



FARMWORKER HOUSING NEEDS ASSESSMENT

EXECUTIVE SUMMARY



Prepared for the
**VERMONT HOUSING &
CONSERVATION BOARD**
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PREPARED BY
DEVELOPMENT CYCLES
BURLINGTON, VT

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EXECUTIVE SUMMARY

The Vermont Housing & Conservation Board (VHCB) engaged consultants John Ryan and Jennifer Lenz to assess the needs, challenges and opportunities for improving and expanding the stock of housing available in Vermont for hired farmworkers as well as for housing to serve the principals of those farms and their families. This work combines two critical components of VHCB's mission: the provision of safe, decent and affordable housing for those who live in the state, and the sustainability of Vermont's agricultural enterprises. The primary focus of this study is on-farm employee housing.

Purpose of Study

The purpose of this research is to provide data and perspectives; to articulate issues, challenges and opportunities; to estimate the scale of need and the costs to address those needs; and to suggest approaches and make process recommendations for a more focused effort to improve the stock of housing that supports agriculture in Vermont.

Context

Farmworker housing in Vermont is one facet of agriculture nested within the complex and changing interplay of farm policy, immigration policy, business practices, cultural and behavioral expectations, and sometimes harsh economic realities. In the course of this study, the consultants spoke with no one who did not support the goals of improving both the quality of housing for farmworkers and improving the viability of farming in Vermont. Key to making progress in addressing the condition and availability of safe, decent and affordable farmworker housing is: 1) finding approaches where these two goals are not in conflict with each other; and 2) focusing on that which is within the stakeholders' ability to influence when so much is not within their control.

Nature and Scale of Farmworker Housing Need

- » According to the 2017 US Census of Agricultural, there are roughly 6,800 farms in Vermont and about 21,000 farmworkers. Of these farmworkers, 8,500 are hired workers; the remaining 12,500 represent farm owners/operators and their working family members. The total number of hired farmworkers is not growing.
- » The Vermont Department of Taxes' Current Use Registry for 2019 lists 345 farms with 559 separate employee housing dwellings. This registry captures most of the employee housing dwellings on farms in the state. Of these, 70% are in Franklin, Addison, or Orleans County.
- » Roughly 2,000 hired farmworkers in Vermont live in housing provided on or immediately adjacent to the farm. The majority of on-farm housing is connected to dairy farms. The next largest segment represents the roughly 50 orchardists, field crop farmers, and meat processors who employ 650 or so seasonal migrant workers through the federal H-2A Program.
- » Another 6,500 hired farmworkers live independently from their employer.

- » Well over half of hired farmworkers who live on-farm are migrant workers. Aside from those contracted through the H-2A program to work seasonally, the overwhelming number of migrant workers lack the required authorizations to work in the US.
- » Dairy farms represent just 10% of the farms in the state, but they generate roughly 70% of the state's agricultural revenue, employ nearly half of all hired farmworkers, house a substantial majority of those farmworkers who live on farm, and employ nearly all of the migrant workers who are not fully authorized to work in the US.
- » Distinct concentrations of hired farm workers, migrant workers, and on-farm worker housing exist in Addison and Franklin Counties, and lesser but still significant numbers in Orleans and Chittenden Counties.
- » Roughly 75-80% of hired farmworkers living on-farm are single persons, most of them men. Their housing needs and priorities are different from the remaining on-farm workers who have family members living with them.

Key Challenges

There are many challenges to improving the quality and quantity of farmworker housing in the state right now. Key among them are:

- » The uncertainty and economic challenges of farming generally, and especially those facing dairy farmers, create disincentives to borrowing for housing capital improvements and constrain farmers' capacity to add any new costs to their operations.
- » Given these challenges, many farmers feel besieged by economic, food safety, water quality, and land use regulations that limit their ability to exercise control over their business. Discussion of improving farmworker housing may be experienced as the state's extension of control over still another aspect of their farm (i.e. their employees), and as such, efforts to change the current situation may be looked at with skepticism by some within this key stakeholder group.
- » The farm operator's experience of lack of agency and control is also the experience of many of the workers they hire. A substantial majority of hired farmworkers living in on-farm housing, and many of those who experience the greatest housing challenges, are not fully authorized to work in the United States. This not only forecloses the option of accessing federal funds to serve their housing needs, it impacts the ability of these workers to report inadequate housing, or to settle long enough at one farm to influence even marginal investments. Uncertainty over immigration policy enforcement also impacts a farm's ability to make long-term capital improvements based on the assured continuation of this labor pool.
- » Low wages for farm work generally impacts the ability of all farmworkers, both domestic and migrant, to secure adequate housing. In this respect, farmworker housing is part of a larger affordable housing challenge that all low-wage workers in Vermont, and especially those living

in rural Vermont, face. Agriculture is unique in being one of the last industries where an expectation to provide housing to employees still exists. This expectation is directly related to the low wages many farmworkers earn and the exemption from minimum wage and overtime work laws that most farms continue to have.

- » Most of the farms in Vermont that house farm workers operate on conserved land or under “current use” restrictions. Permitting to add farmworker housing units or even to add to the footprint of existing housing can represent a difficult, time-consuming, and at times, expensive undertaking in and of itself. Moreover, farm covenants, especially, the Option to Purchase at Agricultural Value (OPAV) may limit the farmer’s ability to get a return on their capital investment for on-farm employee housing when the ownership of the farm transfers. Other building requirements, most noticeably septic requirements, also impact a farm’s ability to expand its supply of housing.
- » A lack of reliable information about the condition of farmworker housing; the absence of a consensus on what is an acceptable standard for this housing; the variance of local enforcement of health and safety codes; and the uneasy reliance on workers without full authorization to be here, all contribute to making the issue of farmworker housing more opaque and subjective than is helpful when improved quality is the goal.
- » The shadow existence of migrant workers who are not here legally feeds the racial stereotyping and bias, cultural and language differences, xenophobia, and double standards around housing for domestic and Latinx workers that represents the uncomfortable and challenging reality that is not the uncommon experience of those living in this housing.

Nature of Housing Problems that Need Addressing

For on-farm housing, the following represent the key physical problems that need addressing:

- » **Noise as a function of overcrowding:** perhaps the most impactful need to address for single workers is insufficient privacy, space separation, and/or noise buffering to allow for quiet sleeping conditions. This is especially a concern for dairy workers where the need for round the clock operations result in some workers having to sleep while others are working or eating throughout the day or night.
- » **Cleanliness:** the most common and noticeable challenge which shows itself especially (though not exclusively) in the housing for single workers, is lack of regular cleaning, inadequate maintenance, insufficient trash removal facilities, and/ or limited food storage that promote a healthy living environment. This condition may require providing the tools, resources and support that allow for a clean environment; setting and enforcing consistent expectations; providing prompt maintenance where it is the owner’s responsibility to do so; and generally supporting a culture of greater cleanliness. Education is a central component of addressing this need.

- » **Safety:** the most essential inadequate housing condition to address is safety, which includes the lack of smoke and carbon monoxide detectors, fire extinguishers, the presence of lead paint (where children are present), and/or the lack of adequate means of egress.
- » **Temperature and moisture control:** among the most costly problems to address are inadequate heat, cooling or temperature controls; inadequate insulation; proper ventilation, and functioning windows.
- » **Septic Capacity:** Another expensive problem that is not uncommon is the inadequacy of septic capacity to handle the water and wastewater needs of the farmworkers housed on-farm.
- » **Appliances:** the inadequacy or lack of functioning cooking appliances and bathroom facilities represents another problem that needs addressing.

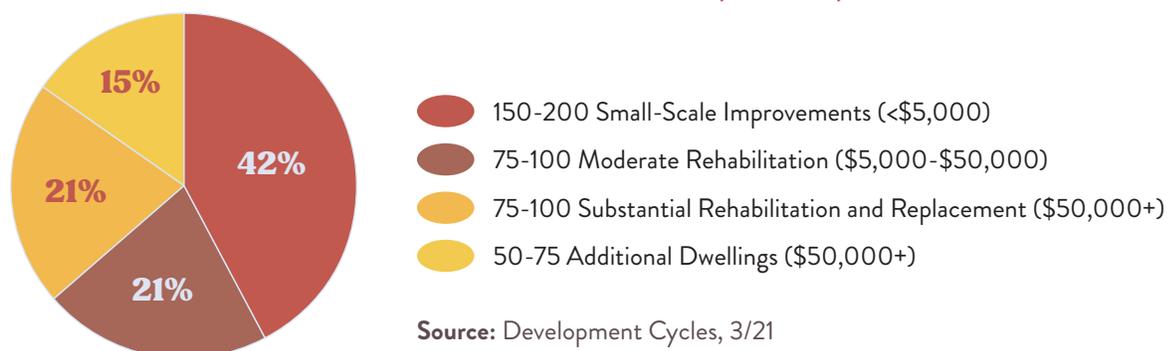
Scale of the Need

Need is a highly subjective term especially in a situation with so many economic, cultural, and regulatory cross-currents at play. A wide range of farmworker housing conditions exist in the state, ranging from excellent to unacceptable by nearly anyone’s standards. To provide a reasonable sense of scale, the consultants estimate that in order to get farmworker housing to a quality-standard equivalent to that of Vermont’s rural rental housing generally, the following level of improvements would be required. This is based on an overall estimate of 600 farmworker dwellings housing 2,000 workers:

- » 150-200 dwellings would require small scale improvements of under \$5,000.
- » 100-150 dwellings would require moderate scale improvements of between \$5,000 and \$50,000.
- » 75-100 dwellings would require either major renovations or replacements at a cost of \$50,000 or more.

In addition to improving the quality of existing housing, a survey of farmers indicates that the potential exists for adding at least 50-75 new on-farm farmworker dwellings in the state, if the financing and permitting conditions were supportive of that effort.

FIGURE EX-1: SCALE OF FARMWORKER HOUSING NEEDS, BY TYPE, 2021 ESTIMATE



The consultants understand that not all farm employers would or could opt to make these improvements immediately, just as not all rental property landlords opt to improve the quality of that housing. If only 10% of that estimated need was addressed each year, it would require investing roughly \$2 million annually and would improve the living conditions of 200 more farmworkers for each year that this money was invested. Most of that money would need to be invested by the farmers themselves. The key for any ongoing Action Plan will be to determine how much and what type of incentives will make private investment possible.

Beyond the needs of the roughly 2,000 hired workers living on farm, the housing improvement needs of low-income farm owners and the affordable housing needs of the roughly 6,500 largely low-wage domestic farm workers who live independently from their employer represent additional segments of farm workers. Their housing supports the farming industry in the state, but a range of factors—the limited availability of affordable housing funds statewide, the decline in rural populations, limited wastewater systems, and zoning limitations—have encouraged the concentration of affordable rental housing into regional centers. Hired farmworkers do not benefit from these conditions.

Existing Programmatic Opportunities

At the moment, most farmers look to their traditional lender to finance improvements to farmworker housing, as part of their cost of doing business. There are few resources for technical and development assistance to navigate the permitting, design, and construction process. The study identifies and describes a number of programs or pieces of legislation that offer important models to consider embracing, learning from, piloting, or expanding the scope of, in order to support farmworker housing improvements in Vermont. Each of these programmatic opportunities has both applicability and limitations in terms of how it might be used effectively as a resource to increase the supply and quality of farmworker housing in the state. The full report looks more closely at those conditions for each of these programs.

FARMWORKER HOUSING NEEDS ASSESSMENT

TABLE EX-2: MATRIX OF POTENTIAL PROGRAMMATIC RESOURCES

	TYPE	AREA ADDRESSED	STRENGTHS	LIMITATIONS	KEYS TO SUCCESS
USDA’s 514/516 Farm Labor Housing Program	Federal Grants & Loans	Financial	Capacity to do larger scale projects both on-farm and off-farm	Occupancy limited to US residents; lack of developer fees	Development fee support to housing nonprofits
Other USDA Pilot Projects	Federal Funding	Financial	Potential for innovation that can be replicated nationally	Unlikely to serve non-resident populations	Much depends on new administration’s appointee
US Dept of Labor National Farmworker Jobs Program (NFJP)	Grant Model and future funding source	Financial	Small-scale grants for improvements to FWH	Next NFJP competitive funding round not until 2024	Creating a State grant program based on model
New York State’s Farm Worker Housing Program	State Revolving Loan model	Financial	Low cost dedicated financing	Requires initial appropriation by State	Capacity and commitment of administrative partner
Oregon’s Farm Worker Housing Tax Credit Program	State Tax Program model	Financial	Tax incentive for investment	Requires new legislation	Terms and requirements of tax credit
Milk with Dignity Program	VT Based Nonprofit	Market based financial & TA	Track record for improving conditions	Findings ways to support the expansion of market based incentives to support scaling this program to more farms	
VEIC Zero Energy Modular Program for FWH	VT Based Technical Assistance Program	Financial & TA	Dedicated program to produce net zero units.	Funding to scale project; model to allow for transfer of value with transfer of ownership	
Vermont Housing Finance Authority	State Bonding, Tax Credit and Lending Capacity	Financial	Potentially a key source of funding and concessional lending	Requires bonding commitment	Programmatic terms and conditions and ease of process
Unspent COVID-19 Relief Payments to Migrant Workers (VCF)	State’s discretionary use of Federal funds	Financial	Funds that, if undistributed, could be repurposed to serve migrant worker needs	This may or may not be the best use of those funds within the migrant worker community. It would involve legislative action to re-use them for this purpose.	
TA Support from VHCB F&FV Program and from UVM Extension	State Technical Assistance and Loan Source	Technical Assistance Support	Capacity to assist in permitting and project management	Capacity of existing F&FV Program providers to link farm to housing professionals skilled in intricacies of permitting, financing, and development process	
Vermont’s NeighborWorks’ Homeownership Centers	State Technical Assistance and Loan Source	Technical Assistance Support	Capacity to assist in permitting and project management	Requires buy-in for a specialized offering that has yet to be developed and sufficient incentive to provide outreach to farmers who may have no reason to interact with Homeownership Center otherwise	

Recommendations

The consultant addresses the following recommendations to VHCB as the client for this study, but equally to the Ad Hoc Farmworker Housing group that has been meeting to focus on the need for improvements to farmworker housing in Vermont. The consultant anticipates this latter group will play a lead role in continuing the work anticipated by these recommendations.

1. **Coordinate Efforts.** Identify and provide start-up funding to an existing organization, or if needed, create a new entity, with responsibility for planning and implementing a long-term effort to improve farmworker housing.
2. **Develop Stakeholder Commitment.** Building on the existing efforts by a range of stakeholders in Vermont, identify and seek a multi-year commitment by key stakeholders to develop a prioritized action plan as well as participate in the efforts to fund, implement, and evaluate the execution of that plan.
3. **Action Plan.** Create an Action Plan that provides a compelling vision for an improved farmworker housing future; spells out definitions, targets, and standards for what decent farmworker housing means; sets strategic approaches to tackling the funding, policy and attitudinal challenges; develops specific actions to address prioritized problems; identifies measurable goals, timelines, funding requirements, and policy changes; and assigns specific responsibility for implementing each of these actions.
4. **Continue Dialogue.** Take time in the Action Planning process to more fully understand the needs, constraints, and capacities of both farm operators and hired farm workers around the provision of and occupancy in such housing. It will be equally important for those stakeholders to be able to share their perspectives safely and openly with each other, as well as with those in the funding, policy, and supply chain who can help address some of their challenges.
5. **Educate.** Share examples of good quality farmworker housing to celebrate what is possible. Also shed light on the condition of farmworkers who do not now have decent housing in order to motivate consumers to care. This caring can in turn motivate policy makers to remove barriers or increase funding to address problems, and motivate other players in the supply chain to reward the farms who do commit to providing safe, decent housing, as is done with the Milk with Dignity program.
6. **Tailor Solutions to Farm Size and Farmworker Type.** The consultant recommends focusing on different approaches tailored to five distinct types of farm and farm worker, including:
 - » Dairy farms with sales of at least \$500,000 who provide on-farm worker-housing.
 - » Field crop farms, orchards and processors that participate in the H-2A Program.
 - » All other farms who provide worker housing on-farm.
 - » Domestic farmworkers, not living on-farm, as a distinct subset of low-income workers in Vermont.
 - » Farm operators, whose housing needs are part and parcel of agricultural sustainability in the state.

- 7. Segment Solutions by Range of Cost.** Approach solutions at different scales of investment: low-cost improvements that might be funded through grants (<\$5,000); moderate rehabilitation supported by cost sharing and moderate-term concessionary lending (\$5,000-\$50,000); and substantial renovation, as well as new and replacement units that will require a range of grants, incentives like tax credits, and appealing mortgage instruments (>\$50,000).
- 8. Combine Enforcement with Incentives.** Commit to both the creation and enforcement of some level of health and safety standards while at the same time committing to creating financial incentives to help meet those standards.
- 9. Utilize Existing Programmatic Models.** The existing programmatic opportunities listed above and described in the study represent an important starting point for funding and supporting actions to improve farmworker housing.
- 10. Provide Funding for Pilot Projects and Technical Assistance.** Seek pilot funding based on the needs and the challenges identified. One key area of support that the coordinating entity will need to offer is the housing technical assistance capacity to design programs that work with and for farmers. USDA's Rural Development, the Federal Legislative delegation, COVID-19 recovery funding, VHCB, VLITE, VHFA, and the Vermont State legislature are all potential sources of this support.
- 11. Involve Existing Nonprofit Housing Entities.** Engage with the state's nonprofit housing entities to serve as development partners and technical assistance providers for this effort.
- 12. Think Creatively.** The housing needs of hired farmworkers often looks different from that of more conventional rental housing. Given the constraints on cost, permitting, and financing, it will be important to look for creative approaches that address real needs (such as quiet sleeping areas removed from cooking and meeting spaces) rather than those that simply conform to a traditional housing model.

Next Steps

Taking action on Recommendations 1 and 2 represent the clear next steps. The consultant is hopeful that the Ad Hoc Stakeholder Group and VHCB will work together to identify a lead entity for this effort and will secure commitments from key stakeholders to creating and implementing a Farmworker Housing Action Plan.