



RURAL COMMUNITY ASSISTANCE CORPORATION

La Posada Health and Housing Project for Unaccompanied Migrant Agricultural Workers

Case Study

Resource ID: 5392

**La Posada Health and Housing Project for Unaccompanied
Migrant Agricultural Workers**



Produced by:

**Agricultural Worker Health and Housing Program Staff
October 2003**

CASE STUDY

La Posada Health and Housing Project for Unaccompanied Migrant Agricultural Workers

Introduction

The California Endowment (The Endowment) awarded Rural Community Assistance Corporation (RCAC) \$31 million to improve the health and housing conditions of California's 700,000 agricultural workers. Through the Agricultural Worker Health and Housing Program (AWHHP), RCAC provides loans and grants to health and housing partnerships that effectively link health services and strategies with affordable housing for agricultural workers, their families and their communities.

Included in the target population are unaccompanied migrant workers (UMW), or *solo workers* as they are sometimes referred. Unaccompanied migrant agricultural workers make a critical contribution to local farming economies, especially in areas with very labor intensive and concentrated harvest periods. For instance, in some communities, it is not uncommon for the population to explode to 3-4 times its normal numbers.

Of the over 40 projects that AWHHP has helped to sponsor since 1999, only one project which specifically serves unaccompanied migrant workers has been funded – even after developing a funding round targeted to this population group. The 2002 targeted funding round yielded a total of six proposals from around the state. The number of proposals received was encouraging since unaccompanied migrant worker housing projects are relatively rare even among the larger, better known nonprofit housing developers. However, the proposed projects were not able to debt service¹ even a very low-interest long-term loan and/or meet their ongoing operating costs.

The purpose of this case study is to describe the La Posada project in Sonoma County, a health and housing project for unaccompanied migrant agricultural workers, the only such project AWHHP has funded. The case study will describe the methods and strategies which La Posada project partners used to mitigate the pre and post development barriers to providing housing for unaccompanied migrant agricultural workers. The case study highlights the lessons learned that might be useful to others planning to implement unaccompanied migrant worker health and housing projects.

The Situation

While it is commonly known that agricultural workers are a major economic factor in California's agricultural industry, the living conditions of unaccompanied migrant agricultural workers are rarely profiled. Often, the number of unaccompanied migrant workers is solely expressed as a percentage of all agricultural workers, with little more detail (Larson, 2000). According to the California Institute for Rural Studies' report *In Their Own Words: Farmworker Access to Health Care in Four California Regions*, unaccompanied migrant workers have the greatest unmet health and housing needs in the agricultural worker community (CIRS, 2003).

¹ Debt service is the ongoing financing costs – the monthly financing cost which a project must carry every month for funds borrowed/owed to build the project.

They are disproportionately homeless, often living together in small communities known as "encampments". Alone and separated from their families, often for the first time, these men report feeling tremendous loneliness. These feelings can lead to high risk health behaviors that



not only negatively affect the agricultural worker, but impact the health and welfare of his wife and children in Mexico.

In order to fully appreciate the La Posada model case study it is important to describe the context in which health and housing projects for unaccompanied migrant workers are developed. As documented by AWHHP staff, the development of housing for unaccompanied migrant workers is a daunting task that many traditional housing developers have

not been willing to confront. The case study specifically addresses each of the barriers and identifies the strategies the La Posada project partners used to overcome those barriers. The lists below outline some barrier categories which have been identified:

PRE-DEVELOPMENT BARRIERS

Political

- Local opposition toward unaccompanied migrant worker projects can be particularly strong and difficult to overcome; NIMBYISM can discourage a project moving forward or prevent it altogether.
- Championing an unaccompanied migrant worker project despite local opposition can jeopardize important relationships between non-profits and communities, cities and counties.
- Lack of facts and a misunderstanding of unaccompanied migrant worker housing issues, including a limited appreciation of their housing needs, can prevent a project's development.

Economic

- Inadequate number of funding sources for unaccompanied migrant worker projects.
- Loans are not a good source for development funds because unaccompanied migrant worker projects are not able to sustain debt-service through cash flow.
- Scarce grant resources that can cover either all or most (50%>) of development costs for unaccompanied migrant worker projects

POST-DEVELOPMENT BARRIERS

Economic

- Operational Sustainability of the Project: The amount per day unaccompanied workers are willing or able to pay is not adequate to cover operating costs.

Organizational Commitment

- Seasonal housing periods (4, 6, 8 Months) impact the continuity of staff resources—it may be necessary to hire and train personnel every year.
- Extensive rules and regulations tend to deter interested renters, posing even greater challenges to occupancy and cash flow.

A Brief Synopsis: La Posada Model Case Study

The Sonoma Valley grape harvest season is concentrated into a short period every August-October. In the Sonoma Valley, during the grape harvest, it is estimated that an additional 500-1000 agricultural workers come to the area, most of them unaccompanied. Vineyard Worker Services (VWS) has reported workers living in overcrowded conditions, in cars, in culverts, and other unsafe and unsanitary conditions.

VWS, working together with St. Joseph's Health Foundation, and Community Health Resource and Development Center, developed an innovative health and housing strategy. Their strategy provided housing and health services to 29 unaccompanied migrant workers during the 2002 wine grape harvest in the Sonoma Valley. In 2003, the project provided housing for up to 56 unaccompanied migrant workers by opening a second seasonal camp in the Sonoma Valley. The facility's basic housing includes modular sleeping units with four beds per unit, two modular units with showers, sanitary facilities and a mess tent. In addition to the four beds in each unit, each occupant has a footlocker, clothing hooks and a shelf for personal effects. In the summer of 2003, VWS utilized a total of 15 modular units to house the workers.



As the health partner and provider, St. Joseph's provides weekly mobile medical and dental unit visits to the facility at low or no cost to the residents. In addition, VWS worked with a local health care consultant, Community Health Resource and Development Center, who developed a unique and innovative health-related web-based application. It includes a "Service Wheel" which provides up-to-date contact information on local resources and service providers for

agricultural workers and Visitantes Información Acceso (VIA), an online health records tracking system and medical identification cards.

The partners' efforts yielded a health and housing model uniquely qualified to address the housing and health challenges faced by unaccompanied migrant agricultural workers.

LA POSADA: QUICK FACTS	
Project Owner and Operator	Vineyard Worker Services
Health Partner and Provider	St. Joseph's Health Foundation
VIA & Service Wheel Developer	Community Health Resource and Development Center
Housing Units Builder	Napa County PSI
Capital Loan Grant	\$ 298,690 from the AWHHP
1st Year Operating Grant	\$ 40,000 from Vadasz Foundation
2nd – 6th Year Operating Award	\$ 50,000 per year from Vintners Association
Charge to Workers/Night, including meal	\$ 8 (2002), proposing to charge \$10 in 2003
Cost per Unit of Housing, including installation	\$ 15,600 (2003 price)
Eating Arrangements	Hot daily evening meal served family style, breakfast burrito
Location	Sonoma County
Management Structure	On-site, 24 hours a day
On-Site Manager Salary	\$3,000 per month
Number of Beds	56 (summer of 2003)
Sewer System	On-site facility (serviced every 2 days)
Shower Facilities	Modular shower/toilet unit
Type of Housing	Modular unit with 4 beds each
Water Source	Potable water trucked in

Pre-Development Barriers

Lack of Support at Local Level

Affordable housing developments often face serious challenges in the court of public opinion and the opposition to housing for unaccompanied migrant agricultural workers can be even more acute. Unaccompanied migrant workers are generally viewed as troublesome and rowdy. Many potential developers of this type of housing are dismayed by the uphill battle which this endeavor involves. As pointed out by developers, "many times, it's even other agricultural workers who don't want this type of housing in their community" – not to mention the public at large.

The partners of the La Posada project, located in Sonoma Valley, have enjoyed relatively good community support from local officials, area churches, the vintners' association and even

community-based groups like the Girl Scouts, who gave each worker staying at La Posada a bag with toiletries and other personal items.

The wine growing area has been relatively supportive of unaccompanied migrant worker housing. In the neighboring county of Napa, in 2002, vintners voted to self assess a mil tax in order to fund housing for agricultural workers in their county. Because the area depends on not only agriculture but also high end tourism, area growers are proactive about improving the housing status of its most vital and visible labor force. Napa County demonstrated a willingness to improve the quality of lives for agricultural workers in their community.

VWS has an active and strong board that supports their work in the community. Currently sitting on the board are former elected officials, wine industry leaders, and of course, agricultural worker advocates. VWS has a well-rounded, representative board which goes a long way towards establishing credibility and support in the community and for the work the organization does. As a trusted organization, VWS' objectives are aligned with those of the community at large.

Particularly inherent in such a board is the ability to create collaborative partnerships and mutually beneficial relationships, as was the case with VWS' previous partnership with St. Joseph's Health Systems and Burbank Housing Development Corporation² on another agricultural worker health and housing project in Sonoma. VWS has positive working relationships not only with a wide range of nonprofits and community based organizations, but also with private businesses. Along with the above mentioned Girl Scouts contributions, the project also enjoys support from local hotels (donated soap, shampoo and toothpaste), the Sonoma County Hospital (donated bed sheets, pillows), the Post Office (donated razors) and several community volunteers have donated their time as mentors — VWS has a collaborative method of doing work.

While VWS has the luxury of remaining unapologetic when it comes to doing what is in the best interest of the migrant agricultural worker, their advocacy role in the community is non-threatening and empowering for the community as whole. VWS has successfully made their case that taking care of those most in need is good for the entire community.

Development Consideration: Funding and Debt Service

Beyond politics, economics make unaccompanied migrant agricultural worker housing projects difficult to implement. While single-family housing and multifamily housing have their own set of considerations, the financial challenges for an unaccompanied migrant worker housing project

Vineyard Workers Services, an organization that has been in existence for more than 11 years, was originally organized out of the various homes of its volunteer founders. They organized to help relieve the suffering of the needy farm workers in the Sonoma Valley.

In 1995, VWS was incorporated as a 501(c)(3) community-based non-profit organization. In June of 2000, VWS opened its Farm Worker Resource Center in Boyes Hot Springs. In addition to facilitating housing development and health operations, the Resource Center serves migrants and the growing year-round-resident farm worker population with a variety of essential services, referrals, and training.

² Burbank Housing Development Corporation, based in Santa Rosa, is a non-profit affordable housing developer which serves Sonoma County.

are even more difficult. Dedicated funding for agricultural worker housing has been available for many years, though not in overwhelming amounts³. State programs generally are for single family or multifamily housing. The truth is that housing for unaccompanied migrant workers is scarcely produced by affordable housing developers. The Farmworker Housing Tax Credit program, another funding source for agricultural worker housing, has only yielded one project, and again, for family oriented housing. While there are some sources of funding, the financial barriers and challenges to unaccompanied migrant worker housing extend beyond initial construction costs.

One of the main financial considerations for housing developers to grapple with is debt service⁴. Unaccompanied migrant agricultural worker housing projects simply cannot afford debt service - the cash flow is not enough to cover this cost *and* all other operating costs. One of the main reasons developers choose not to do this type of housing is that the monthly financial obligation renders projects infeasible before they even get built, it is imperative that the financial package avoid debt service. Without greater subsidies, projects do not break-even in the long-term.

As an example, in AWHHP's first dedicated round of funding for projects for unaccompanied migrant workers, it was evident that projects' budgets did not "pencil out" financially. Even with the considerably low interest rate of 1%, applicants could not demonstrate projects' long-term financial viability. The only project that accomplished this was La Posada, which requested no loan and only a capital grant. AWHHP was able to award a capital grant to the project in the amount of \$298,690. Combined with other resources, local government allowances, and other donations, VWS was able to construct their project with no debt service.

Housing Model Considerations: Type of Housing to Build

The type of housing that a project decides to build has social as well as financial ramifications. Many affordable housing advocates resist housing types such as tents, yurts, or other housing viewed as demeaning or not fit for the average citizen. On the other hand, the reality of attempting to serve a population present for only a short period of time makes *traditional* housing structures financially challenging.

VWS carefully selected a portable modular housing system. The modular system presented VWS an economical housing option which did not have to be fixed to the site, could be transported and stored during the off-season, and provide decent accommodations to workers.

The modular housing type consists of sleeping, bathing and eating units constructed with above grade flooring, siding and roofing materials. Professional contractors install the prefabricated units on site using seismic foundation piers. Each sleeping unit has four twin beds with sleeping bags, a footlocker for each bed, shelving, clothes hooks, reading lights, electrical outlets and propane heaters. The modular bathing units are also prefabricated and include above grade materials and fixtures. The outside environment of the project includes a parking area and soccer field. The workers are asked to help keep the common areas clean and trash free.

³ The state's Joe Serna Jr. Farm Worker Housing Grant Program was allotted \$200 million from the Prop. 46 initiative approved by California voters in November 2002.

VWS involved their farmworker advisory committee in selecting the housing type. The housing type option created very little debate and there were no questions raised about the quality and decency of the housing.

The modular units, because of their non-permanent nature, do have particular characteristics worth noting, especially with respect to water and sewer utilities. Water is stored in two large capacity tanks on-site. One tank is used for bathing, drinking and cooking and the other is a requirement by Sonoma County for fire suppression. The costs of hooking up the project to a municipal water source or on-site well would have rendered the project financially infeasible. The option to have potable water trucked in regularly created another unique operational condition for the project; it may only be open for 59 days –the maximum time allowed under county permit for this type of water delivery system. VWS is researching the possibility of using an on-site water chlorinating system, which would allow them to be open for up to 180 days.

As there is no connection to municipal sewer lines, wastewater has to be trucked away. A private business was contracted to perform this function. Though expensive, this was the only method feasible for the site and project. Other options included tying in to a municipal wastewater system which would be cost prohibitive, if even possible, or installing a localized septic tank system (not ideal on a location which is being leased).

Operational Consideration: Ongoing Financial Support

While there are options developers may explore to keep one-time construction costs down, ongoing operational costs are much more variable and not easily contained, especially where there are not many models to observe and learn from. In general, an operational budget includes such expenses as management personnel costs, utilities like water, electricity, and waste disposal, insurances, and meal plans (if part of service strategy) – all of these expenses can create a financially infeasible project. Even if the hard costs of building a project are covered, the ongoing operating costs can be an overwhelming financial barrier.

The rent revenue generated from tenants is generally not enough to cover regular operating costs of an unaccompanied migrant agricultural worker housing project. There exists a very real ceiling to the price that workers are willing and able to pay for housing. [A study by South County Housing, a nonprofit housing developer in Gilroy, documented that workers would pay a maximum of \$7.50 per day.] Other sources of operating revenue must be secured.

The La Posada project successfully garnered a contribution from the Vadasz Foundation for its first year of operation. The Foundation's \$40,000 donation paved the way for other important financial commitments, such as a five-year financial operational support commitment from the local vintners and growers association. The association pledged to donate \$50,000 from their annual benefit fundraiser to VWS. The proceeds

Operating Reserve

An operating reserve is a potentially large cash account from which the housing provider may draw from to cover operational costs not met with ordinary revenue. In the La Posada project, an operating reserve was not utilized as they received a five year financial commitment for operational support (an operating subsidy) from the local vintners and growers association. An operating subsidy assumes that projects costs will invariably not be covered by ordinary revenue and that other financial resources will have to supplement.

will be used to cover the operational costs of the project. Without this critical support, the La Posada project would not be able to cover its operating costs. It is important to note that the vintner's association pledged these funds with no expectation that any one grower's employees would receive housing or preferences. AWHHP views this type of active support from the private sector as crucial in developing projects which are sustainable, connected to the community, and reliable to their users.

Operation Consideration: On-Site Management

VWS hired a full-time onsite manager for the La Posada project. The manager lives in one of the modular units and provides day-to-day oversight of the camp which includes intake and orientation of new tenants, coordinating with the meal program caterer, on-site water provider, health service providers, and enforces rules and regulations. As someone who has been through much of the same hard work as the tenants, the on-site manager is accepted and revered by the workers. Familiarity with the plight of the tenants is an asset in terms of establishing this important credibility and respect.

Management of an unaccompanied migrant worker housing project can be a significant barrier to a potential developer. The problem is the short time period (in cases where the complex is not operated year round) which the housing project may be open. This hinders the ability to hire someone on a permanent or long-term basis. In general, many would-be managers like to count on something more long-term. Developers may be faced with the possibility of having to hire, train, and evaluate an employee that may only be on the job for several months. The staffing and management costs could be costly in the long run.

At the recommendation of agricultural workers, VWS selected as the resident manager; a person from another county who was willing to manage the project for the short duration of the harvest season and the time the project is open. The lesson learned is that an on-site manager is needed who is able to deal effectively with residents. The person must be able to relate to the workers and their day to day situations; whether helping with work problems, communicating with family, accessing community resources, etc., a manager that earns the respect and trust of the workers can help the project run smoothly.

Operational Consideration: Meal Plan

The La Posada project does not provide cooking facilities for residents, instead, figures in a fixed meal plan to their operational costs. The daily rent charge of \$8 per night includes a hot dinner and a breakfast burrito, six to seven days a week. A contracted food service provider brings meals to the workers in individual containers. This option proved to be very costly. For the summer of 2002, the food costs alone amounted to over \$1,160 per week. The total weekly rent revenues did not cover food costs alone. For the summer of 2003, VWS has reached an agreement with a local church to cover the costs of providing meals two times per week. In addition, the food service provider will supply meals family-style instead of in individual containers -- cutting down on food costs and packaging materials waste. The project will save around \$600 per week—cutting food costs by more than half.

Sustainability of the La Posada Project

The issues in constructing and operating an unaccompanied migrant worker housing project are many. In the affordable housing industry, the question about project feasibility also centers on sustainability; can the project sustain itself for the long term? Depending on the funding sources used, affordable housing projects must demonstrate sustainability for many years. In the case of tax credit projects, the project must maintain its affordability for more than 50 years. This of course, would be a significant factor when considering the type of housing to be used, i.e., traditional foundation/frame housing or modular housing. Fortunately, the La Posada project has been successful on many fronts including avoiding debt service, strong private and public participation, and community support.

Table 1: Pre Development Barriers

Politics	Solutions based on La Posada experience
<ul style="list-style-type: none">▪ Local opposition toward unaccompanied migrant worker projects is difficult to overcome and can hamper a project from moving forward or prevent it altogether.▪ Championing a project despite opposition could jeopardize important relationships among non-profits and communities, cities and counties.▪ Overall lack of facts, figures and understanding of unaccompanied migrant worker housing and health issues	<ul style="list-style-type: none">▪ Develop support with elected officials, growers, other community organizations and build on common interests and benefit▪ Develop local support early and maintain and expand on that support as the project moves forward. Develop support with elected officials and build on common interests and principles.▪ Prepare and share information on the needs and reasons for UMW housing. Potential resource for this is the AWHHP <u>Growing Healthy Communities in California Resource Kit</u> to challenge opposition.
Economics	Solutions based on La Posada Experience
<ul style="list-style-type: none">▪ Inadequate funding sources for UMW projects.▪ Loans are an inadequate source of development funds because of the inability of UMW projects to sustain debt-service.▪ Scarce resources available to cover all or most development costs, including land acquisition and construction costs.	<ul style="list-style-type: none">▪ Obtain grant funding. La Posada accessed funding RCAC's Agricultural Worker Health and Housing program made possible by The California Endowment. Other sources are the State's Housing and Community Development funds through Joe Serna Jr. Farmworker Housing Grant Program.▪ Select cost effective "housing model type" while maintaining decent housing standards.▪ Secure donated land from growers or municipalities as an alternative to "buying" land.

Table 2: Post Development Barriers

Economic	Solutions
<ul style="list-style-type: none">▪ Operational Sustainability of the Project: The amount per day which unaccompanied workers are willing or able to pay is not adequate to cover operating costs.	<ul style="list-style-type: none">▪ Secure financial support for ongoing operating costs from other sectors of the community e.g. growers, community service organizations, foundations.▪ Seek donations of materials and human resources from community based organizations, groups and individuals.
Organizational Commitment	Solutions
<ul style="list-style-type: none">▪ Seasonal housing periods (4, 6, 8 Months) impact the continuity of staff resources, making it necessary to conduct a personnel search and train every year.▪ Project management rules and regulations deter potential and interested workers from choosing to reside at complex, adding to challenge of minimizing vacancy rates and maximizing rental income.	<ul style="list-style-type: none">▪ Organization absorbs full annual costs to retain qualified staff.▪ Collaborate with local agricultural workers and/or community based organizations to co-plan management policy.▪ Volunteers and other charitable community resources might help subsidize operating costs.

Bibliography

California Institute for Rural Studies, "*Suffering in Silence: A Report on the Health of California's Agricultural Workers*," November 2000, Research sponsored by The California Endowment.

Larson, Ph.D., A., "*Migrant and Seasonal Farmworkers Enumeration Profiles Study – California*", September 2000, Prepared for the Migrant Health Program, Bureau of Primary Health Care, Health Resources and Services Administration.