated fewer over the next 5 years



Figure 12: Proportion of Respondents Indicating that Labor Force Availability Will Be a Limiting Factor in the Future



Source: San Mateo County Agricultural Producer Survey, 2016.

This information indicates that producers generally would expect to expand their operations and employ more agricultural workers in the future; however, there are concerns about labor availability to support expanded operations. In focus group sessions, producers indicated that if labor force availability is constrained, they would likely adjust crops and/or cultivation techniques in order to reduce their labor needs.

**Place of Residence for Employees**

- Producers estimate that approximately 82 percent of the workers they employ live permanently on the Coastside, reinforcing the characterization of the agricultural workforce as a stable part of the Coastside community

**Provision of Workforce Housing**

- 70.8% of respondents indicate that they provide housing for their workforce, which includes providing housing for owners
- Of those that provided housing, most housed 50% or more of their employees, and 7 out of 19 provided housing for 97% or more of their workforce.
- Survey respondents provided 108 group housing beds, 23 single-family units, 4 mobile homes on permanent foundations and 22 not on permanent foundations, and eight apartment units; other units included 3 yurts, one duplex, and one single-room bunkhouse/cabin meant for a single person or couple
- Among respondents, it is most common to provide housing for laborers (76.5%), crew leaders/foremen (52.9%), and farm managers and farm owners (both 35.3%). 42% of those providing housing also house family members of agricultural workers

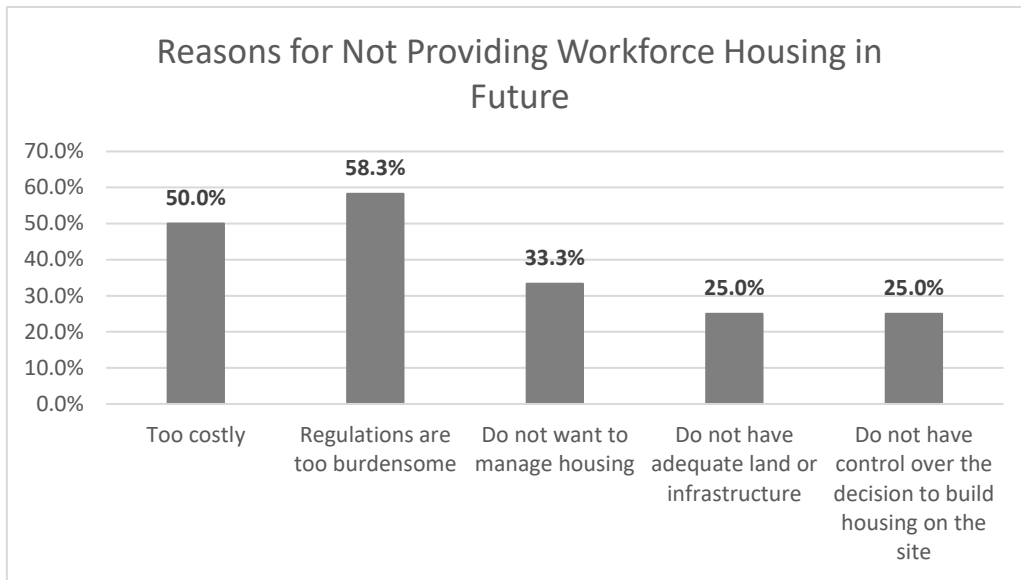
- On-farm housing is reportedly 100% occupied during peak seasons and 94% occupied during low seasons

Unless substantial numbers of producers provide workforce housing using units that are not registered as Farm Labor Housing with either the Department of Environmental Health or the Planning and Building Department, it appears that the survey respondents were more likely to provide agricultural workforce housing compared to San Mateo County agricultural producers as a whole, who collectively house a much smaller portion of the agricultural workforce. The high proportion who provide housing for farm laborers is likely a reflection of the fact that laborers represent the largest portion of the agricultural workforce, and smaller operations may not support crew leaders/foremen and farm managers. These responses indicate that those producers who provide workforce housing try to provide housing for a substantial portion of their workers. Producer focus group participants confirmed the survey results indicating that on-farm housing is generally 100 percent occupied during peak seasons.

#### ***Workforce Housing Plans for the Future***

- 100% of those who provide worker housing intend to continue to do so
- For those respondents who do not currently provide worker housing, 50% (7 respondents) indicated they would consider building/managing new housing if County or other resources were made available to assist and 35.7% (5 respondents) indicated they would consider rehabilitating/remodeling existing buildings.
- Only 7 percent (1 respondent) was willing to consider dedicating land for another organization to build and only 7 percent (1 respondent) was willing to consider providing funding for off-site housing
- The most common reasons for not providing worker housing in the future (See Figure 13) was regulations are too burdensome (58%) (7 respondents) and costs are too high 50% (6 respondents)
- 33% (4 respondents) of those who did not plan to provide worker housing in the future said that they didn't want to manage housing, 25% (3 respondents) said they did not have adequate land or infrastructure, and 25% (3 respondents) said that they did not have control over the decision to build (e.g., lease land)

Figure 13: Reasons for Not Providing Housing in the Future



Source: San Mateo County Agricultural Producer Survey, 2016.

The survey responses above indicate that agricultural producers who currently provide workforce housing are strongly inclined to continue to do so. Those who do not currently provide workforce housing seem to prefer arrangements that would give them control over the housing, whether it was new construction or rehabilitation of existing housing. Options that would involve the agricultural producer providing both the land and the funding for the projects and then delegating control to others for construction and operation were not popular.

**Adequacy of Housing for Farmworkers (See Figure 14)**

Respondents answered a series of questions about the adequacy of housing for San Mateo County agricultural workers. First, they were asked to respond “yes” or “no” to the following statements about the adequacy of housing for farmworker families. Housing for farmworker families....

- Is available in sufficient numbers of accommodations? No: 83.3%
- Is of adequate quality? No: 76.2%
- Is available at the locations where it is most needed? No: 81.8%
- Is available at an affordable cost? No: 78.3 percent.

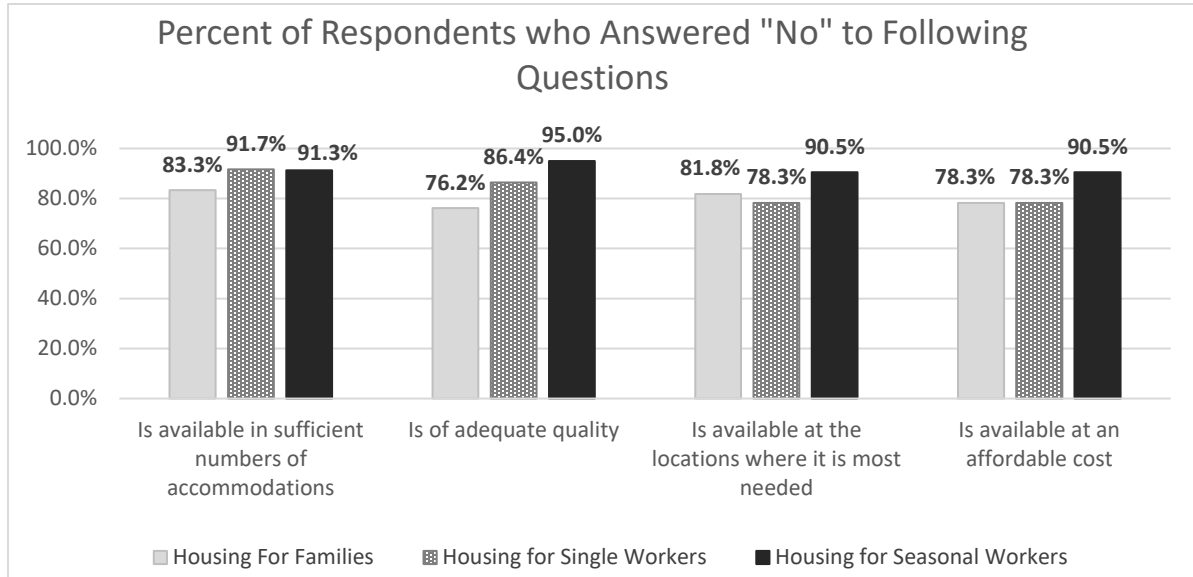
Then, they were asked to respond “yes” or “no” about the following statements about the adequacy of housing for single workers. Housing for single workers...

- Is available in sufficient numbers of accommodations? No: 91.7%
- Is of adequate quality? No: 86.4%
- Is available at the locations where it is most needed? No: 78.3%
- Is available at an affordable cost? No: 78.3%

For the following statements regarding housing for seasonal workers, following were the percentages who disagreed with each statement about existing farm labor housing:

Is available in sufficient numbers of accommodations? No: 91.3%  
 Is of adequate quality? No: 95.0%  
 Is available at the locations where it is most needed? No: 90.5%  
 Is available at an affordable cost? No: 90.5%

Figure 14: Respondents Indicating Housing is Not Adequate for Different Worker Types



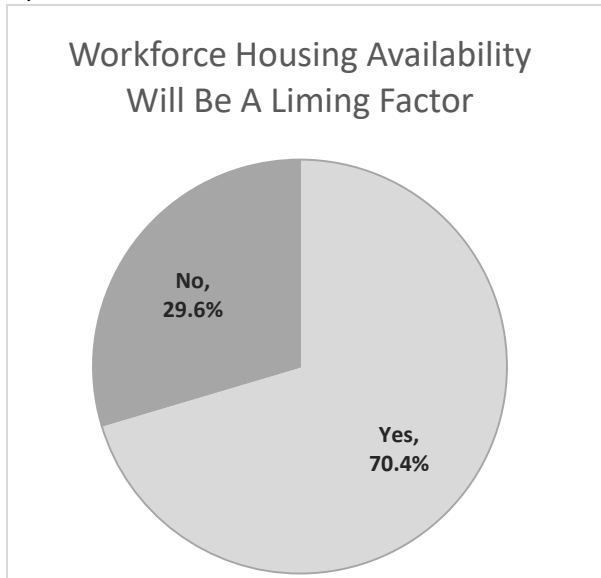
Source: San Mateo County Agricultural Producer Survey, 2013.

These responses indicate that in the opinion of the operators, the available housing for the agricultural workforce is generally inadequate in terms of the number of units, and the quality, location, and affordability of the units. In addition, the respondents seem mostly in agreement that the housing for seasonal agricultural workers is inadequate, while slightly smaller percentages thought that housing for single workers and for families was inadequate; however, even regarding families, over three fourths of respondents felt that the housing was inadequate in terms of number of units, quality, location of units, and affordability.

**Effect of Housing Availability on Operations**

- 44.4% said that at present, agricultural workforce housing availability is a limiting factor for their agricultural operations
- 70.4% said that in the future, agricultural workforce housing availability will be a limiting factor for their agricultural operations (See Figure 15)

Figure 15: Respondents Indicating that Housing Availability Will Be a Constraint on Future Operations



Source: San Mateo County Agricultural Producer Survey, 2016.

These responses indicate that at present, the majority of producers do not think that housing availability is a limiting factor on their operations; however, looking toward the future, more than two-thirds of the producers expect housing availability to become a limiting factor on their operations.

### ***Suggestions at End of Survey***

Producer respondents gave a range of suggestions to improve workforce housing availability and affordability, generally falling within the following topic areas:

- Suggestions regarding specific opportunities related to new housing development, including the need for more permanent family housing for agricultural workers, transforming the old Campbell's mushroom farm into farm labor housing, developing more housing like Moonridge, building apartments, allowing temporary housing, allowing use of recycled water for potable use, and working with POST and Mid Peninsula Regional Open Space District to rebuild housing in place of housing units that were demolished on their properties, for occupancy by farmer tenants and their workers at reduced rates. There was also a comment suggesting that housing like Moonridge should not be built because it is "hard to control".
- Suggestions regarding regulations and processes, including the desire to reduce costs (i.e., permitting fees) to provide housing, making it easier to go through the permitting process, reducing restrictions on water use, and allowing more onsite housing.

- Suggestions that the County more aggressively monitor and enforce existing farm labor housing requirements and standards, including requirements for occupancy of farm labor housing by qualified households and safety and water quality standards.
- Suggestions regarding the types of assistance that would be helpful, including increasing the supply of housing for permanent employees with families, and to reduce the rents charged to Moonridge residents whose work is 100% agriculture, as opposed to other residents who derive income from other sources.

# WORKFORCE SURVEY

The survey of the San Mateo County agricultural workforce was a key component of the agricultural workforce housing needs assessment. The purpose of the workforce survey was to learn more about the characteristics of the agricultural workforce and their households, their living arrangements, and their housing needs and preferences.

## Survey Methodology

The workforce survey was a collaborative Study Team effort. BAE led the development of the workforce survey instrument, with input from SAGE and California Farmlink, County staff, and Puente. The team then beta tested the survey with several agricultural workers. After additional refinement of the survey, the team finalized the survey and Puente translated it into Spanish. The English and Spanish versions of the final survey instrument are attached as Appendices E and F, respectively. It is important to note that the workforce survey was conducted verbally in over 300 one-on-one interviews conducted by bi-lingual County outreach workers. Respondents did not fill out paper or electronic versions of the workforce survey themselves.

To roll out the surveying effort to the agricultural community, County staff worked with the Farm Bureau and CRAFT to publicize the surveying effort to their members and ask for their cooperation. Then, team members contacted agricultural operators and requested permission to visit their operations and survey their workforce, with the objective of surveying agricultural workers that represent the diversity of San Mateo County agricultural operations, including geographic locations, types of operations (e.g., nursery versus field crops) and sizes of operations.

In the South Coast area, Ben Ranz of Puente typically handled outreach to producers, arranged survey dates, and accompanied Outreach Team members Ellie Dallman and Ashley Quintana (hereafter, “interview team”) to farm sites targeted for surveying, and after initial introductions, passed the respondents off to the interview team who conducted the actual survey interviews. For the areas around Half Moon Bay and to the north, County staff and Brett Melone of California Farmlink handled the outreach to producers and set appointments for the interview team to conduct onsite surveying. Due to the large number of agricultural workers in residence at the Moonridge community near Half Moon Bay, the team conducted extensive surveying at that location, with Ben Ranz of Puente and interview team members going door to door to identify members of farmworker households willing to participate in the survey, and the interview team members then conducted the surveys.

Interview team members conducted all of the surveys as face-to-face interviews, usually in Spanish, and recorded the answers given by respondents on paper interview sheets. The surveys did not record any information to identify the respondents or their employers specifically. Interview team members then forwarded the completed surveys to BAE for data processing, data entry, and analysis. In total, with the cooperation of MidPen Housing and numerous agricultural producers who facilitated onsite surveying, surveys were completed with 304 agricultural workers. The survey responses were collected from respondents who work throughout the Coastside area, covering most

of the range of different types of agricultural operations/crops/producer sizes and locations. With 304 completed surveys, this provides a reasonable level of statistical reliability to be able make planning level inferences about the broader Coastside agricultural worker population. For example, assuming that the sample is representative of the larger population, with a sample size of 304, and when our observed survey result is 75% of respondents answering “yes”, one would be 95% confident that the actual proportion of people who would answer “yes” in the larger population would be approximately +/- 5%, or between about 70% and 80%.

Some of the survey questions involved references to geographic sub-areas within San Mateo County, including place of work and place of residence. A map of the different county sub-areas referenced in the survey is shown in Figure 8, earlier in the report.

## **Highlights of Workforce Survey Responses**

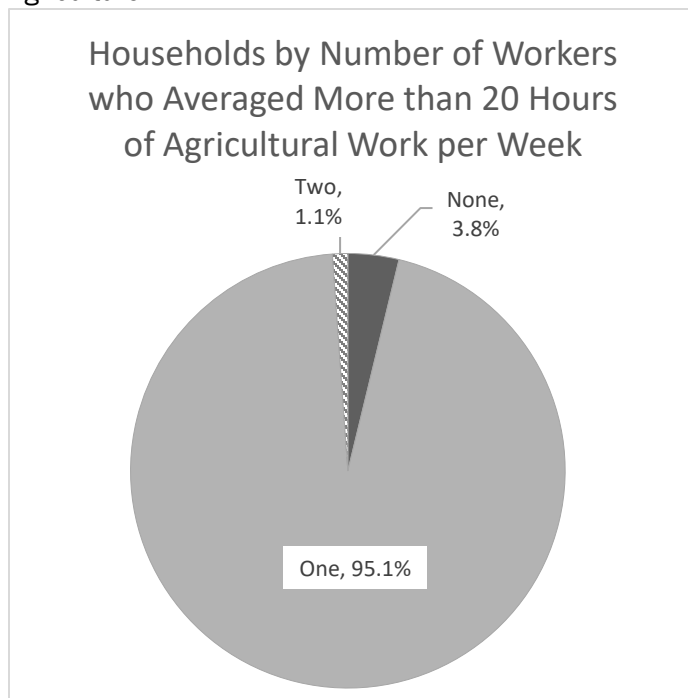
Following are highlights of the Workforce Survey responses, reporting out responses for all survey respondents as a group. After these basic summaries, results of several cross-tabulations that segregate the survey sample into different subgroupings are reported. Appendix G contains a more detailed summary of all of the survey responses.

### ***Characteristics of the Agricultural Workforce***

- Median age of respondents is 43 years
- Median household income is \$26,000
- Almost 95% of the respondents indicated that there was only one worker in their household who averaged more than 20 hours of agricultural work per week and earned at least half of their income from agriculture (See Figure 16).
- Approximately 51% of the respondents report that they are undocumented



Figure 16: Households by Number of Workers Who Worked More Than 20 Hours Per Week in Agriculture



Source: San Mateo County Agricultural Worker Survey, 2016.

Based on the responses above, the local agricultural workforce can be characterized generally as workers who primarily earn their livelihood in agriculture, are middle-aged, earn relatively low wages, with a heavy component of non-native born workers. Nearly all agricultural workers surveyed were most comfortable with having the survey questions administered in Spanish.

### ***Housing Cost Burdens***

- About 30% of respondents had excessive cost burdens
- About 6.4% had extreme cost burdens of 51% or more

The raw data suggest that the incidence of excessive housing cost burden among agricultural workforce members is below that of the general Coastside area household population, where the ACS data indicate that almost 40 percent of the population has excessive housing cost burdens. However, closer examination of the survey response data indicates that workers living in onsite housing tend to have relatively low housing costs, and are much less likely than the general population of agricultural workers to have excessive housing cost burdens.<sup>15</sup> This is also true of workers who live in group quarters facilities, which are typically employer-owned. In contrast, information below shows that agricultural workers who do not live in onsite housing are more likely

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<sup>15</sup> While many workers who live in onsite housing provided by their employers may have relatively affordable housing costs, including those who live in group quarters (i.e., barracks type housing), some within this group who rent trailers or other types of accommodations from their employers may pay relatively high rents that reflect prevailing market rates for housing.

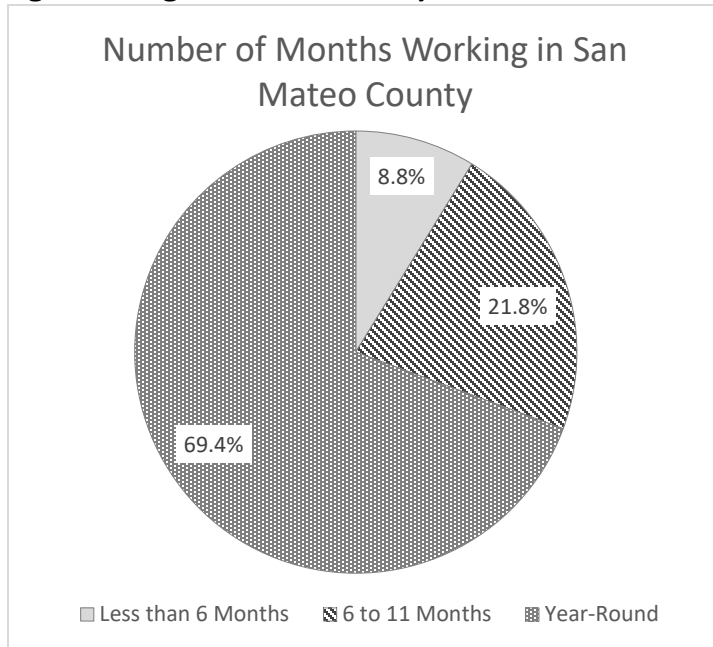
than those who do live in onsite housing, as well as the overall Coastside population in general, to experience excessive housing cost burdens.

It should be noted that workers who live in onsite housing provided by their employers are disproportionately represented in the survey sample, and about 70 percent or more of the agricultural workforce lives in off-site housing, where the survey responses indicate they are more likely than the Coastside population as a whole to have excessive housing cost burdens. In addition, among those agricultural workers who live in onsite housing at a relatively affordable cost, housing situations may be compromised in other ways, such as by the need to share group quarters with numerous other non-related individuals. Although Employee Housing for five or more workers includes standards for minimum space per person housed, it is possible that some such housing facilities are surreptitiously over-crowded and/or that agricultural worker households may over-crowd into other types of housing in order to reduce housing cost burdens.

### ***Agricultural Employment***

- Almost all of the agricultural workers had only one agricultural job within the County; over 2/3 worked year round in the County (See Figure 17), and less than 18 percent worked under eight months per year in the County.
- Approximately half of the surveyed workers work in the Half Moon Bay area or to the north and approximately half work in areas to the south, including San Gregorio, La Honda, and Pescadero.
- 95% of the respondents do not work outside San Mateo County in a typical year.
- The median worker has worked in San Mateo County agriculture between 11 and 15 years, and over one-fourth have worked in San Mateo County agriculture 21 years or more, indicating deep roots in the community.

Figure 17: Agricultural Workers by Months Worked in County During the Year



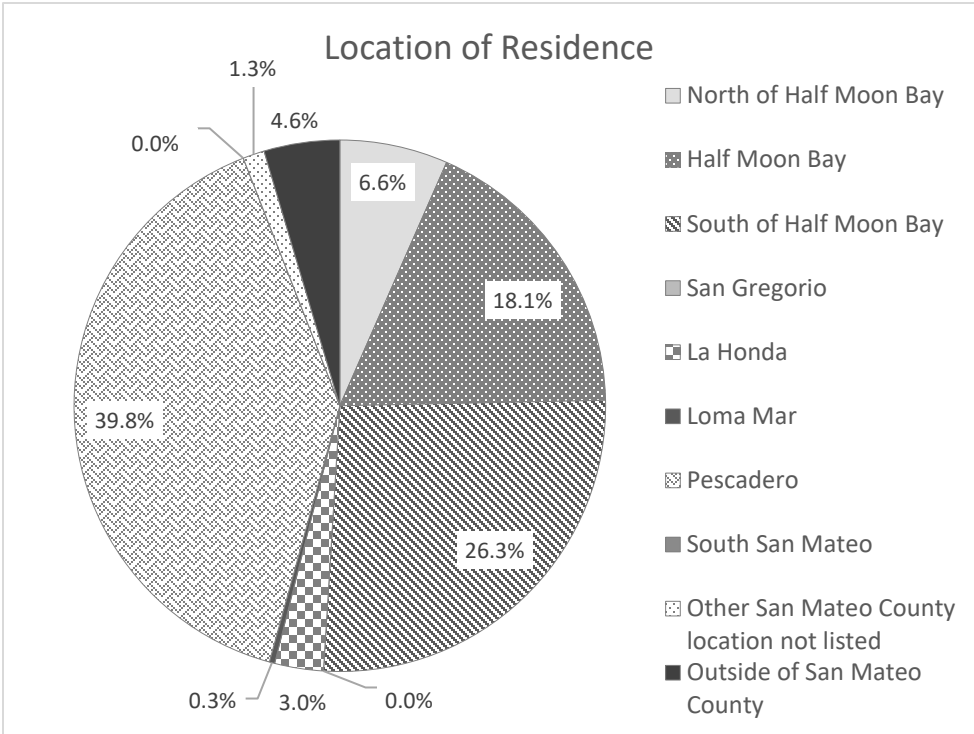
Source: San Mateo County Agricultural Workforce Survey, 2016.

This information above indicates that most San Mateo County agricultural workers work in the County's agricultural sector as their primary job and that most have been long-term members of the local agricultural workforce.

#### ***Residence Location of Workers***

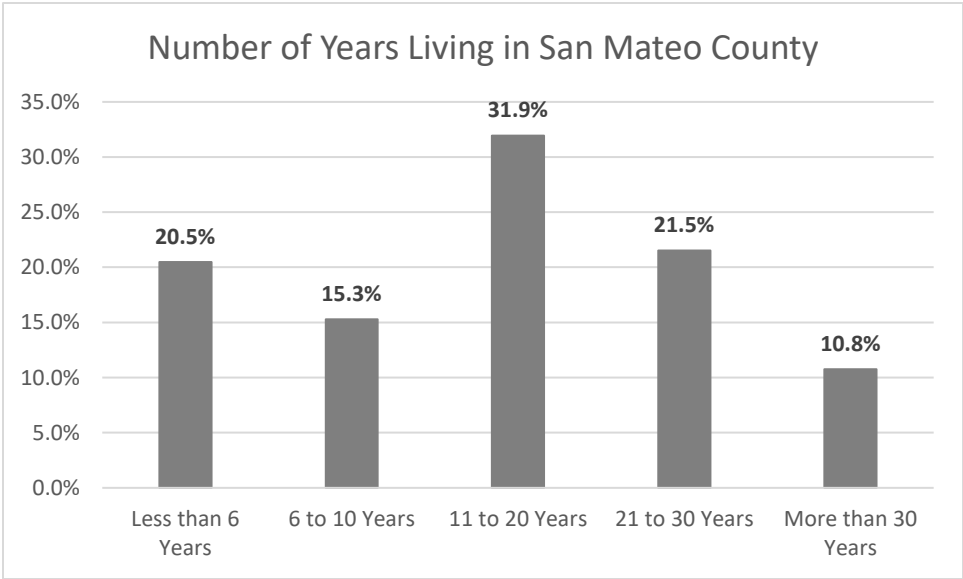
- 95% of the respondents live in San Mateo County; and about 53% live in Half Moon Bay and to the north, while the remainder live elsewhere in the County, primarily in the Pescadero and La Honda area (See Figure 18)
- 42% of the respondents live in on-farm housing. Relative to the overall population of farmworkers, respondents living in on-farm housing are over-represented in the survey
- Just under two thirds of the respondents who live in San Mateo County have lived in the County for 11 years or more, and almost one-third have lived in the County for 21 years or more (See Figure 19)
- 88% of respondents live in the same home year-round; for the limited number of people who have another home for part of the year, most are in Mexico
- Most workers live relatively close to their workplace, with the median round trip commute time being 11-20 minutes per day; just under 70 percent commute via a personal vehicle and the next largest group (22.8 percent) walks to work. Limited use of public transit for commuting is likely a function of the fact that regular public transit service is not available south of Half Moon Bay

Figure 18: Residence Location of Survey Respondents



Source: San Mateo County Agricultural Workforce Survey, 2016.

Figure 19: Respondents by Number of Years Living in San Mateo County



Source: San Mateo County Agricultural Workforce Survey, 2016.

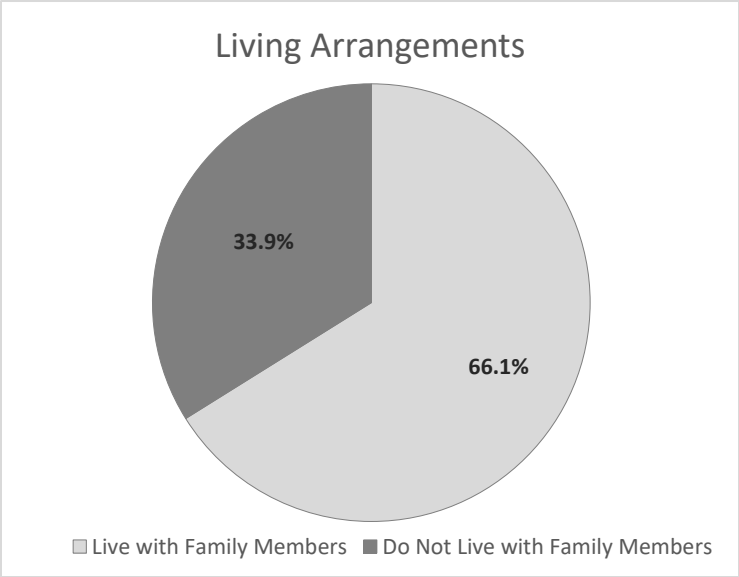
The information from the responses above indicates that the agricultural workforce is quite stable and very rooted in the Coastside area as long-time community members, indicating that permanent, year round housing would be the most suitable type of housing for most of the agricultural workforce. Most existing agricultural workers live relatively close to work, consistent with

preferences indicated by workforce survey respondents and agricultural worker focus group participants. This may be at least partially influenced by the fact that there is limited public transportation available in the Coastside area south of Half Moon Bay. It will be important to consider transportation needs and accessibility to agricultural workplaces when targeting sites for new housing to serve the agricultural workforce.

**Living Arrangements**

- About two thirds of the respondents live with family members and 1/3 do not live with family members (See Figure 20)
- Median household size is 5 persons<sup>16</sup>
- About half live in single-family homes and mobilehomes; about 1/3 live in apartments, primarily Moonridge, and the remainder live in other types of housing.
- 12.8% of the respondents live in group housing and 36 responded to the question about laundry facilities; of these, 80 percent report that they do not have laundry facilities available onsite
- About 64 percent of the respondents in group housing reported that they share a kitchen, toilet, and shower facilities with 11 or more other people
- About 17% of respondents have a spouse, and/or children under 18 who live apart from them while they work in San Mateo County. Of these, 45% cite immigration issues as the reason, while an additional 22% cite economic reasons for living apart

Figure 20: Survey Respondents by Living Arrangements



Source: San Mateo County Agricultural Workforce Survey, 2016.

The information presented above indicates that for at least two-thirds of farmworkers, housing configured for families would be desirable, and that additional supportive services, such as

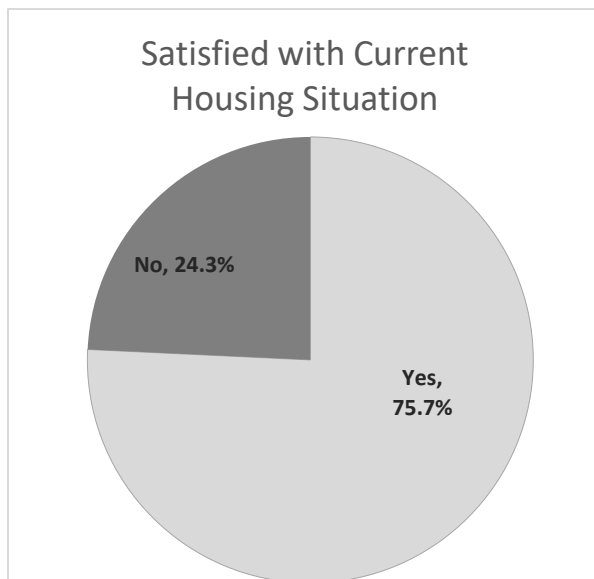
<sup>16</sup> This figure is for households living in non-group quarters facilities.

childcare and other social services could be beneficial. Many of those who live in group housing could benefit from improved amenities, such as laundry facilities and expanded kitchen and bathroom facilities.

### **Housing Quality and Satisfaction**

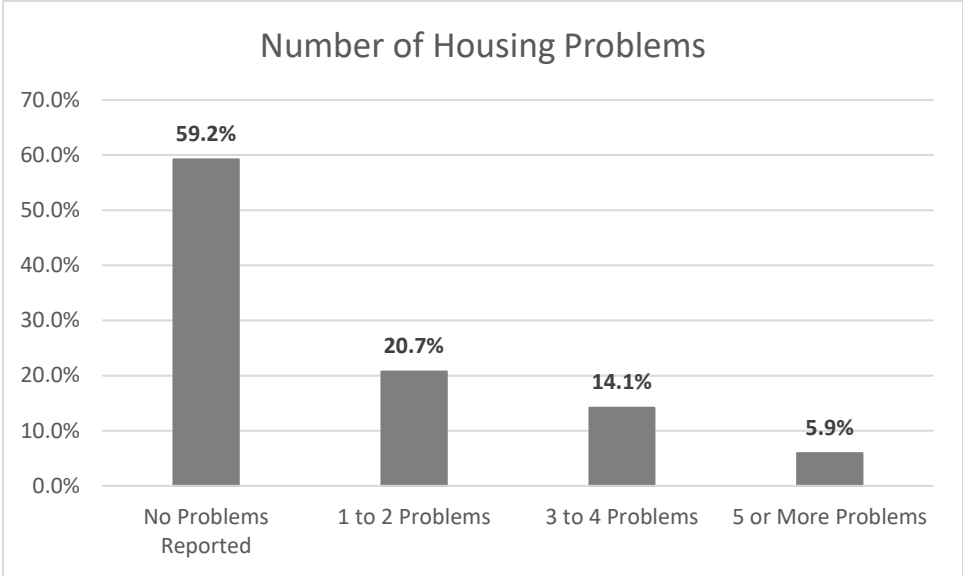
- About 42% of non-group quarters respondents live in overcrowded housing. By comparison, less than six percent of the total Coastside area households live in overcrowded conditions. As discussed below, workers living in on-site housing are slightly more likely to be overcrowded than workers living in off-site housing.
- About 76% indicated they are satisfied with their current housing situation (See Figure 21)
- 63% would rate the condition of their housing as Excellent to Good, with another 28.3% indicating their housing is in need of minor repair, and 9% indicating their housing needs major repair. It should be noted that none of the group quarters residents rated their housing as Excellent, and only 28.9% rated it as Good, while 50% said it needed minor repair or maintenance, and 21.1% said it needed some major maintenance or repair.
- 59% indicated no problems with their housing, 21% indicated that their housing had problems in one or two categories, 14.1% reported three to four problems, and 5.8% reported five or more problems (See Figure 22)
- Physical housing problems most commonly reported were broken or lack of refrigerator (6.6% of respondents), broken or lack of drinkable water (8.6%), broken or lack of working stove (10.2%), broken or lack of working toilet (13.5%), flooring in need of repair (15.8%), and need for painting (19.7%).
- About 2/3 of respondents not living in group quarters do have laundry facilities available where they live; however, many live in Moonridge where residents report there is a shortage of laundry facilities at peak times of use, such as weekends.

Figure 21: Survey Respondents' Housing Satisfaction



Source: San Mateo County Agricultural Workforce Survey, 2016.

Figure 22: Survey Respondent by Number of Housing Problems Reported



Source: San Mateo County Agricultural Workforce Survey, 2016.

The information presented regarding the survey responses above indicates that agricultural workers are generally satisfied with their housing situation, but that the housing is not without problems and could benefit from additional investments in maintenance and upkeep. In particular, responses by residents of group quarters facilities indicate that the majority of them feel that the condition of their housing is less than “Good”. Also, while the types of problems that were most commonly reported by respondents may in some cases be relatively easily repaired, the fact that a number of respondents reported problems such as lack of working stove, refrigerator, drinkable water, or toilet indicates the presence of potentially serious health and safety problems, if not resolved in a timely manner. This points to a need for an effective process to identify, investigate, and resolve problems in housing utilized by the agricultural workforce, whether it is Employee Housing that is inspected annually by San Mateo County Environmental Health, or other housing that is not inspected on a regular basis.

Comments by agricultural workers in the focus group sessions indicated that when faced with a choice between housing affordability and housing conditions, individuals and families will often tend to choose lesser quality or a smaller housing unit than would be ideal. Reasons given for such choices include being able to conserve earnings for other important purposes, such as savings, sending money to family outside of the country, or expenditures on other necessities such as education, food, medical care, and transportation.

In order to develop an estimate of the total unmet need for housing appropriate for agricultural workers, BAE examined the survey results to identify the proportion of survey respondents who indicated they were: a) experiencing both overcrowding and excessive housing cost burden, b) experiencing overcrowding only, or c) experiencing excessive housing cost burden only. These

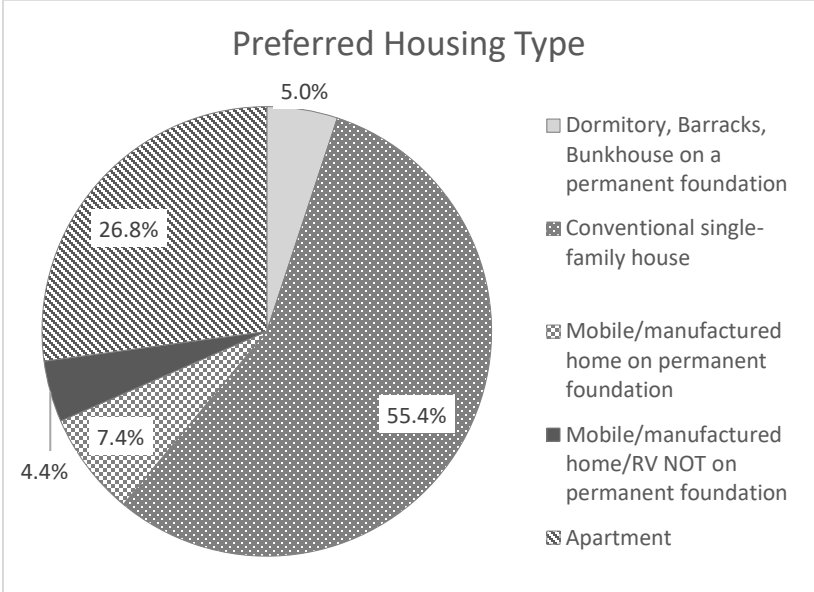
groups totaled to approximately 60 percent of the survey respondents. If this percentage is applied to the estimate of 1,700 to 1,900 average year round agricultural workers in San Mateo County, this would indicate that as many as 1,020 to 1,140 San Mateo County agricultural workers are not appropriately housed. Based on the survey responses which indicated that approximately 95 percent of the survey respondents lived in households where only one member worked more than 20 hours per week in agriculture, this can be interpreted to mean that the number agricultural workers that is not adequately housed would roughly equate to the number of new agricultural worker housing units that would be necessary to address unmet needs. Because these are, for the most part, existing Coastside workers that are housed, but inadequately, this does not strictly translate to the need to construct 1,020 to 1,140 new housing units. Need for repair and replacement of agricultural worker housing, in which the households are not overcrowded and/or experiencing excessive cost burdens would add to these numbers. Theoretically, a portion of these unmet needs might be met if existing housing units could be made more affordable to farmworker households and/or if farmworkers could obtain housing within the existing housing stock that is more suitable to the needs of the size of their households. However, such strategies would be difficult to implement and might not result in sustainable, lasting solutions for individual farmworkers' housing problems. Rather, construction of new, permanently affordable housing targeted specifically to agricultural workers may represent the most long-lasting solution to agricultural workers' housing needs; albeit it is unlikely that sufficient resources will be available to fully meet the outstanding needs.

### ***Housing Preferences***

- For 97% of the respondents, San Mateo County would be the ideal residence location; with the preferred locations within the County roughly mirroring the current locations of residence (e.g., 54% would like to live in HMB area or north and the remainder elsewhere).
- 55% would prefer a single-family house; 27% would prefer an apartment; and about 11% would prefer a trailer, while only five percent would prefer a dormitory or barracks (See Figure 23)
- 89% would like permanent housing in San Mateo County and 77% would like housing for housing to live in with their families
- Almost 83% expressed a preference for housing on or near their work site



Figure 23: Type of Housing Unit Preferred



Source: San Mateo County Agricultural Workforce Survey, 2016.

These survey results indicate that a strategy of dispersing agricultural workforce housing throughout the Coastsides agricultural production areas would be appropriate, and that workers would like to have permanent housing in single-family homes for families, located near their worksites. Focus group discussions with agricultural workers indicated that affordability would likely trump housing type in terms of housing preference, with focus group participants giving favorable impressions of the Moonridge housing complex as one example of a possible affordable housing solution for agricultural workers.

**Tenure and Rental Cost**

- About 42% live in employer provided housing (4.6% for free)
- About 52% rent from somebody other than their employer, 3.3% are homeowners and 1.6% own a mobilehome or trailer but pay rent for the land
- For workers who rent their housing, the median rent is between \$500 and \$749 per month, and utilities are typically included. For workers living in group quarters, the median rental rate is much lower, at \$120 per month
- Only about 47% of tenants were offered a lease agreement, but almost 97% of those do have a signed agreement. It is worth noting that among survey respondents who do not live in Moonridge, only 25.7% were offered a lease agreement
- For those with a mortgage, the median is between \$1,500 and \$1,999 per month

Comparison with the estimate of the inventory of farm labor housing indicates that the number of agricultural workers living in employer-provided housing is over-represented in the survey sample. The median rents reported by survey respondents are considerably below the Coastsides area median rental rate of \$1,502 reported for the 2010-2014 time period (which itself is likely below current market rates), and the median cost reported by survey respondents with mortgages

suggests that the homeowners within the sample were able to purchase homes at considerably lower costs than current market rate sales prices. Discussions in focus group sessions with agricultural workers indicated that newcomers to the area would likely face substantially higher housing costs than those reported by survey respondents, if their employer did not provide housing. The fact that almost three-fourths of workers who live in housing other than Moonridge were not offered a lease agreement indicates that a large proportion of the agricultural workforce could be displaced from their current housing relatively easily. This problem may be considered particularly severe in the Coastside area, due to the extremely tight housing market that would make it difficult for an individual or household to find replacement housing if they were forced to move out of their existing housing.

***Key Differences Among Those Who Work in Mid-Coast and North vs. Those Who Work in South Coast***

	<b>Work In Northern Region</b>	<b>Work In Southern Region</b>
Number of Respondents	149	159
Live In Same Region	97.3%	90.4%
Live w ith Family	78.5%	54.4%
Households facing Cost Burden	40.6%	15.0%
Households facing Overcrow ding	36.4%	48.1%
Median Rental Rate	\$884	\$400
Median Household Income	\$30,000	\$25,000

Workers in Half Moon Bay and areas north are more likely to live in the same area, and to live with family than workers in the South Coast area. Although they have higher incomes, workers in the North pay higher rents and are significantly more likely to have high housing cost burdens than workers in the South Coast. However, workers in the South Coast area are more likely to have physical problems with their housing and to be overcrowded than workers in Half Moon Bay or areas to the north.

***Key Differences Among Those Who Work in Nursery Operations vs. Those Who Work in Other Types of Operations***

	<b>Work In Nursery</b>	<b>Work In Non- Nursery</b>
Number of Respondents	107	207
Live w ith Family Members	82.2%	57.3%
Households facing Cost Burden	47.4%	21.4%
Households facing Overcrow ding	41.7%	44.2%
Households w ith no reported housing problems	61.7%	56.5%
Housing Unit needs Repair	32.1%	40.7%
Median Rental Rate	\$892	\$400
Median Household Income	\$34,000	\$24,000

Nursery workers are more likely to live with family members, and they pay higher rents than non-nursery workers. Although their incomes are higher, due to the higher rents that they pay, nursery workers are more likely to have high cost burdens than other agricultural workers. While the

incidence of housing problems and overcrowding is similar non-nursery workers were more likely to indicate that their housing was in need of some repairs.

***Key Differences Among Those Who Live in On-Farm Housing vs. Those Who Do Not***

	<u>Live On Farm</u>	<u>Live Off-Farm</u>
Number of Respondents	121	166
Live Away from Family	56.2%	13.9%
Households facing Cost Burden	7.9%	48.3%
Households facing Overcrowding	43.3%	39.7%
Median Rental Rate	\$124	\$1,000
Median Income	\$21,000	\$38,000

It appears that workers living in onsite housing are more likely to live away from family members, and although their incomes are lower, they also tend to have relatively low housing costs, to the point that it is relatively uncommon for workers living in on-site housing to experience excessive housing cost burdens. Nevertheless, the affordability appears to have a trade-off, which is greater proportions of workers reporting overcrowding and/or housing problems and/or overall housing in need of minor or major repair.

# FOCUS GROUPS AND KEY INFORMANT INTERVIEWS

A series of focus group sessions comprised a third component of the agricultural workforce housing needs assessment. The purpose of the focus group session was to provide BAE with the opportunity to hold more in-depth conversations with agricultural community members, to develop a deeper understanding of the stories reflected in the published reports and data and embedded in the answers provided to the various survey questions. The focus group sessions were not intended to be strictly representative of the agricultural community as a whole, but to obtain insights from specific subgroups of the local agricultural community.

As an additional tool to further develop an understanding of the agricultural workforce housing issues facing San Mateo County agricultural community, BAE also conducted a series of key informant interviews, targeting several key local stakeholders who did not fall into any of the focus group themes, but who could provide additional insights to help interpret the study findings.

## Focus Group Sessions

BAE determined focus group themes for five different focus group sessions, which are outlined below, in consultation with the Executive Committee, with input from Puente. The group brainstormed a set of individuals to target for focus group participation in each of the focus group sessions, and SAGE and Farmlink handled recruitment for the groups. Additional individuals fitting the general criteria were identified to place into groups as necessary to try to obtain sufficient participants. Puente recruited participants for the South Coast agricultural worker focus group session, and Outreach Team members recruited participants for the Half Moon Bay and north agricultural worker focus group session. Brett Melone of California Farmlink facilitated agricultural worker focus group sessions in Spanish, following a script developed by BAE. Matt Kowta of BAE sat in on the worker focus group sessions with the assistance of an interpreter. Matt Kowta facilitated the producer focus group sessions in English.

Following are details about each of the focus group sessions, including a summary of key points raised. Appendix H contains more complete summaries of the questions and focus group comments from each of the sessions. BAE utilized the input from the focus group sessions to help interpret the data collected and compiled for this study, and to identify opportunities and develop recommendations.

### ***South Coast Agricultural Workers***

This group was targeted to agricultural workers who work on farms in the South Coast area. Questions were couched not only in terms of their own personal experiences, but of the experiences of other agricultural workers they know. This included questions related to agricultural worker living situations, difficulties agricultural workers face in securing housing, their perceptions about the most significant housing issues facing the agricultural community, types of housing assistance that

would be beneficial to agricultural workers, and the types and locations of housing that would be most appropriate if the housing supply could be expanded.

Participants in this focus group session confirmed that most agricultural workers they know work a single agricultural job most of the year, as their primary source of income. They indicated that housing affordability and availability are significant problems for agricultural workers, and that even workers who have relatively affordable rents have very little left over after paying for basic necessities. The participants in this group indicated that while a significant portion of Pescadero area agricultural workers live in the area without their families, the lack of suitable housing for families and high cost are two of the reasons, noting that their earnings go further if they send money to their families living elsewhere. Workers in this focus group highlighted the disadvantage of relying on employer-provided housing, noting that many will be reluctant to press their employers to correct housing problems, and that workers can feel trapped in their jobs if their housing is tied to it. These workers also stated that they felt that the housing owners faced difficulties in complying with housing rules and regulations. Focus group participants indicated that they knew of quite a few people who had left the area in order to find a lower cost of living and be able to afford better housing for their families. They indicated that a range of housing types is necessary in the area, because the agricultural workforce is diverse and has a range of needs, but felt that family housing is the greatest need. Participants were aware of the Moonridge project, and felt that a similar development would be beneficial in Pescadero. Participants noted that many workers do not have access to laundry facilities and that due to a lack of public laundry in Pescadero, those workers would have to travel to Santa Cruz or Half Moon Bay (where there is one Laundromat) in order to wash their clothes.

#### ***HMB/North Coast Agricultural Workers***

This group was targeted to agricultural workers who work on farms in the HMB/North Coast area. Questions were couched not only in terms of their own personal experiences, but of the experiences of other agricultural workers they know and were essentially the same as those asked of the South Coast agricultural workers group.

Participants in this focus group session shared similar concerns as those in the South Coast workers focus group session; however, their perspectives were likely influenced due to the fact that all were Moonridge residents and were living with their families. These participants recognized that the subsidized housing at Moonridge makes it possible for agricultural worker families to live together without overcrowding. Still, they noted that even with the subsidized rents, it is difficult for agricultural workers to make ends meet. One participant indicated that even though some agricultural workers are employed by larger operations that offer health insurance benefits, they are still afraid to go to the doctor, because the insurance coverage still leaves them with required co-payments/co-insurance that is unaffordable when they are only earning \$10 to \$12 per hour, typically with little to no raise ever after working for several years. In Moonridge in particular, focus group participants noted that there is a shortage of laundry facilities and there are long lines to do

laundry on the weekends, in particular. Participants also indicated a need for more daycare and supervised activities for older kids, to make it easier for parents to work.

### ***Farm Labor Housing Owners***

This group was targeted to agricultural producers who provide farm labor housing on site. Questions revolved around the main challenges that farm labor housing owners face in operating and maintaining their workforce housing, the most important housing issues facing the agricultural community, the strength of demand for available farm labor housing and potential expansion of supply, interest in expanding or improving their farm labor housing facilities, challenges that they would anticipate in expanding or improving their facilities, importance of farm labor housing as a tool to retain and recruit employees, forms of assistance or incentives that would make it more appealing to provide more farm labor housing, and types and locations that would be appropriate for new farm labor housing facilities.

Participants in this focus group session indicated that demand for farm labor housing is strong, and that the producers themselves would like to expand the amount of farm labor housing that they provide on their farms, because they need it to recruit and retain employees. Participants in this group indicated that the greatest challenge they face in providing farm labor housing is rules and regulations, including initial permitting and regulations for ongoing operation of the facilities. They indicated that the County regulations seemed manageable, but the State regulations were the greatest challenge. While owners related stories of aggressive enforcement actions by the U.S. Department of Labor (DOL), there was a sense that due to changes in staffing, and perhaps also due to intervention by local elected officials, the DOL regulatory process has improved. An additional concern that surfaced was a perception that open space organizations may have a bias against having housing on the land they own. Focus group discussions highlighted that a general lack of affordable housing in the Coastside area is a key issue facing the agricultural industry, and it affects employees at all levels, from field workers to managers and owners. Owners of existing farm labor housing recognize the need for improvements, but they are concerned about going to the County for permits to make improvements due to a fear of opening a Pandora's box if inspectors detect other issues that require corrective actions. Focus group participants indicated that they view provision of farm labor housing as a necessary cost of doing business and even though they do not recoup the cost of the housing directly from charging rent, they intend to keep providing worker housing and would like to expand their worker housing due to their need to attract and retain employees. Participants indicated that the best form of assistance that the County could provide would be to make it easier to obtain permits to put in new housing. They also indicated that the County's Pilot Program for Farmworker Housing Rehabilitation & Replacement was a good program, and they would like to see it expanded.

### ***Producers with Larger Numbers of Employees***

This group was targeted to agricultural producers who have larger numbers of employees, for whom availability of housing for farm labor is a key issue with regard to recruiting and retaining sufficient housing to maintain their operations. These producers tended to be long-established or

“generational” producers, whose families have been involved with farming in the area for a long time. Questions revolved around the housing concerns of their employees, the most important housing issues facing San Mateo County, housing availability as a constraint to agricultural production, opinions on the type and location that would be appropriate if new agricultural workforce housing were to be built, perceived challenges to provide onsite housing, and recommended steps that the agricultural community should take to ensure sufficient agricultural workforce housing.

The participants in this focus group session felt that labor availability was a greater problem than housing availability for their workforce, but recognized that the two issues are linked. One producer indicated that he had helped four families that had been displaced from housing and participants noted that the problem seems most acute for families, because they have less flexibility in how they can solve their housing challenges, as compared to single workers. Producers also noted that a challenge involved with providing worker housing is that a farmer may need to provide housing for a family of four to five people, but they may only get one worker. The producers noted that a large portion of the existing on-farm housing is old, and that creates challenges in maintaining it. These producers confirmed survey responses and other focus group comments that indicated that housing affordability is a problem for all levels of agricultural employees, and that there are no vacancies in on-farm housing during peak seasons. Participants indicated that the lack of availability of sufficient housing is a key challenge to recruiting and retaining employees. Participants in this focus group expressed a general preference for provision of on-farm housing for families and, like participants in the focus group for farm labor housing owners, expressed reservations about providing a large agricultural workforce housing complex in Pescadero, due to the limited public services available in the community.

#### ***Producers with Fewer or No Employees***

This group was targeted to agricultural producers who have limited numbers of employees, for whom housing for themselves is an issue as well as workforce housing availability to support expansion of their operations. Participants in this focus group tended to be relatively new farmers, although not exclusively so. Questions for this group were similar to those for larger operators, but with more emphasis on issues of housing availability for the operators themselves and housing availability as a barrier to expansion of their operations.

This focus group session identified several issues that are particularly acute for smaller producers, who also tend to be newer farmers. Many younger farmers lease their land, and don’t have access to housing for themselves or for their employees. The landowner may occupy the available housing themselves, and/or may rent available housing to the highest bidder. This latter concern was also related to the concern about competition for available housing units between the local workforce and more wealthy people who are seeking Coastside housing for recreational use. Smaller operators also pointed out that they do not have much capacity to manage the process of obtaining permits or to deal with ongoing permit compliance, and that these demands detract time and attention from necessary farming activities.

As with the participants in the large employer and farm labor housing owners focus groups, these focus group participants related that they experience strong demand for any housing they can provide, and that they have difficulty recruiting and retaining employees if they do not have housing to offer. These focus group participants also acknowledged that their workers feel vulnerable if their housing is tied to their job, because other housing options in the area are so scarce. As with the large employer focus group participants, this group also felt that regulations were their biggest barrier and that financial considerations were secondary to regulatory concerns.

In cases where a tenant farmer is interested in developing housing, they don't control the decision about whether to put in housing, and the terms of their lease may be such that they could not amortize the expense of housing investment before the lease expires. One suggestion from this focus group session was to develop a model farm lease that includes provisions for the tenant to be able to recoup their investment in improvements that they make to the property at the termination of their lease.

### ***Summary of Focus Group Sessions***

There was strong consistency in the responses that participants gave in the different focus group sessions. Workers and owners alike consistently said that housing availability and affordability were key challenges, while a supply of agricultural workforce housing is critical to attracting and retaining an agricultural workforce to sustain the San Mateo County agricultural economy. Respondents were also consistent across groups in stating that regulatory and permitting issues were a key barrier to expanding supply. There was divergence on opinions about the appropriate siting of housing to serve agricultural workers in the Pescadero/South Coast area, with all worker who participated in the focus group session for agricultural workers in the South Coast area supporting creation of a housing complex like Moonridge (among other options), while some individuals who participated focus group sessions for producers indicated that they thought a larger housing complex like Moonridge in the Pescadero area could be problematic due to limited public safety service capacity in the area, specifically in regard to the potential for crime associated with larger concentrations of housing. Those producers favored housing dispersed onsite at farming operations. Overall, there was fairly broad consensus that there was a need for additional housing that could address the full range of workforce needs, including group housing accommodations as well as apartments, trailers, and single-family family homes. There was also broad consensus that the housing needs are for workers and their families who work in the County substantially on a year round basis, and who tend to be fairly rooted in the area.

### **Key Informant Interviews**

As mentioned above, BAE conducted interviews with a range of individuals who shared insights on various topics relating to San Mateo County agricultural workforce housing. BAE used the insights and information gained from these interviews to help with understanding the background data, results of the two surveys, and the focus group comments, and to identify potential recommendations. Interviews included:



- Adria Arko, San Mateo County Agricultural Ombudsman, who provided perspective on the challenges that agricultural producers face in obtaining permits for farm labor housing construction, and compliance on an ongoing basis with applicable farm labor housing regulations. Ms. Arko also shared information on how the County is attempting to assist producers through these processes by providing the Agricultural Ombudsman (Agbudsman) function and coordinating with other County departments to facilitate processing of applications.
- Kerry Burke of Burke Land Use, shared perspective on agricultural workforce housing as a former member of the San Mateo County Planning staff (eight years) and as a Land Use consultant assisting individuals, nonprofit groups, and agencies on a variety of projects primarily in the rural area of San Mateo County for 24 years.
- Fred Crowder, San Mateo County Agricultural Commissioner, shared insight on agricultural production trends and issues, based on day to day work with the San Mateo County agricultural community.
- Elaina Cuzick, Senior Real Property Agent, Midpeninsula Regional Open Space District (MROSD), shared perspectives on agricultural workforce housing, as a representative of a major agricultural landowner within the County, including lands that have onsite housing.
- Ellie Dallman, San Mateo County Outreach Team, shared perspective on the responses to the agricultural workforce survey, based on her experience conducting the survey via one-on-one interviews with agricultural workers.
- Brian Ferez, Environmental Health Specialist, San Mateo County Department of Environmental Health shared insight gained from his work conducting inspections and working with property owners to ensure compliance with the State Housing Law regulations (Title 25) for Employee Housing facilities for five or more employees
- Rita Mancera, Executive Director and Ben Ranz, Community Outreach Coordinator of Puente de la Costa Sur, shared their insights from working with agricultural workers and producers in the Pescadero area.
- Dan Olstein, Director of Land Stewardship for POST, provided insight on POST's viewpoint as a major Coastside owner of agricultural land and associated housing, and lessor to agricultural producers.
- Various representatives of MidPeninsula Housing Corporation, provided insight on MidPen's housing operations, including Moonridge and Half Moon Village.
- Catherine Peery, a Pescadero resident who previously worked on developing a proposal for affordable housing development in the Pescadero area, who has also served as chair of the Pescadero Municipal Advisory Council, provided insight on challenges to obtaining approvals for housing development in the Coastside area.

### **Highlights of Information Gathered from Key Informant Interviews**

Following are highlights of comments gathered during the course of key informant interviews. In addition to the information below, insights from key informants are incorporated throughout the document.

Key informants shared anecdotal information about farmers struggling to secure sufficient employees and farmers losing employees due to housing affordability and/or availability. While affordability of housing is a particular challenge for agricultural workers, key informants indicated that finding available housing at any price is very difficult throughout the Coastside area. In particular, key informants felt that the lack of housing availability is impacting farmworker families the most, because they have more specific needs and their living situation is less adaptable than that of single, unaccompanied workers. One factor cited as contributing to the challenges in finding affordable housing was increased competition for housing from people who work outside of the Coastside area. Another factor identified was the fact that the San Mateo Coastside is somewhat isolated as a farming area, and as a result, it is not a destination that attracts farmworkers to move into the area seeking work. Rather, people who come to the area to work in agriculture do so because they have personal connections who can help them find work and housing in the area.

Subsidized housing for agricultural workers in projects such as Moonridge is in extremely high demand, with very long waiting lists that have been closed to new applicants. Turnover in affordable housing units is very rare, and the market rate housing is very expensive. Recognizing this, MidPen Housing Corporation indicated that the organization is interested in expanding its housing portfolio in the Coastside area, is working with the City of Half Moon Bay to develop additional affordable housing, and would be open to opportunities to develop additional affordable housing elsewhere in the Coastside area.

The existing shortage of housing for the agricultural workforce limits the ability to expand the agricultural labor pool, emphasizing the importance of doing a better job housing the agricultural workforce that is present in the County, to encourage them to remain. Key informants also noted that there is increased competition for available housing units from people who are not seeking housing for their primary residence, but rather are seeking a second home or home for vacation use, which reduces the supply of housing available for the local agricultural workforce. Key informants generally felt that farmers who could provide onsite housing for employees had an advantage in recruiting and retaining employees.

Key informant interviews yielded a number of comments about the regulatory challenges associated with developing and operating farm labor housing in the Coastside area. For the most part, key informants did not identify specific County regulations or processes that were unnecessary or that should be removed; rather, existing regulations were either acknowledged as challenges that owners might need help navigating, or interviewees mentioned regulations imposed by State or federal government that would be difficult for the County to change. One County level constraint that was mentioned was San Mateo County Measure A (1986 Coastal Protection Initiative), which would require countywide voter approval for any policy amendments that might make it easier to develop housing on the Coastside, because such changes might reduce protection for agriculture.

One key informant felt that the lack of sufficient water (due to both environmental and infrastructure constraints) rather than regulatory constraints was the most significant barrier to new farm labor housing on the Coastside and water supply issues were also mentioned by other key informants as well as by several agricultural producers who participated in the focus group sessions as a critical challenge to developing farm labor housing. One suggestion to look in existing “urban” areas within the Coastside that have water systems, such as within Community Service Area (CSA) 11 in Pescadero and CSA 7 in La Honda, for sites that could accommodate new housing targeted for agricultural workers. Another specific location mentioned with potential to accommodate a significant number of housing units for agricultural workers was the old Campbell’s Soup facility in the South County area, due to some existing infrastructure, an existing permit for a sewage treatment plant, and proximity to some larger agricultural operations.

Key informants indicated that because many producers who might want to develop farm labor housing may have little experience with planning and permitting processes, even if there are no unnecessary regulatory barriers, it would still be useful for the County to provide as much clarity as possible on the process and requirements for permitting. There is a need to make the process as user-friendly as possible and to provide technical assistance to people who are interested in developing farm labor housing, to help them determine if they can meet the requirements as early in the process as possible. One key informant indicated that many difficulties that applicants face in securing County approvals to develop farm labor housing are related to preparation of site plans to accompany their project applications. There is the potential for the County to facilitate this process by providing applicants with scaled base maps of their property, using the maps available through the County’s Geographic Information System (GIS), over which diagrams of proposed improvements can be overlaid. This could help by alleviating the need for applicants to develop their own maps and to ensure that applicant’s maps contain the required contextual details. Another key informant mentioned that it is possible that the County approvals process is challenging for farm labor housing applicants is due to the fact that the County Planning Department is primarily geared towards urban development, and that there is a unique set of issues that come into play with farm labor housing. This finding provides support for the County’s provision of a permit center in Half Moon Bay, where those staffing the office will develop expertise in handling applications for farm labor housing and other related projects.

With regard to the County’s Farm Labor Housing Rehabilitation and Replacement Pilot Program, one key informant indicated that owners interested in participating in the program have found that the scope of the projects have expanded as various deficiencies in existing housing have been identified and additional requirements subsequently added to the projects. This was not necessarily a criticism of the program, but an observation that the projects become more expensive and complicated than originally anticipated. This reinforces commentary received during the stakeholder vetting process for the initial draft of this report, which indicated that it would be beneficial for participants in the Pilot Program if the County could provide some project management assistance to applicants, to facilitate their participation in the program.

There is a perception among some in the Coastside area that open space organizations (i.e., POST and MROSD) have a bias against having housing on land that they control in the Coastside area. They cited the removal of housing units from land owned by open space organizations as the basis for their perspective. In certain cases, the owner's reported that the housing units were too deteriorated to be saved, while some observers felt that the units could have been viable as an ongoing source of housing for farm labor. POST and MROSD are aware of the pressing agricultural workforce housing issues, perhaps more now than in the past, and the organizations are having their own internal discussions regarding farm labor housing on their properties. This may create the opportunity for the County and other local agricultural stakeholders to engage with the leadership of these organizations to identify the best ways to balance housing needs with environmental, aesthetic, and other concerns. This could include reviewing policies about the use of existing onsite housing for agricultural workers as opposed to making it available to non-agricultural workers.

Another concern regarding housing availability that surfaced in the key informant interviews was the fact that many farmers lease their land and that landowners do not necessarily offer onsite housing as integral to the lease of the farm land. Rather, some landowners offer onsite housing for lease at market rates, separate from the agricultural land. This may mean that housing may not be offered, or may not be affordable to farm lessees, and unlike when the land owner was a farmer who also lived in the onsite housing and/or used the onsite housing to house his/her employees, the current situation translates to a reduction in available farm labor housing, even if housing is not physically removed from the properties. Further, the fact that some farmers are on relatively short leases, such as five-year terms, means that while some farmers might desire to develop onsite housing themselves, it is not practical to do so because the lease term is too short to amortize the investment. As suggested in a producer focus group session, one solution might be to develop farm lease terms that provide for a mechanism for lessees to get reimbursed for the cost of improvements that cannot be amortized by the end of their lease term.

A number of creative solutions to agricultural workforce housing challenges were suggested in the key informant interviews, such as utilization of package sewer treatment plans and composting toilets to address infrastructure constraints, creation of an "outsourced" housing management option for producers who own farm labor housing, and exploration of the possible use of publicly-owned land for the development of agricultural workforce housing. As follow-up to this study, the County could explore these ideas and determine if any represent viable solutions to local workforce housing challenges. In addition to creative solutions for housing development, key informants also felt that the County and local stakeholders should consider housing-related issues such as the need for laundry facilities in Pescadero, and the need for childcare facilities and other social and support services for farmworker families.

# CONCLUSIONS AND RECOMMENDATIONS

## Key Conclusions

Following are key conclusions synthesized from the background data review, responses to the two surveys, and insights from focus group sessions and key informant interviews.

**Unmet Need for Agricultural Workforce Housing** – Based on findings regarding the housing problems experienced by the existing agricultural workforce, there is a need for an estimated unmet need for 1,020 to 1,140 housing units that would be affordable and suitable for agricultural workers and their households. This is based on the number of existing agricultural workers that are dedicating an excessive portion of their income towards housing costs and/or are living in overcrowded conditions. Any need for repair or replacement of agricultural worker housing that is in poor condition, in which the households are not currently overcrowded and/or experiencing excessive cost burdens would add to these numbers.

**Financial Needs** - With a high concentration of smaller farm operations that generate limited amounts of revenue, many of San Mateo County's agricultural producers would face difficulty in funding or financing improvements to existing housing or constructing new housing. Also, a large proportion of the agricultural workforce has relatively low income. These factors, combined with the high cost to acquire land, develop infrastructure, and build housing in the Coastsides area means that subsidies will typically be necessary in order to develop housing that can be rented or sold at affordable rates to agricultural workforce households. It should be noted that over half of the agricultural workforce survey respondents indicated that they did not have documentation of legal U.S. residency, thus, a substantial part of the agricultural workforce would not be eligible for federally-funded housing, which requires proof of legal residency. Provision of at least some new housing that relies on private, local, and state funding that does not impose requirements for proof of legal resident status should be a goal.

**Housing Availability** - The future San Mateo County agricultural workforce will be dependent on labor availability, and producers are adjusting their operations in response to labor constraints. Based on the surveys and focus group comments, producers would hire more workers now and/or in the future if the workforce was available; however, producer survey responses and comments from focus group participants, including producers and workers, indicate that a key reason for the County's shrinking farm labor pool is the lack of available housing. Producers indicated that lack of housing availability is a key concern for producers in recruiting and retaining employees. At the same time, agricultural workers indicated that housing availability severely constrained their job mobility, and that workers living in on-farm housing would be reluctant to leave an unsatisfactory employment situation, because of the lack of other viable housing choices if they lost their employer-provided housing. Compounding housing availability concerns is the high cost of market rate housing that stems from the Coastsides' proximity and accessibility to the greater Bay Area, where housing development lagging robust job growth contributes to drastic increases in market rate rents and home sales prices. The experience with the Moonridge project indicates that it will be very important to ensure

that all entitlements, regulatory agreements, and other project documentation for future farm labor housing projects are aligned to ensure that the housing remains available for use by farmworker households as intended.

The potential legalization of recreational marijuana in California may have significant implications for San Mateo County agriculture, owing to the County's large stock of greenhouse facilities, ideal growing climate, and proximity to the large Bay Area marketplace. In other states, marijuana legalization has spawned a fast growing industry and the same should be expected in California. If this does occur, it could spur expansion of labor and housing needs associated with marijuana cultivation in San Mateo County, which could impact existing agricultural operations due to increased competition for land and labor, and it could impact employees of traditional agricultural operations who would face increased competition for housing.

**Problems in Existing Housing** – Multiple sources of information collected for this study point to a need for ongoing repair and maintenance of the existing farm labor housing stock. Although the Environmental Health Department indicated that the farm labor housing stock is generally improving, continual maintenance and improvement is an ongoing need, as demonstrated by the fact that in the most recent round of annual inspections, all but one of the 16 Employee Housing facilities inspected by Environmental Health had at least one deficiency, and the majority had multiple deficiencies. A significant contributor to this is the generally aged condition of the onsite farm labor housing stock.

In addition to physical problems with the housing stock, there is also a relatively high incidence of overcrowding and excessive housing cost burdens. Families in particular have a difficult time finding suitable housing, because there is a narrower range of housing options that is suitable for families, particularly those with children. In contrast, unaccompanied workers have more flexibility in how they meet their housing needs because they require accommodations for just one person and can fit into a range of different living situations. Focus group participants also indicated that agricultural workers are also willing to live in substandard housing or over-crowded conditions because there is a desire to be able to save money and/or send money to help support their families who live elsewhere.

**Regulatory Barriers** – There are numerous layers of regulations that can pose a constraint to provision of farm labor housing in the Coastside area, including “extra” layers in the form of Local Coastal Program regulations required by the California Coastal Act, and permit and monitoring requirements imposed by the State for Employee Housing for five or more employees. Survey respondents and focus group participants consistently identified regulatory constraints as one of the key barriers to expanding the supply of housing for the agricultural workforce.

Most San Mateo County agricultural producers are small, with limited revenues, so major capital investments in onsite housing will be a challenge. Nevertheless, newer and established producers alike indicated that regulatory barriers are more pressing than financial barriers in their ability to

provide workforce housing, although they did not cite specific regulations that needed to be mitigated. While there are compelling environmental, health, and safety considerations for the County to uphold the various regulations that affect farm labor housing, it is beneficial for the County to assist agricultural producers and others in navigating these requirements in order to make it easier to maintain and expand the housing supply, through the services provided by the Agricultural Ombudsman. Further, some information discussed previously indicates that the most significant challenges may relate to State and federal regulations and that the availability of sufficient water supplies and/or infrastructure might be more significant constraints to agricultural workforce housing than regulatory barriers.

Another factor that influences regulatory barriers is attitudes about development within the Coastside area. For example, participants in one agricultural producer focus group session expressed a concern that open space organizations are biased against having housing on their land. This may signal a role for the County to play a role in advocating to balance environmental and aesthetic concerns with the need to adequately house the agricultural workforce.

Existing County farm labor housing policies encourage land owners to build farmworker housing, by exempting all units used for farmworker housing from the County's density allocation requirements. To balance this with the public interest of ensuring that housing is not constructed and then surreptitiously used for non-agricultural workforce uses, the policies include fairly strict requirements to remove the buildings if the property ceases to be used for agricultural workforce housing; however, these requirements are rarely implemented.

**Need for Third-Party Housing** - In addition to regulatory barriers and limited financial resources faced by all types of producers, many younger farmers in particular lease their land, so they do not necessarily control the decision about placing housing on the properties they farm. In addition, for smaller operations, the capacity to obtain permits to build housing, and the capacity to manage housing on an ongoing basis is limited, and those responsibilities take away from time that is needed to tend to farming operations. This set of issues, combined with the drawbacks that workers face in relying on employer-provided housing, mentioned above, highlight the importance of expanding the supply of agricultural workforce housing that is developed and managed by third-party providers, such as affordable housing developers, and targeted specifically to farmworkers. When producers prefer to develop farm labor onsite, some might benefit from the option to "outsource" the management of their farm labor housing to an outside party, relieving them of day to day management responsibilities that might be more efficiently handled by an organization that dedicated to the task.

**Housing Types Needed** - The most appropriate type of housing for the majority of the agricultural workforce is permanent family housing. The Coastside workforce is very rooted in the community, typically living and working for many years in the community. Most agricultural workers either live with their family, or would prefer to live with their family in the Coastside area, if suitable housing were available, and generally, there is a preference among agricultural workforce survey respondents for single-family homes. Due to lower incomes that are prevalent among agricultural

workers, housing that is subsidized to be affordable to lower-income households is necessary. Agricultural workers and producers indicated a preference for housing provided at or near worksites, so dispersal of agricultural workforce housing throughout the Coastside area should be encouraged.

Due to the limited number of employees at many operations, single-family homes, mobilehomes (i.e., manufactured housing) and second units or accessory dwelling units would be suitable onsite housing solutions for many agricultural operations. Compared to the north Coastside, there is more need for housing suitable for single workers in the South Coast area.

**Other Findings** - Based on agricultural workforce survey responses that only a small proportion of agricultural workers who do not live in Moonridge had been offered a lease agreement for their housing, it appears that property owners could benefit from information about how a lease agreement could protect them, while agricultural workers could also benefit from a better understanding of their rights as tenants and the importance of having a lease agreement.

Participants in the focus group session for owners of farm labor housing indicated challenges in the past with compliance with U.S. Department of Labor regulations for employee housing regarding disclosure of charges for employee housing, indicating other farm labor housing might benefit from dissemination of information regarding applicable rules.

## **Recommendations**

Following is a range of recommendations that are tailored to address conclusions regarding agricultural workforce housing needs presented above. Under each sub-header are key recommendations, followed by supporting actions.

### ***Financial Resources***

Given the small size and limited financial resources of many of San Mateo County's agricultural producers, combined with the relatively low incomes of the County's agricultural workforce, and the high cost of developing and maintaining housing, sources of financial subsidy will be required to significantly expand the supply of affordable housing for the agricultural workforce. Locally-controlled funding is critical to sustaining and expanding local programs such as the County's Farmworker Housing Rehabilitation and Replacement Pilot Program.

The County should continue the conversation about agricultural workforce housing needs with the local agricultural producer and landowner community. Based on the results of the producer survey, the focus group sessions, and the key informant interviews, it is clear that producers and landowners recognize that housing for the agricultural workforce is a critical piece of agricultural "infrastructure" that is essential to sustaining the County's agricultural production. Based on this recognition, the County and its agricultural property owners could consider whether it would be appropriate to establish an assessment district that would generate an ongoing stream of revenue that would help to fund housing projects for the agricultural workforce, as was suggested in one of the agricultural producer survey responses. A district such as this could be similar to the self-



imposed assessment for farmworker housing assistance in Napa County, which is called County Service Area (CSA) No.4. Formed in 2002 under the provisions of Government Code section 25210.4 h, Napa County CSA 4 provides a mechanism for owners of land containing at least one acre of planted vineyards to approve an assessment, not to exceed \$10.00 per planted vineyard acre per year. According to the Napa Valley Vintners Association, this mechanism has raised over \$7 million in funds for farmworker housing since its inception. Although the assessment proceeds can be used to acquire, build, operate, and maintain farmworker housing, the funds have historically only been used to subsidize the operation of three farmworker housing facilities owned by the Napa County Housing Authority. The assessment proceeds cover approximately one-third of the farm centers' operating costs, with the remainder of the funds collected from tenant rents and other miscellaneous sources.

Consideration of such a mechanism in the San Mateo County context would need to acknowledge the differences in the economics between crops grown locally and the vineyard operations of Napa County. Nevertheless, establishment of an ongoing source of locally controlled revenue for agricultural workforce housing would provide a valuable resource that could be used flexibly to leverage other sources of public and private funds for local farm labor housing development, maintenance, and operation.

Supporting Actions:

- The County, interested developers, and other local stakeholders could review and pursue state and federal funding programs for farmworker housing
  - The County and local farmers should be aware of the State of California's Beginning Farmer Program. According to the State Treasurer's office website, "a conduit bond issuer applies to the California Debt Limit Allocation Committee (CDLAC) for an allocation of Beginning Farmer Bonds. If CDLAC approves the allocation, the issuer then brings together farmers, financial institutions, contract sellers or investors to negotiate terms of a transaction. The issuer then sells the bonds to finance the loan, sale or investment." This program may provide a mechanism for the County or another entity to establish a pool of funds to provide financing at below market interest rates to qualified farmers, for various purposes, which may include buildings such as agricultural workforce housing. More information is available at:  
<http://www.treasurer.ca.gov/cdlac/applications/applications.asp?app=farmer>
  - According to legislative analysis of AB 2140 (a proposed bill by Roger Hernández), the State's Farmworker Housing Assistance tax credit program is being underutilized. The pending bill, which is currently in the Senate Appropriations Committee, would convert \$4.5 million in unused tax credits that have been earmarked for farmworker housing into an appropriation of \$4.5 million in allocations of funding to the Joe Serna Jr. Farmworker Housing program. If the bill moves forward, this may signal an opportunity for a new project in San Mateo County to target some of these funds.

- The U.S. Department of Agriculture, Rural Development, has a number of programs that can assist with developing affordable housing, including programs such as the Section 515 Multifamily Housing program, which serves the general lower-income population in rural areas, as well as housing programs targeted specifically to farm labor, including the On-Farm Labor Housing program and the Off-Farm Labor Housing program. These programs can provide grants (Section 516), loans (Section 514), and rental assistance. Rural Development also offers a technical assistance program to help project proponents develop project plans and package them for Rural Development funding applications. U.S.D.A. staff from the California office, in Davis, encourage San Mateo County to consider requesting technical assistance. Rural Development also offers a Mutual Self-Help Housing Technical Assistance Grants program that can assist in carrying out self-help housing projects.
- Finally, if recreational marijuana is legalized, there will likely be a need for significant planning and policy work, to guide the orderly introduction of the cannabis industry to San Mateo County. As part of this work, the County could conduct careful analysis of the potential impacts of this new industry on the existing agricultural industry, as well as the community at large, including housing resources. As one component of a comprehensive regulatory process for commercial production of marijuana for recreational use, the County could consider establishing a jobs/housing linkage fee or similar mechanism that would collect funds from these operations as part of the permitting process, to be used to expand the supply of agricultural workforce housing.

### ***Preservation of the Existing Housing Stock***

Because construction of new housing in the Coastside area is difficult, the County may wish to consider preservation of the existing housing stock that is available for the agricultural workforce as a high priority. Much of the existing farm labor housing stock is old and as the stock ages, it can be difficult to maintain and repair. Based on survey responses, existing group quarters style farm labor housing appears to be in relatively worse condition than the rest of the housing stock occupied by agricultural workers, so preserving and rehabilitating group quarters could be a priority within the overall housing preservation goal. Due to the age and deteriorated condition of many group quarters facilities, replacement rather than rehabilitation may be necessary in some cases. The County could continue and, if possible, expand the existing Farmworker Housing Rehabilitation and Replacement Pilot Program, which was viewed favorably by producer focus group participants. Feedback during the stakeholder vetting process for the initial draft of this report indicated that it would be helpful for the County to provide applicants with some of the project management support needed to move a project through the process.

### **Supporting Actions:**

- Considering the finding that over half of the vacant housing in the Coastside area is held vacant for seasonal or vacation use, the County could consider enacting policies to

encourage use of Coastside housing for occupancy by year-round residents who work in the area, as opposed to use of housing for second homes, vacation homes, or vacation rentals. For example, the County could limit the use of housing for transient occupancy through services such as Airbnb or VRBO.

- The County could seek to foster partnerships between property owners and non-profit organizations, such as Rebuilding Together, to make improvements to housing that serves lower-income farmworkers.

### ***New Housing Production***

Single-family dwellings, second units, and/or manufactured housing units could be suitable solutions to address small farm onsite employee housing needs, given that most operations do not need to house large numbers of agricultural workers. Traditional “stick built” single-family homes and modern manufactured housing units can be suitable to provide the permanent family housing that would be suitable for large portions of the San Mateo County agricultural workforce. Unless more than four workers are housed onsite, these types of agricultural workforce housing would fall below the threshold for requirements to obtain an Employee Housing permit from the Department of Environmental Health, so they would not be subject to the same level of regulation as farm labor housing for larger numbers of employees. Because of the requirement to remove farm labor housing that was permitted as such if it is no longer used for farm labor housing, owners and lenders may be attracted to the use of manufactured housing units that can be relocated, if necessary.

Due to proximity to the greater Bay Area housing market, it will be beneficial to focus on housing that is targeted specifically to the agricultural workforce so that farmworkers do not have to compete with other sectors’ employees for available units. This could involve employer-provided housing and/or third-party housing that is restricted to farmworkers (e.g., due to funding sources that specifically target farmworkers).

Encouraging additional housing in units configured for families that are located on or near agricultural worksites could be a priority. In addition, discussions with focus group participants revealed that there are inherent advantages to workers if housing is decoupled from employment, because it would give workers more mobility to change jobs without fear of losing their housing, and more autonomy from their employers during non-work hours. Thus, while working to facilitate development of onsite housing by those producers who desire to do so, the County could simultaneously explore the possibility of developing a third-party owned housing complex in the South Coast area, so that farmworkers in that area will have expanded options for housing that is not tied to their employment. Construction of agricultural workforce housing by a third-party will require attracting a development partner. MidPen Housing already owns and manages a number of housing projects in the Coastside area, and has indicated in interest in expanding its portfolio of affordable housing in the area. Other partners could potentially be attracted as well.

The County could also explore the possibility of developing a “self-help” housing project to create an affordable homeownership opportunity for agricultural workers, recognizing their long-term work and residency in the area. In developing self-help housing, the future occupants contribute “sweat equity” by contributing their own labor to the construction of the homes. Homes developed by Habitat for Humanity are an example of self-help housing. Worker focus group participants confirmed that this type of affordable ownership opportunity would be attractive to long-term Coastside agricultural workers who feel rooted in the community and wish to stay in the area that they consider their permanent home. This type of housing development could be combined with a first-time home-buyer program, such as that offered by HEART of San Mateo County, to help farmworker households qualify to purchase homes.

Supporting Actions:

- Identify suitable sites (See Supporting Action under Regulatory Streamlining/Efficiencies/Assistance)
- Ensure that appropriate zoning is in place, recognizing the land use constraints imposed by the Local Coastal Program, which is guided by the State Coastal Act, and overseen by the Coastal Commission
- Conduct outreach to the community to define an appropriate development concept and develop community support for the project(s)
- Conduct research regarding best practices for providing agricultural workforce housing
- Prepare case studies of successful farm labor housing development projects, to distribute to interested parties as examples of typical projects, such as
- Obtain technical assistance from U.S.D.A. Rural Development to assist with project planning and packaging the proposed project to apply for farmworker housing program funding. Rural Development staff indicated that the Mutual Housing at Spring Lake, in Woodland, CA, developed by Mutual Housing California, is a national model for the use of their farm labor housing financing programs.
- Identify sources of local funding, such as the potential producer assessment mentioned in the Financial Resources section above, that can be made available to attract affordable housing developers, to provide them with a source of funds that they can leverage to attract money from competitive federal and state funding sources.

***Regulatory Efficiencies and Assistance***

Survey responses, focus group comments, and stakeholder interview comments all referenced difficulties in navigating the regulatory process to obtain approvals to build farm labor housing and difficulties in compliance with ongoing requirements to maintain farm labor housing. However, these comments were not sufficiently detailed to provide a full understanding of how regulations affect farm labor housing production and maintenance and what specific steps the County could take to mitigate any barriers. To better understand the regulatory issues as they relate to farm labor housing, the County could convene a working group of Coastside stakeholders to further explore regulatory barriers, determine exactly how they pose constraints to farm labor housing, and identify

practical steps that the County and/or other stakeholders could take to mitigate barriers. This could include consideration of the practicality of allowing creative approaches to satisfying infrastructure needs of new housing, such as package sewer treatment plants and composting toilets. It could also include consideration of the regulatory environment for farm labor housing in the City of Half Moon Bay in addition to that of unincorporated Coastside San Mateo County. One aspect of local regulations flagged for consideration as part of the stakeholder vetting process for the initial draft of this report was the issue of verification of occupancy of farm labor housing in projects housing four or fewer employees. It was suggested that the County and local stakeholders consider whether it would be appropriate to require annual verification that these farm labor housing units are indeed being occupied by qualified farm laborers. The concern about misuse of farm labor housing units should be balanced with concerns about imposing additional regulatory burdens on conscientious operators who would not abuse farm labor housing.

To help facilitate understanding and compliance with the various layers of regulation which will inevitably remain, even after feasible mitigations are implemented, the County could prepare a resource guide that consolidates the relevant sections of the policy and regulatory documents that relate to housing for the agricultural workforce, in one place.

The San Mateo County Agricultural Ombudsman, who works out of the San Mateo County Resource Conservation District office, does help producers with applications for new farm labor housing and the County could continue this service. County GIS staff could support this by utilizing the GIS system to provide accurate base maps to applicants and/or help in developing site plans. Current efforts to establish a one-stop shop for permitting of farm labor housing could be continued.

Supporting Actions:

- To facilitate applications for new farm labor housing, the County could create model project case studies for onsite farmworker housing. This could include prototype projects for group quarters and single-family units; examples for replacement vs. for new construction; and models for housing for less than 5 workers and for housing for 5 or more workers. These project examples could draw on the experience of projects that participated in the Farm Labor Housing Rehabilitation and Replacement Pilot Program, and could help interested property owners configure their projects to facilitate the approvals process.
- Given the complexity of regulations and environmental constraints to housing production in the Coastside area, the County can help to identify the most promising sites for new agricultural workforce housing production. Using the farmworker housing sites identified in the Housing Element as a starting point, the County could conduct a GIS analysis to identify those parcels that have infrastructure capacity and other attributes that could support additional residential development for agricultural workers and make this information available to property owners as a way to encourage development of additional farm labor housing. In addition to sites identified in the Housing Element, the County could explore whether there is potential for workforce housing development on land within the Coastside

area owned by local public agencies, such as San Mateo County, special districts, and state (e.g., State Parks) and federal agencies (e.g., Golden Gate National Recreation Area).

- The County could continue to waive Planning and Building fees, and Environmental Health fees for septic and sewer improvements for farm labor housing.
- Upon renewal of an existing farm labor housing permit for a project housing four or fewer employees, the County could consider extending the terms of approval to a period of five or more years, provided the owner remained in compliance with all terms during the initial approval period.
- To facilitate compliance with applicable regulations and promote high quality management of agricultural workforce housing, local agricultural stakeholders could consider establishment of a farmworker housing property management company, which would allow smaller operators to outsource the management of their units to somebody who is expert with regard to all of the regulations and requirements. This would create efficiencies in regulatory compliance, and enable smaller producers in particular to focus their limited resources on actual crop production. Feedback received during the stakeholder vetting process for the initial draft of this report indicated that it would be helpful if the entity providing this service is provided with funding to underwrite the cost, so as to limit fees charged to the farm labor housing owners.

### ***Information and Education***

To address the perception among some that open space organizations may be biased against having housing on their land, the County could convene a discussion among local agricultural stakeholders and POST and MROSD representatives to develop a common understanding of agricultural workforce housing needs, to understand the basis for decisions related to the viability of structures and to identify how preservation of existing housing and development of new housing can balance those needs with environmental and aesthetic concerns.

In response to the finding that few agricultural workers other than those living in Moonridge were offered a lease agreement for their current housing, the County could facilitate the development of a model residential lease agreement for landlords to use, which could include information regarding emergency rent assistance available via sources such as through the Coastside Opportunity Center in El Granada, tenant-landlord mediation resources, etc. Related to this, the County could work with the U.S. Department of Labor to obtain an informational handout that could be distributed to owners (or prospective owners) of farm labor housing regarding the relevant federal regulations applicable to employer-provided housing.

Another potential application of a model lease document is a set of farm lease terms that would contain provisions for the tenant to make improvements to the property (i.e., construct housing) and then be able to recoup their investment if their lease expires prior to being able to amortize the cost

of the improvements. This is an effort that could be led by the Farm Bureau and/or CRAFT as a benefit to their members.

Given producers' stated interest in providing agricultural workforce housing if financial and regulatory assistance were provided, the County could provide educational resources to landowners and agricultural producers about the various types of technical and financial assistance available from USDA and the State of California that could be utilized to develop, improve, or expand onsite farm labor housing. This could be done through a collaboration with the Farm Bureau, CRAFT, and the County.

Supporting Actions:

- The County could conduct outreach to local farmland owners to encourage them to view housing as an asset to attract farmers and workers who will help to maintain and improve the land. For example, if owners only rent on-farm housing to highest bidder and then lease the farm land to operators who don't need housing for themselves, the land will likely go to established farmers and this will not support the next generation to get started in farming. It is important that stakeholders take a long-term view, since the average age of existing San Mateo County farmers was almost 60 years, as of 2012, and a generational transition should be expected.
- The County and other local partners, such as Puente de la Costa Sur and Coastside Hope, could provide information to farmworkers and farm labor housing owners about availability of assistance with resolving tenant-landlord issues by a neutral party.
- The County and local partners could provide agricultural workers and agricultural operators with information about how agricultural workers can get on waiting lists for assisted housing, particularly if new affordable housing projects are proposed in the Coastside area. If affordable housing projects do not use dedicated farmworker housing funds, then the agricultural workers will face competition from non-farmworker households for available units.

*This report version does not include appendices.  
For the full report, please contact the County of San Mateo  
Department of Housing.*