



Policy Brief: Farmworker Housing in Santa Clara County

Santa Clara County is generally considered an urban county, with the fifth largest population in the state.¹ The county boasts a rich agricultural legacy, and agriculture remains an important industry, employing over 8,000 residents and contributing around \$830 million annually to the economy.² Most of the remaining farmland is concentrated in the southern portion of the county, around Gilroy, Morgan Hill, and south San Jose. Due to the severe shortage of affordable homes in the county and very low wages, farmworkers experience extreme housing insecurity. The agriculture industry faces challenges in securing labor in a tight market that offers limited housing opportunities that are affordable for their employees.

Farmworkers derive their primary income from agricultural labor, and generally fall into the Very Low (VLI) or Low-Income (LI) category based on the Area Median Income (AMI).³ Depending on a farmworker's occupation within the industry, they can move seasonally or remain long term on one farm. Santa Clara County has an estimated shortfall of 1,400 seasonal and 700 long term housing units to support the employment demands of the industry.⁴ Like other forms of affordable housing, there is a need for diverse housing types to meet this need, as household size varies from individuals to families with children.

Farmworker Housing Models

Traditionally, housing for farmworkers has been developed in rural areas near employment opportunities. Building higher density in rural zones is challenging, as developers do not benefit from the same access to municipal infrastructure within an urban area and all infrastructure must be developed on site. Historically, these types of developments have been initiated by farmers who rely on the farmworker labor force, generally tying employment on the farm as a condition to access the housing unit. Due to the seasonal nature of this industry, this creates challenges for households that often shuffle from one farm to another throughout the season. In addition, locating housing near rural employment isolates farmworker households from the broader community and they must travel far for community resources including schools, grocery stores, and health care services.

¹American Community Survey, 2017 population estimates

²Santa Clara Valley Agricultural Plan, January 2018

https://www.sccgov.org/sites/dpd/DocsForms/Documents/SCV_ActionPlan.pdf

³Based on Bureau of Labor Statistics quarterly estimates and Area Median Income from HCD

⁴ County of Santa Clara, Department of Planning and Development report to Agricultural Preservation Task Force, May 31, 2018.

Most farmworker households qualify for traditional affordable housing programs, yet they remain underserved under these traditional housing models. Affordable housing is incredibly impacted in the region due to high demands and extreme shortage and aspects of farmworker life often make them ineligible. For some households it is challenging to commit to a long-term lease, due to seasonal changes in employment. Many farmworker households include non-family members, often not allowed in affordable housing developments. One model that has proven successful are mixed occupation developments, with some units set aside for farm workers within an affordable project.⁵ The set aside units require a member of the household to work in agriculture. By locating these units within an affordable housing project, households have a greater chance of remaining in their home should they move away from agriculture employment as long as they continue to meet the broader income requirements and the number of overall units reserved for farm workers remains the same project-wide.

Federal and State Action

Traditional funding streams for farmworker housing have diminished over time. The Housing Act of 1949 established federal loan (Section 514) and grant (Section 516) programs for the purchase, construction, and repair of farmworker housing. This program finances less than 1,000 units nationwide annually. It is estimated that there are approximately 800 families on the waitlist for every development funded through this program. Currently, the Fiscal Year 2020 budget does not include any funding for this program.⁶ Developers have also struggled to bundle USDA dollars with other affordable housing funding programs that often prioritize infill projects and those that are near transit and other community benefits.

In addition to federal programs, the State of California requires streamlining of up to 12 worker residential dwelling units or 26 dorm style beds by right in rural areas.⁷ A bill currently in process in the legislature, Assembly Bill 1783, would provide additional streamlining of farmworker housing on ag land. AB1783 could increase the feasibility of producing affordable housing on underutilized or historic agricultural lands, that tend to be smaller parcels, sometimes within city boundaries.⁸ The state also provides funding for projects for farmworkers, through the [Joe Serna Framework Housing Grant Program](#), which offers grants and loans for the construction, rehabilitation, and acquisition and housing developed under this program requires a deed restriction of 55 years. It is anticipated that HCD will release a Notice of Funding Availability in Fall 2019.

Agriculture remains an important part of the character and industry of Santa Clara County, however, farm workers have historically been excluded from accessing housing that is safe and secure. **SV@Home believes more must be done to create inclusive communities that are affordable and accessible to farmworker households.**

⁵ Monterey County Farmworker Housing Study, Case Studies, April 2018

⁶ [National Rural Housing Coalition](#)

⁷ <http://www.hcd.ca.gov/community-development/building-blocks/housing-needs/farmworkers.shtml>

⁸ The Williamson Act is a state program that local jurisdictions can opt into with the goal of protecting farmland. Contracts last for ten years and must be renewed. <https://www.sccgov.org/sites/dpd/Programs/WA/Pages/WA.aspx> There are a number of [non-renewed Williamson Act properties](#) in Santa Clara County that could be utilized for farmworker housing and produce infill development.

SV@Home's Recommendations:

Recommendation	Rationale
<p>Establish farmworker housing as an affordable housing priority within the city core</p>	<p>Traditional models that locate farmworker housing in rural areas isolate households from important resources and the broader community. It is more affordable to produce housing along existing infrastructure. South County also has a number of non-renewed Williamson Act parcels in areas with existing infrastructure that would be ideal for farmworker housing and continue the agriculture legacy on these parcels.</p>
<p>Use a mixed-occupation model in affordable housing projects to incorporate units for farmworker households within planned affordable housing developments</p>	<p>Incorporating farmworker units within affordable projects creates opportunities to integrate households into the broader community. Farmworker households experience extreme fluctuations due to seasonal work, and sometimes rely on other forms of income throughout the year. Mixed-occupation models create flexibility that could allow households to remain in their homes during periods when they are not relying on agriculture as a source of income.</p>
<p>Zone for housing types that accommodate individuals for seasonal periods, including: dorm style, co-living, or Single Room Occupancy (SRO) facilities.</p>	<p>A significant portion of the farmworker population are individuals. SROs and co-living models are underdeveloped forms of housing that meet the needs of this sub-population. Cities should make these housing types feasible through zoning changes.</p>
<p>Set priorities for farmworker housing on surplus public land.</p>	<p>California continues to incentivize affordable housing on underutilized public land. This land is often considered more affordable and accessible to affordable housing developers than land sold in the market. Farmworker housing should be established as a preferred housing type on these parcels to decrease project costs and bring more units online.</p>
<p>Use broad definition of household when creating affordability requirements for projects or funding sources</p>	<p>Farmworker households do not always follow traditional standards of family units, sometimes including multiple generations or unrelated members. Any definition of household applied to this group should be flexible to diverse household make-ups to allow for these households to also have</p>

	access to affordable homes.
Create local funding opportunities for farmworker housing	While some state and federal funding exists specifically targeting farmworker households, local funding sources are also needed to bring more projects online. Cities should consider setting aside affordable housing dollars to contribute to projects that are incorporating farmworker units.