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FARM LABOR HOUSING LOAN PROGRAM

The County of San Mateo Farmworker Housing Loan Program (“Program”) will facilitate the creation of new farmworker housing, rehabilitation or repair of existing farmworker housing, and replacement of existing dilapidated mobile home 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 Department of Housing (“Department”) is providing loans to qualified applicants for construction of new farmworker housing units, or rehabilitation or replacement of existing farmworker housing units (“project units”). The Department is offering a no-interest forgivable loan for qualifying projects. 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 2023, 50% AMI for a household of one is \$65,250 and for a household of four is \$93,200. The AMI thresholds may be adjusted over time.
 - Employed in full-time agricultural work in San Mateo County during the agricultural season.
- Rent and utility allowances (based on the Multi-Family Utility Allowance Schedule found at <https://www.smcgov.org/housing/utility-allowance-schedules>) (“Utility Schedule”) for the project units must not exceed 30% of the farmworker’s gross income with rents not to exceed extremely low rent amounts (based on HUD’s Maximum Affordable Rent Payment Schedule found at <https://www.smcgov.org/housing/income-limits>) (“Rent Schedule”) for the duration of the loan.
- All project units must be used as rental housing for farmworkers for the life of the unit.
- Previous applicants can apply for funding for additional units.

Loan Parameters:

- A forgivable no-interest loan is available for project units that will be rented to Eligible Farmworkers at extremely low rent amounts (based on the Rent Schedule).
- The applicant is required to contribute at least 20% of the project costs.
- For rehabilitation or replacement units, the maximum loan amount is \$150,000 for each unit.
- For construction of new units, the maximum loan amount is \$250,000 for each of the first 2 units and \$200,000 for each subsequent unit.
- 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 loan, in 20% increments, over the final 5 years of the 20-year loan term.

- 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 in writing by the Department.
- A deed of trust secured by the Property will be required.

Performance Requirements:

- Rent and utility allowances for renovation or replacement of currently occupied project units may not increase from the date of the program application to one year after occupancy of the project unit.
- Rent and utility allowances for new project 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 project units.
- Following the first year of occupancy, rent may be adjusted based on the Rent Schedule.
- 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 mobile home replacements will be with new mobile home 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.
- A representative from the District 3 Board of Supervisor's office will schedule a pre-application meeting and site visit with the applicant, the Planning and Building Department, Environmental Health, Department of Housing, 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 a reasonable time from the date of receipt of a satisfactory request.

Terms and conditions may change, please check the Department of Housing website housing.smcgov.org before applying.

For more information about this program, please contact Anthony Parenti, Department of Housing at aparenti@smchousing.org or 650.802.3379.