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Farm Labor Housing Loan Program Frequently Asked Questions (“FAQ”) Document

Borrowers

1. Are there any income requirements/ceilings for the farm operators/borrowers?
 - a. *No. There are no income related requirements or limits for prospective borrowers under this Program.*
2. Are credit checks required as part of the loan evaluation process?
 - a. *No.*

Tenants

1. Are farm laborers who were/are family members of the farm owner and/or landowner eligible to reside in the Farm Labor Housing unit under this Farm Labor Housing Loan program?
 - a. *Yes, and prospective tenants of the program will still need to meet the eligibility criteria. This includes, being below the 50% of the Area Median Income along with deriving 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.*
2. To be a renter/tenant, do you have to work 20 hours per week in agriculture and earn at least half your income from agricultural related work or can it only be one of the two requirements?
 - a. *To be eligible to live in the housing units, farm laborers must meet both requirements. Furthermore, renters/tenants must earn less than 50% of Area Median Income or AMI. In 2025, 50% AMI for a household of one is \$68,550 and for a household of four is \$97,900.*
 - i. *More information can be found here, under Table 2:*
<https://www.smcgov.org/media/154289/download?inline=>
3. If a child in the household turns 18 and is generating income, is that income included in the household income? Could this lead to the household being disqualified due to being over income?
 - a. *Under this Program, if the child is a full-time student and 23 years of age, they can remain in the unit and their income would not get included in the family’s household income calculations. The child would need to provide proof that they are a full-time student. After the child turns 24 years old or is no longer a full-time student, then their income would be included in the family’s household income.*

Loan

1. Is there a time limit on how soon the funding must be spent/used?
 - a. *The expectation is that construction will commence within 2 years of funding award. Any extensions beyond that would require a discussion to ensure timely use of funds.*

2. Will annual loan payments be recorded to credit bureaus?
 - a. *Annual loan payments will not be recorded to the credit bureaus. In the case of foreclosure, such information may be reported.*
3. Can you pre-pay the loan?
 - a. *Prepayment of the loan principal will be allowed on an annual basis, but in no case can the loan principal and term be decreased by more than 50%.*
4. What would be in the Deed of Trust?
 - a. *The Deed of Trust may detail restrictions should a borrower default on their loan.*
5. What exactly are the deed restrictions?
 - a. *You may request a blank version of the Deed of Trust via email at asegura@smchousing.org*
6. What happens if a borrower decides to sell their property?
 - a. *The County may require repayment of the loan principal if the property is sold during the life of the loan period, unless a specific exception is approved in writing by the Department. In the case of a borrower leasing the land, the landowner would be required to still comply with the loan and ensure the housing units are occupied by Eligible Farm Laborers under this Program. If they do not, it will require repayment of the loan principal.*
7. If the loan funds are utilized for only one housing unit out of multiple housing units on a property, is the Deed of Trust on the full property?
 - a. *Yes. The Deed of Trust will be applied for the entire property.*

Application Process

1. Is the pre-site inspection required to apply for the Program?
 - a. *The pre-site inspection is not required, but it is highly encouraged. Taking part in this inspection is beneficial to the prospective applicant as it offers a preliminary determination of feasibility for permitting and/or upgrade.*
2. Is there a fee for the pre-site inspection offered by the County?
 - a. *This inspection is coordinated by the Planning & Building Department and there is no associated cost with this inspection.*

Property/Operations

1. Will properties on leased land be eligible for this program?
 - a. *Yes, properties that are on leased land would be eligible for this program. This would require both the operator and landowner to enter into a contract together with the County and be referred to as 'borrowers'.*
2. Does the land have to be an operating farm?
 - a. *No, but it would need to be in operation within a reasonable time period. The owner or lessee of the land would need to ensure that the land is in operation within a reasonable time period.*
3. Do ranchers/livestock owners qualify for the program or is it only crop growing?
 - a. *Livestock operations would be eligible for the Program.*
4. What does the term 'Per Property' refer to?
 - a. *Under this program, the term 'Per Property' is referring to all parcels in a specific property.*
5. Will property taxes be reassessed?
 - a. *They may be and since every situation is unique, for questions about assessments, please contact the Office of the Assessor, [Assessor | San Mateo County Assessor-County Clerk-Recorder & Elections - ACRE](#) / assessor@smcacre.gov*

Program Requirements

1. Who will do the income verification?
 - a. *In most cases, this will be a coordinated effort between the Borrower and the Department of Housing to secure tenant documents and conduct a review of said documents to verify income eligibility at the start of the lease agreement. As part*

of the compliance with the Program, the Department of Housing will then conduct an annual monitoring. During this time, the Department will complete the income verification.

2. Are Fishermen considered farm workers under this Program?
 - a. *At the moment, farm workers must be engaged in agriculture related activities. Including, but not limited to, the cultivation of food, fiber, or flowers, and the grazing, growing, or pasturing of livestock. Employees in the Fishing Industry are not considered farm workers under this program.*

Permitting

1. Will the funds be held in reserve for an owner that is working through the permitting process, or would it only be made available - if there is sufficient funding - after the permits are secured?
 - a. *The Program works on a first come, first served basis. After the borrower submits a full application and has been approved, the funding is earmarked for their project and reserved as long as reasonable progress is being made.*
2. Will funding be provided for pre-development work, which would occur before permits received?
 - a. *No, unless after construction is complete.*

Other

1. Are there any resources available for residents who are not farm owners/operators but are interested in adding an ADU to their property to provide housing for farmworkers?
 - a. *The County does have the Second Unit Resources Center that may be of support with interested community members who wish to create an ADU within unincorporated areas of the County only. The link to the center is included here: [Home for All: Second Unit Center – A program of the County of San Mateo's Home for All initiative](#). Additional information can be found within the Department of Planning & Building here: [Accessory Dwelling Unit Ordinance | County of San Mateo, CA](#).*
2. Can the housing be anywhere in the County or just in unincorporated parts of the County?
 - a. *The housing is eligible for anywhere in the County, but it must be a farm that will be operating within a reasonable time period. The owner or lessee of the land would need to ensure that the farm is in operation within a reasonable time period.*