

ATTACHMENT 4  
STATUS REPORT OF THE EMPLOYER-SPONSORED HOUSING  
AD HOC COMMITTEE

In Board of Supervisors Referral No. 2018.12 created an Ad Hoc Committee charged with meeting with local governments and key agricultural stakeholders to make policy recommendations to the Board of Supervisors and City Councils in the Salinas Valley. Supervisors Phillips and Salinas were appointed to serve on the Ad Hoc Committee.

The Committee has held two meetings and County staff have met with their counterparts from the Salinas Valley cities to “take the temperature of cities and migrant housing on their peripheries.

The first committee meeting was held on July 12, 2018. This meeting was with County staff to begin framing the issues around employer-sponsored housing. An overview of the different roles County and state officials play in regulating employer-sponsored housing was provided for the Committee.

- RMA – Planning is responsible for determining what, if any, land use permits are required and any site-specific constraints that might need to be considered.
- RMA – Building is responsible for checking the building plans and inspecting the construction and ultimately allowing the building to be occupied.
- The Health Department’s Environmental Health Bureau has been delegated authority by the California Department of Housing and Community Development (HCD) to annually inspect and permit all employer-sponsored housing in the unincorporated areas of the County.
  - HCD has retained this authority in all the cities in the County except Gonzales.
- Until May 1, 2018, the California Employment Development Department (EDD) inspected, but did not permit, employer-sponsored housing as part of its responsibilities under the federal H2A visa program. EDD will permit housing units occupied by four agricultural employees or less. They will offer courtesy inspections for five agricultural employees occupying a unit or greater if requested by the operator. New H2A applicants are being informed that they need to obtain a local Environmental Health permit and or local county or city planning approval. Currently EDD is taking a “soft” enforcement approach to enforce this process to inform and educate those in the program.

Two issues were identified during the meeting:

- The County development applications did not have a simple way for ensuring that projects were identified as employee housing. As a result, Environmental Health was initially not processing the application as employer-sponsored housing.
- Because EDD was not advising employers of their obligations under the California Employee Housing Act there were many projects that were not being properly inspected and regulated by either Environmental Health or HCD, depending on where the housing is located.
  - It appears that many employers thought that the EDD inspection was sufficient and because EDD was not telling them otherwise, these employers did not notify Environmental Health or HCD that they were operating employer-sponsored housing.

The Resource Management Agency (RMA) is working on updating development application materials so that applicants and County departments can easily identify projects that are proposed as employer-sponsored housing.

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As noted above, there were four state and local agencies that have a role in managing employer-sponsored housing but there was no centralized source for determining which agency was responsible for any given unit. The Housing Office has worked to compile lists of Environmental Health, HCD and EDD units into one-place and eliminate duplicate records. A map where these units are located has been developed and Environmental Health is working to inspect and permit units in the unincorporated areas of the County.

The Ad Hoc Committee members directed Housing Office staff to set up a meeting with representatives from the agricultural community who own, operate, or rent housing units for use as employer-sponsored housing. The purpose of the meeting was to find out what worked, what didn't work, and what is needed from cities and/or the County to help build more employer-sponsored housing.

The second Committee meeting was held on August 30, 2018 and included a representative from the Nunes Company, Mike Avila (the general contractor who built Boronda Villas for the Nunes Company), and representatives from Grower-Shipper Association and the Monterey Bay Economic Partnership. The highlights from this meeting focused on what the industry representatives considered the minimum physical requirements for employer-sponsored housing complexes:

1. Willing property owners
2. 4-acre minimum parcel size
3. Ability to construct at least 75-units/600 beds for cost efficiency
4. Located within 1-mile of existing regional waste water lines, it costs approximately \$1 million per mile to construct sewer lines. Environmental Health Bureau (EHB) strongly encourages connecting to existing systems rather than construction of package plants given the history of failing plans that have impacted the County.
5. Located within easy proximity to the inter-regional transportation network

Based on the industry input, the Ad Hoc Committee directed Housing Office staff to meet with City Managers from Gonzales, Greenfield, King City, Salinas, and Soledad to gauge their receptiveness to building additional employer-sponsored housing on their peripheries.

County staff held the meeting with the City Managers or Community Development Directors for these cities on September 26, 2018. Many of the concerns expressed by city officials are familiar to what the County experienced with the development of Tanimura and Antle's Spreckels Crossing development:

- Public safety
- Changes to neighborhood character
- Increased demand for city services

While the city officials understand the need for employer-sponsored housing, there seemed to be a consensus that cities should house families, not migrant workers. They were also very concerned by the trend of employers, especially farm labor contractors, purchasing either single family homes or apartment complexes and converting them into employer-sponsored housing. This has caused some cities to consider or adopt prohibitions on additional employer-sponsored housing within the city limits.

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The city representatives are open to working with County staff on policies and programs to address housing in general but the Peninsula cities and urbanized unincorporated areas need to be part of the solution. They suggested, and County staff agreed, that the GSA facilitation model might be a good approach to address housing access on a countywide basis.