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# California State Assembly

## HOUSING AND COMMUNITY DEVELOPMENT



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**Oversight Hearing**  
Wednesday, March 11, 2026  
9:30 a.m. -- State Capitol, Room 437

**Subject:** Outcomes Review of AB 457 (Soria), Statutes of 2025 - Rural and Farmworker Housing Challenges and Opportunities

### **BACKGROUND INFORMATION**

#### **Assembly Outcomes Review Oversight Project**

The Outcomes Review process is a new oversight initiative launched by Assembly Speaker Robert Rivas to evaluate how recently enacted laws are working in practice. While bill signings are an important milestone, the Assembly is equally focused on what happens after a measure becomes law. Specifically, whether the bills the Legislature passes deliver on their promises and meet the expectations set by them. This Outcomes Review process brings lawmakers together to hold hearings, gather feedback on real-world implementation, and assess whether policies are achieving their intended results. The goal of this process is to strengthen accountability, identify needed legislative and implementation improvements, and report findings publicly later in the year.

**Bill Overview: AB 457 (Soria) Chapter 490, Statutes of 2025:** This hearing will review the impacts of AB 457 and discuss farmworker housing and rural housing more generally to identify the challenges of building affordable farmworker and rural housing. AB 457 built upon two previously enacted bills - AB 1783 (R. Rivas), Chapter 866, Statutes of 2019 and AB 3035 (Pellerin), Chapter 524, Statutes of 2024

AB 1783 (R. Rivas), Chapter 866, Statutes of 2019 created a streamlined approval process for farmworker housing modelled after SB 35 (Wiener), Chapter 366, Statutes of 2017. The streamlined approval process allows developers to bypass local discretionary review and conditional use permits when proposing farmworker housing projects, so long as the project meets certain eligibility requirements. Local governments reviewing farmworker housing projects under AB 1783 must complete their planning entitlement reviews on specified timeframes.

To qualify for streamlining, projects must be on land zoned for agricultural uses and cannot be located in certain environmentally unsafe or sensitive areas, including a coastal zone, wetlands, a high or very high fire hazard severity zone, a hazardous waste site, an earthquake fault zone, a

flood plain or floodway, lands identified for conservation in an adopted natural community conservation plan, and lands under conservation easement. A local government can require an eligible agricultural employee housing development to specified written, objective development standards, including, but not limited to, adequate water and wastewater facilities and dry utilities to serve the project, connection to municipal sewer system, proximity to duly designated collector road, and off-street parking.

In addition, the farmworker housing cannot be dormitory style housing and must be maintained and operated by a qualified affordable housing organization, certified by the Department of Housing and Community Development (HCD). Organizations qualified to maintain and operate the housing include non-profits and public agencies with prior experience and current capacity to capably maintain and operate the housing. Except for local public housing agencies with elected legislative bodies, the applicant cannot have an officer or director with a financial interest in an agricultural employer or a farm labor contractor. The farmworker housing must be affordable and for agricultural employees for at least 55 years can contain 36 units or less. In addition, farmworker housing using the streamlining process authorized by AB 1783 cannot be used to house H-2A works.

The H-2A Visa program is a federal program that allows U.S. employers or U.S. agents who meet specific regulatory requirements to bring foreign nationals to the United States to fill temporary agricultural jobs. Petitioners requesting to utilize this program must demonstrate that there are not enough U.S. workers who are able, willing, qualified, and available to do the temporary work. They must also show that employing H-2A workers will not adversely affect the wages and working conditions of similarly employed U.S. workers. Employers must provide clean and safe housing to H-2A workers at no charge to the employee. Employees are responsible for their food costs, but employers must provide a place for workers to prepare their meals. An employer must arrange for a worker's transportation from the originating country to the place of employment or reimburse the worker for transportation costs. AB 1783 did not preclude utilization of the H-2A program or the development of housing for H-2A visa-holders. However, it does make such housing ineligible for state funding for its planning, development, or operation of such housing. At this time, data is not available on how much state money has been spent, if any, on funding housing for H-2A workers.

Several issues arose after passage and during the implementation of AB 1783. First, providing the necessary infrastructure and connections to water, sewer, and other utilities is more expensive and difficult on rural, agriculturally-zoned land. Second, the daily amenities residents need are frequently located far from the state's agricultural land, making building housing there less attractive to developers, and often making it harder for these developments to be competitive for state affordable housing funding programs. Third, larger affordable housing developments often have an easier time securing grants and financing, so the limitation to a maximum of 36 units can render these developments financially unfeasible.

In 2024, AB 3035 (Pellerin), Chapter 524, made changes to AB 1783 to respond to these limitations in AB 1783 in the counties of Santa Clara and Santa Cruz. AB 3035 (Pellerin) expanded streamlining in those counties for developments of 150 units or less, up from the 36 units allowed in AB 1783, within 15 miles of an area designated as farmland or grazing by the Department of Conservation. AB 457 (Soria) subsequently expanded the list of counties to which these provisions apply to include Fresno, Madera, and Merced.

**Impact to Date:** The Committee surveyed the communities included in AB 3035 and AB 457 and found that no projects had availed themselves of it yet. Santa Clara County received one pre-application for farmworker housing related to AB 3035. However, no subsequent formal application was submitted. The pre-application was submitted on September 12, 2022, prior to the AB 3035 changes, and proposed to construct 129 permanent agricultural employee houses.

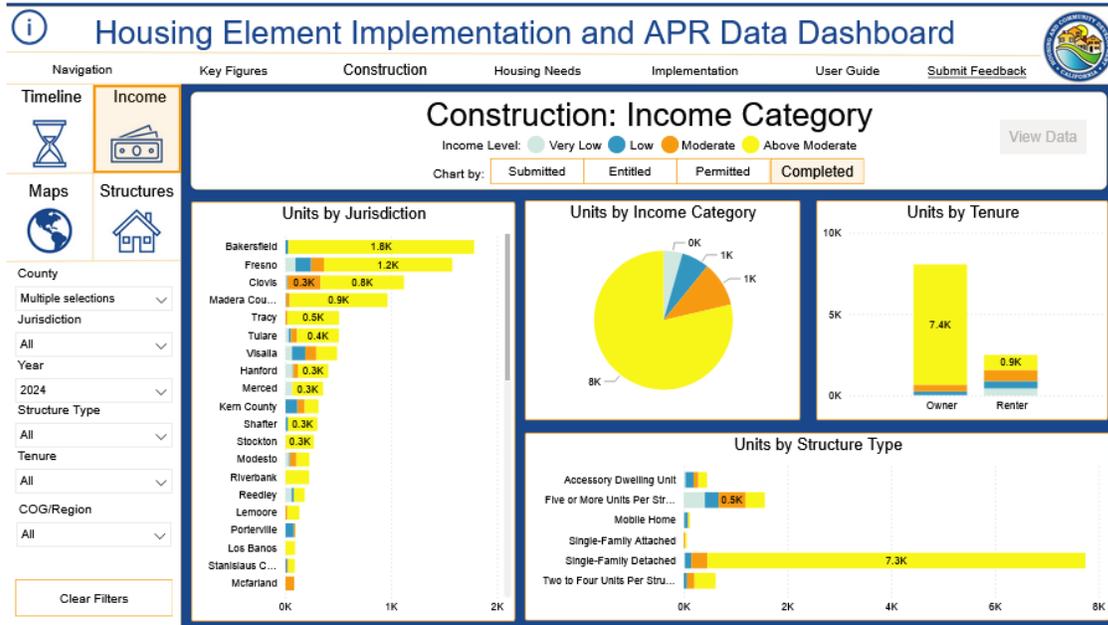
### **Farmworker and Rural Housing**

**Farmworker Housing Study:** California is the largest agricultural producer in the country. Farmworkers play a key role in the operation and delivery of the state's food system. Despite this, farmworkers face economic disadvantages compared to California's population as a whole. In recognition of the role of farmworkers in the state's economy and the challenges they face in securing affordable housing, the Legislature passed AB 1654 (Rivas), Chapter 866, Statutes of 2022, requiring HCD to commission a statewide study of farmworker housing conditions, needs and solutions to inform a comprehensive strategy for meeting the state's farmworker housing needs. The study is required to look at the demographic analysis of farmworker households in the state, the unmet housing needs of farmworkers including migrant households, and best practices for increasing input from farmworkers and employers on the housing needs for specific communities. HCD was required to develop a comprehensive strategy to substantially improve policy, funding, and implementation of farmworker housing production in California to adequately address the size and scope of the problems identified in the study, including to inform the next update to the California Statewide Housing Plan by January 1, 2026. HCD is required to submit that strategy to the Legislature by January 1, 2027.

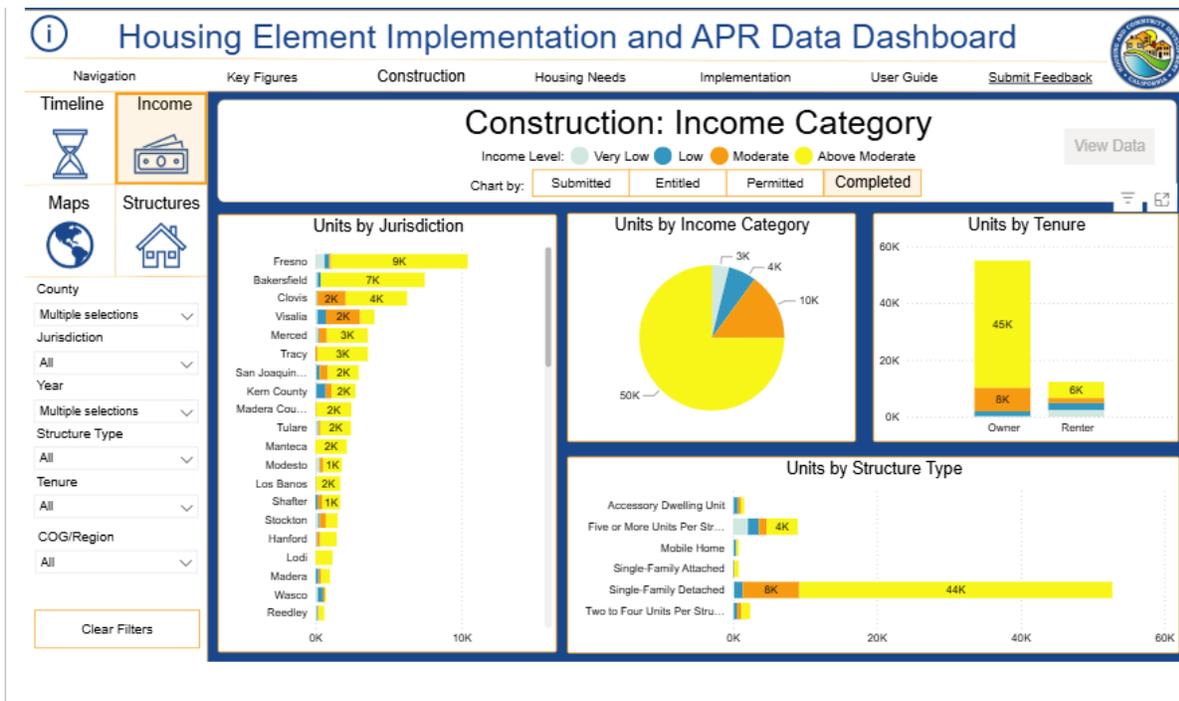
**Rural Housing Needs:** California's rural communities face many of the same housing affordability pressures as urban areas, but with a distinct set of challenges shaped by their geography, economy, and workforce needs. For example, in the San Joaquin Valley, which consists of **San Joaquin, Stanislaus, Merced, Madera, Fresno, Kings, Tulare, and Kern counties**, high poverty rates create challenges for renters and prospective homebuyers. Across the region, more than 20% of the 1.8 million residents have incomes below 100% of the federal poverty level. According to the California Housing Partnership Corporation, approximately 124,000 low-income renter households in San Joaquin Valley do not have access to an affordable home. Sixty percent of households in the San Joaquin Valley are owner-occupied and 40% are renters. Eighty-one percent of extremely low-income households in San Joaquin Valley are paying more than half of their income on housing costs compared to 2% of moderate-income households.

Rural areas of the state also face the same set of challenges when it comes to new housing production as the rest of the state. Housing starts of market rate single-family homes are down in large part due to high interest rates and construction costs. The limited existing supply, coupled with limited new construction and high poverty rates, in the state's rural areas renders homeownership out of reach for many families. HCD collects data from cities and counties on housing production each year through an Annual Progress Report (APR). The chart below shows number and types of housing units constructed in the San Joaquin Valley. The vast majority (64.9% in 2024) (69.1% over the last 7 years) of units constructed are single-family detached above moderate income (market-rate units) with a small segment of affordable ownership units for moderate, low and very low-income households.

2024 APR Data:



2018- 2025 APR Data:



**State funding for affordable housing:** The state operates numerous affordable housing programs that provide funding to rural areas to support both multi-family housing and single-family housing construction. Developers of affordable multi-family rental housing in rural areas depend upon state and federal programs to finance construction and ensure long-term

affordability. The state's multi-family affordable housing financing programs include the Low Income Housing Tax Credit Program (LIHTC); Multi-family Housing Program (MHP); Joe Serna Program; and Infill Infrastructure Grant Program (IIG). Each of these state programs has a set-aside for rural areas. Over the last seven years, the state Budget has included \$500 million in state LIHTC. Each year the budget includes this funding, from 2024-2034 \$25 million has and will be available for farmworker housing projects. The CalHOME program is the state's tool for financing construction of affordable, for-sale single-family homes. To qualify, homes must be deed-restricted for 45 years and homebuyers must income qualify – making 80% of area median income. The Joe Serna Program also provides funding to construct ownership units for farmworker families.

Historically, all of these programs, excluding a small amount of the state LIHTC, have been funded by the General Fund or voter-approved bonds funds. All funding from the last housing bond which passed in 2018 and authorized \$3 billion for affordable housing programs have been exhausted, and the Governor's budget does not include any funding for affordable housing programs.

### **Relevant Questions:**

- 1) Where and how have any developments used the streamlining available under AB 1783/AB 3035/AB 457?
- 2) What are the challenges in using AB 457?
- 3) What state programs are available to fund infrastructure for housing in rural areas?
- 4) Are there any unique challenges to building affordable housing in a rural community?
- 5) How can the state best facilitate the construction of farmworker housing?
- 6) How do federal programs help with financing housing in rural areas?