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## FARMWORKER HOUSING PILOT PROGRAM PHASE III

The County of San Mateo is pleased to announce Phase III of the Farmworker Housing Pilot Program. The Program will facilitate the creation of new farmworker housing, the rehabilitation or repair of existing farmworker housing, and the replacement of existing dilapidated mobilehome units.

The intent of the Program is to build partnerships and provide resources to enable farmers and agricultural landowners to improve housing and expand housing opportunities for the County's very low-income farmworkers that are engaged in full-time agricultural work in San Mateo County during the agricultural season. The beneficiaries of the Program will be the very low-income farmworkers that reside in the new and rehabilitated units.

The Farmworker Housing Pilot Program has two components:

**Rebuilding Together Home Repair Services.** Rebuilding Together Peninsula's (RTP) Safe at Home Program provides free home repair services to low-income, qualified residents in San Mateo County. The County has provided funding to RTP to pay for up to ten (10) Safe at Home projects each year. Applications should be made directly to RTP Associate Director Cari Pang Chen at 650-366-6597 or [cari@RTpeninsula.org](mailto:cari@RTpeninsula.org).

**Department of Housing Farmworker Housing Pilot Program Loans.** The Department of Housing ("Department") is also providing loans to qualified applicants for construction of new farmworker housing units or rehabilitation and replacement of existing farmworker housing units ("project units"). The Department is offering two loan programs for qualifying projects: (1) a standard loan at a 3% interest rate, and (2) a no-interest forgivable loan. The eligibility criteria, loan parameters, performance requirements, and project parameters are detailed below.

### Eligibility Criteria:

- The project units must be located in San Mateo County.
- The project units must be rented to farmworkers, or farmworkers and their families, that meet the following criteria ("Eligible Farmworkers"):
  - Very low-income (under 50% of Area Median Income or AMI).
    - In 2021, 50% AMI for a household of one is \$63,950 and for a household of four is \$91,350. The AMI income thresholds may be adjusted over time.
  - Employed in full-time agricultural work in San Mateo County during the agricultural season.
- Rent and any other housing-related expenses for the project units must remain stable for one year after occupancy and must not exceed 30% of the farmworker's gross income for the duration of the loan.
- All project units must be used as rental housing for farmworkers for the life of the unit.

### Loan Parameters:

- A forgivable no-interest loan is available for project units that will be rented to Eligible Farmworkers at very low rent (e.g. \$4.00 per day worked).
- A standard loan with a 3% interest rate is available for project units that will be rented to Eligible Farmworkers at higher levels of rent (e.g., more than \$4.00 per day worked, but less than 30% of the farmworker's gross income).
- The applicant is required to contribute 20% of the value of the County loan to the project.
- For rehabilitation or replacement units, the maximum loan amount is \$100,000 for each unit.

- For construction of new units, the maximum loan amount is \$150,000 for each unit.
- Each applicant can apply for a maximum of two units.
- All project units must be rented to farmworkers for the life of the unit.
- Assuming satisfaction of all Program and contractual conditions, the County will forgive the no-interest over 10 years (\$100,000 loan) or 15 years (\$150,000 loan).
- Assuming satisfaction of all Program and contractual conditions, the applicant will be required to pay back the standard loan with a 3% interest rate over 10 years (\$100,000 loan) or 15 years (\$150,000 loan). Early payment is prohibited for these loans.
- The County will require repayment of the loan principal if the project unit is used for any use other than Eligible Farmworkers housing or if the property is sold during the life of the loan period, unless a specific exception is approved by the Department of Housing.
- A deed of trust secured by the property will be required.

#### Performance Requirements:

- Rent and any other housing-related expenses for renovation or replacement of currently occupied units may not increase from the date of the program application to one year after occupancy of the project unit.
- Rent and other housing-related expenses for new units must be agreed to with the County prior to execution of the loan agreement for new units and remain stable from execution of the agreement to one year following the occupancy date of the new units.
- Following the first year of occupancy, rent may be increased by a *maximum* of 1% per year for the duration of the loan.
- For the duration of the loan, the rent and other housing-related expenses must remain less than 30% of the farmworker's gross income.
- The Department will monitor compliance with these conditions annually. Participating owners are required to provide information reasonably requested by the Department to verify compliance.

#### Project Parameters:

- Participation in the Program is subject to availability of funding and execution of a loan agreement with the County.
- All new units constructed and all units rehabilitated or replaced with funding from this Program must be used for housing Eligible Farmworkers for the duration of the loan, and for farmworker housing for the lifetime of the unit.
- All mobilehome replacements will be with new mobilehome units or new construction.
- All projects must comply with any applicable permit requirements.
- An interested property owner can initiate consultation with the Department by submitting a letter of interest or a completed application.
- The Department will schedule a pre-application meeting and site visit with the applicant, the Planning and Building Department, Environmental Health, and Cal Fire upon receipt of a letter of interest or application.
- The Department will determine eligibility after receipt of a complete application and completion of the pre-application meeting and site visit.
- The Department will disburse loan funds on a reimbursement basis, up to the maximum amount of the loan, upon receipt of a satisfactory request for reimbursement. Requests for reimbursement shall include copies of invoices paid, canceled checks, or other proof that the invoices have been paid. Reimbursement will be for 80% of the invoiced request, to reflect the 20% match requirement. Reimbursement requests will be processed within ten (10) days from the date of receipt of a satisfactory request.

Terms and conditions may change, please check the Department of Housing website [housing.smcgov.org](http://housing.smcgov.org) before applying.

For more information about this program, please contact Brae Hunter or Carrie Dallman, Office of Supervisor Don Horsley at 650.599.1013 or [bhunter@smcgov.org](mailto:bhunter@smcgov.org) / [cdallman@smcgov.org](mailto:cdallman@smcgov.org) or Anthony Parenti, Department of Housing at [aparenti@smchousing.org](mailto:aparenti@smchousing.org) (preferred) or 650.802.3379.