



Midpeninsula Regional
Open Space District

R-26-161
Meeting 26-26
October 28, 2026

AGENDA ITEM 6

AGENDA ITEM

Funding Agreement for Farm Labor Housing with Puente de la Costa Sur

GENERAL MANAGER'S RECOMMENDATION

Authorize the General Manager to enter into an agreement with Puente de la Costa Sur to provide a \$500,000 contribution toward the Casa de las Flores Project to renovate an existing building for continued use as farm labor housing in Pescadero, California, and to administer the agreement in a manner that allows the Midpeninsula Regional Open Space District to effectuate the purposes of the agreement as described in this report.

SUMMARY

Puente de la Costa Sur (Puente) purchased a former Pescadero High School building in 2024 that had been converted into workforce apartments in the 1980s. Puente now plans a \$6 million renovation to make basic required improvements and modernize the building. Puente, in consultation with the tenants, named the building Casa de las Flores, and it will be formally dedicated to farm labor housing. The initial phase of the project includes replacement of the roof and windows with a projected construction cost of \$974,331. The General Manager recommends a \$500,000 contribution to help fund the initial phase of the project (Initial Project) in alignment with and to implement one of the objectives of the Agricultural Policy, as approved by the Midpeninsula Regional Open Space District (District) Board of Directors (Board) in 2023.

DISCUSSION

The District's mission on the San Mateo County coast includes a pledge to preserve agricultural land of regional significance and encourage viable agricultural use of land resources. The District has preserved over 17,000 acres of open space lands on the San Mateo County coast within proximity to the Project. Approximately 60% of those lands contain active agricultural operations, primarily conservation grazing. District policies recognize the scarcity of housing for personnel who operate these agricultural uses at rates that are commensurate with their wages. To fulfill District goals as outlined in its Coastal Protection Plan, the District strives to preserve agricultural operations and keep the maximum amount of agricultural lands in agricultural production. In general, District lands do not provide appropriate housing development locations, requiring most housing to be located on other sites.

The District's [Agricultural Policy](#) identifies how the District enacts its coastside mission to preserve viable agriculture on the San Mateo County coast. Agricultural workforce availability is one of the limiting factors of agricultural production on the coast. Housing for farm workers is in short supply, and some of the available housing is substandard. Therefore, the Agricultural

Policy outlines several avenues for supporting farm worker housing on the coast. Policy AG-3a calls for the support of local organizations that provide agricultural workforce housing.

Ag Policy AG-3

Retain current District agricultural housing and expand agricultural housing opportunities when feasible to further District goals.

- a) Consider opportunities to partner with and support local organizations that provide affordable regional agricultural workforce housing when such partnerships help further District goals.*

Casa de las Flores is a former high school site built in 1925 that was converted into workforce apartments in the 1980s. These apartments are in Pescadero on a residential street half a mile from the downtown and less than a mile walk to a future access point at Cloverdale Ranch Open Space Preserve. Puente purchased the building in 2024 and has been fundraising to complete the repairs. The current building houses 26 people, mostly farm workers and their families, including six children under the age of 17 and a few college-aged students. The property needs basic safety and structural repairs. The Initial Project, which the District's contribution would fund, would replace the roof and windows of the structure. Puente's contractor would be responsible for securing building permits for the Initial Project.

The complete Casa de las Flores renovation will ultimately include: structural foundation work; a new HVAC; plumbing and electrical upgrades; improved fire suppression and water systems; new walls, flooring, and windows; appliances for the shared kitchens and bathrooms; new interiors and surrounding landscaping; resurfacing and restriping the parking lot, re-roofing, and improvements to the street parking. The project will result in five (5) dorm style apartments and six (6) family apartments. The entire project is projected to cost approximately \$6 million. Puente has currently secured pledges and gifts totaling \$4.8 million and is continuing fundraising efforts to cover the entire project cost.

Offsite housing as opposed to on-farm housing provides the benefit of keeping farm worker housing separate from and untied to employment. In recognition of this benefit, Puente will provide a grace period when/if new tenants find employment outside of the agricultural field. In compliance with the California Tenant Protections Act, Puente will not evict existing tenants that are not currently farm workers. All newly available rentals will be reserved for farm workers. Puente has committed to notifying the District when there is an opening to share this opportunity with the District's agricultural tenants and their employees, who would be eligible to apply for the housing alongside other interested farm workers.

The Board is asked to consider authorizing the General Manager to enter into a funding agreement with Puente for a total of \$500,000 of the \$974,331 Initial Project cost. Puente has secured an additional commitment of \$250,000 from the San Mateo County Farm Labor Housing Loan program, and \$225,000 in foundation support. The funding agreement would require that the use of the property is restricted to farm worker housing for low-income tenants. This would be enforced through a recorded Affordability Covenant to ensure that Casa de las Flores remains as affordable housing for eligible farm workers for a minimum of 10 years. As with all governmental funding, Puente would comply with prevailing wage requirements. The proposed funding agreement calls for the four installments, each amounting to 25% of the funding contribution (i.e., \$125,000 each installment) to ensure incremental steps are completed for the Initial Project (roofing and windows) prior to payment.

- First installment provided after approval of County building permits;
- Second installment provided after the Initial Project is 50% complete;
- Third installment provided after 90% completion; and
- Final installment provided after 100% project completion.

With the Initial Project is expected to be completed in 2027, the terms of the Agreement include a termination date of December 31, 2029. However, the term could be extended at the District's discretion if the Initial Project is not yet complete by this date. Funding recognition for the District would be provided online and in written materials regarding the project. Plans for onsite recognition have not been finalized.

FISCAL IMPACT

The current Fiscal Year 2026-27 (FY27) budget includes \$500,000 for the 10005 - Farm Labor Housing Agreement. There are sufficient funds in the project budget to cover the recommended action and expenditure.

10005 - Farm Labor Housing Agreement	FY27 Adopted	FY28 Projected	FY29 Projected	Estimated Future Years	TOTAL
Budget	\$500,000	\$-	\$-	\$-	\$500,000
Spent-to-Date (as of 10/12/2027):	\$-	\$-	\$-	\$-	\$-
Encumbrances:	\$-	\$-	\$-	\$-	\$-
Funding Agreement Contribution:	\$(500,000)	\$-	\$-	\$-	\$(500,000)
Budget Remaining (Proposed):	\$-	\$-	\$-	\$-	\$0

This recommended action is not funded by Measure AA.

PRIOR BOARD AND COMMITTEE REVIEW

None

PUBLIC NOTICE

Public notice was provided as required by the Brown Act

CEQA COMPLIANCE

This item is not a project subject to the California Environmental Quality Act

NEXT STEPS

If approved, the General Manager will enter into a funding agreement with Puente, administer the agreement to achieve the District objectives described in this report, and make installment contributions according to the agreed upon milestones.

Attachment

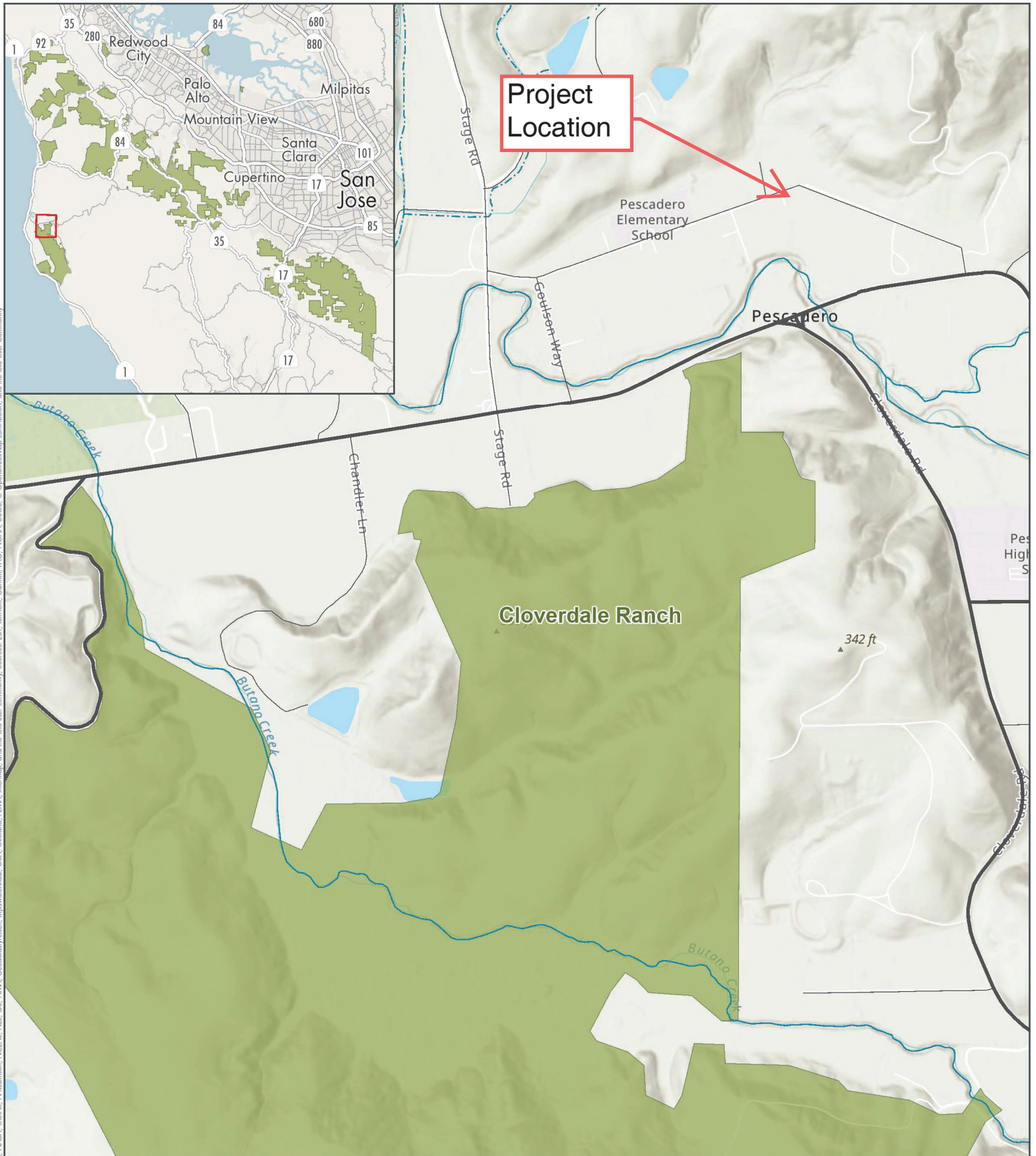
1. Location Map

Responsible Department Head:

Ana Ruiz, General Manager, General Manager's Office

Prepared by/contact person:

Brian Malone, Assistant General Manager, General Manager's Office



Atlas

Stream

- Perennial
- Intermittent

Road Centerline

- Major Arterial
- Local
- Preserve Boundary

Midpeninsula Regional
Open Space District
10/13/2026



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