From:

To: Mary Gourle

Subject: Fwd: Woodmark"s promised farmworker housing quietly given to others

Date: Friday, January 17, 2025 12:29:00 PM

Mary, Please share w Council members.

I'd like a reply as to what measures will be taken against the people responsible for this fraud.

Thanks, Judith

----- Original Message -----

From: From Sebastopol Times <s

To: b

Date: 01/17/2025 12:25 PM PST

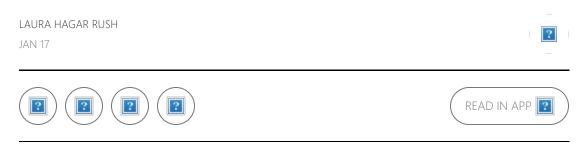
Subject: Woodmark's promised farmworker housing quietly given to others

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Woodmark's promised farmworker housing quietly given to others

Over the holidays, Woodmark Apartments, which was supposed to be reserved for farmworkers, was discreetly opened to the general public and is now fully leased out. Farmworker advocates are furious.





At the Woodmark Apartments. (Photo by Ezra Wallach)

The Woodmark Apartments on Bodega Avenue, developed by The Pacific Companies (TPC), were designed to provide housing for farmworkers and other low-income families. They were funded by the federal government and

the state of California with that goal in mind. Phase one of the project, which consists of 48 two- and three-bedroom units, completed in September, was supposed to be reserved for farmworkers and their families, but throughout the fall, the buildings stood empty.

The Sebastopol Times reached out to the property's management several times over the last few months. Each time we were told that the company was screening a handful of prospective tenants, but that the few who had already applied had been rejected.

Then, at the end of December, TPC discretely opened the project to non-farmworkers. By mid-January, the complex was almost fully leased, and few, if any, farmworkers were among the new tenants.

The Sebastopol Times contacted TPC, one of the largest builders of affordable housing in the country, to ask why their plan to fill Woodmark with farmworkers stumbled so badly.

"Our management company performed extensive outreach and was unable to find farmworkers who matched the regulatory requirements to occupy the project," TPC's CEO Caleb Roope wrote. "We also learned that this is a problem throughout the Santa Rosa area and that there are other properties also struggling to find qualifying farmworkers. We were quite surprised ourselves about this."

In response to a question about whether this change violates the terms of the \$1 million loan his company received from the USDA's Farmworker Housing Program, he wrote, "Our funding does require us to seek waivers, which is what we are doing and have done in the past on a couple of other projects where we had some difficulties finding farmworkers."

The waiver Roope refers to comes from a section of the USDA's "Off-Farm" Farm Worker Housing statute, which allows developers to fill their units with non-farmworkers who qualify as low-income if eligible farmworkers can't be found—but there's supposed to be a high bar for those waivers.

According to the <u>statute</u>, listed under Subpart L: Off-Farm Labor Housing:

"When there is a diminished need for housing for persons or families in the above categories, units in off-farm labor housing complexes may be made available to persons or families eligible for occupancy under § 3560.152. Eligible tenants under this section may occupy the labor housing until such time the units are again needed by persons or families eligible under paragraph (b) of this section. As the basis for Agency approval or disapproval of the borrower's determination of diminished need, the borrower must submit a current analysis of need and demand to the Agency, identical to the market analysis that is required of loan applicants in the loan origination process."

A \$1 million USDA Farmworker Housing loan may not seem like much in the context of a \$25,000,000 project like Woodmark—that \$25 million just covers the first phase of the development. But as our former reporter Ezra Wallach pointed out in his <u>article</u> last month, that \$1 million USDA loan for farmworker housing was the key that opened the door for Woodmark to receive more than \$15,000,000 in California tax credits for builders of affordable housing.

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Farmworker advocates are stunned and angry

The Sebastopol Times got a tip in early January that Woodmark was accepting non-farmworkers. An individual who'd read our previous coverage about Woodmark said they had inquired about leasing there and had been told by the leasing agent that the apartments were, indeed, now open to everyone, as long as they fit the income criteria.

We reached out to two local farmworker advocates—Zeke Guzman of Latinos Unidos del Condado de Sonoma and Maria Membrila, a principal field researcher and data analyst for the 2024 Napa County Farmworker Housing Report—to ask if they knew that the apartments for farmworkers at

Woodmark were being offered to the general public.

They did not, and they were appalled.

"This can't happen," Membrila said.

She reached out to Woodmark almost immediately, only to learn that all but one of the apartments had been filled — and that that one was probably already spoken for.

Membrila remembers her conversation with Woodmark's leasing office this way: "I said, 'Are the farm worker units filled by farm workers?' And she said 'We only have one available where we've taken an application, but all the others are filled. I said, 'Are they filled by farm workers?' She said, 'No, they're not filled by farm workers." She said, 'It's open to everyone.' And then she got defensive." (We are unable to confirm this conversation with Woodmark management because they informed us that they are no longer talking to the press and directed us to reach out to TPC directly.)

Both Guzman and Membrila say it is a blatant impossibility that, in the middle of California's wine country, Woodmark couldn't find farmworkers who qualified for the apartments.

There are, however, stumbling blocks that make it difficult for many farmworkers to qualify for USDA-funded farmworker housing. The USDA requires that applicants be either U.S. citizens or permanent residents with a Green Card. The majority of their income has to come from farm labor, and they also have to qualify based on income:



Both Guzman and Membrila said, even with these limitations, it should have been possible to find farmworkers who fit the bill—had Woodmark's management company simply tried harder or had the cultural skills to do so.

Guzman put the Sebastopol Times in contact with a local Spanish-speaking

property manager who has USDA-funded farmworker-housing properties in several parts of the North Bay. Though she didn't want to give her name, she said she has never had any trouble filling her farmworker-housing properties with farmworkers.

"There are farm workers out there that are in need of housing," she said. "We don't have a lot of vacancies, but so far, we've been able to keep our farmworker properties occupied with farmworkers."

"I guess it just depends on the type of outreach and the staff that you have in your office trying to lease up the property," she said. "I mean, a lot of farm workers, it's hard for them to trust you, and so you kind of have to work with them, let them know what the process is and kind of walk them through it."

When asked if it was necessary, when working with farmworkers that the leasing agent be bilingual, she laughed. "Oh, yeah, definitely! I mean, because most farmworkers speak Spanish, and if you can't communicate with them, it's going to make your job very difficult."

Ana Mendoza, the leasing agent at Woodmark (now the community manager), is bilingual, but she said she was not in charge of outreach. Guzman said he had asked Danielle Higgins, the property manager at Woodmark, if she was bilingual. She told him she wasn't, though she said they did have one Spanish speaker—Ana—in the office.

"Farmworkers have unique needs," Membrila said. "They need bilingual, bicultural navigation. They need to be supported during the filling out of the application, the answering all of the questions, everything, following up if they need bank statements or if they need pay stubs, all of that."



Maria Membrila, a housing equity planner and consultant, and Zeke Guzman of Latinos Unidos del Condado de Sonoma.

For Guzman, the turnabout at Woodmark is particularly galling—and personal. Guzman said he went to bat for Woodmark during the development

process and later gave Woodmark's project manager a list of people and organizations to call to help them fill the units. (Woodmark also donated \$1,000 to Guzman's nonprofit, Latinos Unidos.)

In fact, when The Sebastopol Times first called Guzman about Woodmark being leased out to non-farmworkers, he almost didn't believe it. "Let me call, Danielle. I've worked with them," he said, as if this was all some sort of misunderstanding.

Two days later, sitting in a booth at Peppers in Healdsburg, he looked both shaken and furious.

"I feel like they stabbed me in the back," he said.

"When they opened up and Lauren Alexander was working with the developer, she called me and said, 'We need help filling the units.' I said, 'Great. Here's an outreach plan: this weekend we're holding an event at Resurrection Center on Stony Point. About 400 to 500 farmworker families go to that church. You come, set up a table on Sunday. We're going to be there. I'll introduce you. We'll let you talk to the priest and come up.' And she goes, 'Okay, we'll get some flyers and everything.' The night before, she said, 'We can't make it.' Then I said, 'Okay, contact Rocio at Resurrection and then contact the community, contact these people, contact those people. They never did."

The Sebastopol Times reached out to Rocio Torres, who works with the North Bay Organizing Project and volunteers at Resurrection Catholic Church. She doesn't recall getting a telephone call from Woodmark. She said they may have emailed her but when she emailed them back—in November or December—she said they never followed up.

Earlier this fall, our reporter Ezra Wallach also called the Graton Day Labor Center and several vineyard management companies to see if Woodmark had reached out to them. They hadn't.

The Sebastopol Times called an advertising rep at La Prensa, Sonoma County's Spanish-language newspaper, to see if Woodmark had taken out

any advertising with them. She didn't see a record of their advertising in La Prensa or the Press Democrat—though she warned the name of the company that took out the ad might be different. She tried Woodmark, The Pacific Companies, and Aperto, an apartment management company. No go.

We also called Sonoma County's largest Spanish-language radio station, Latino 100.9, and asked if Woodmark had advertised there. Melissa Galliani, the station's general manager, said they had not.

The Sebastopol Times asked TPC for a description of Woodmark's outreach efforts, but we have yet to receive anything.

"So when they were saying, 'Yeah, we touched the farm workers but we couldn't reach them,' that's not going to sit right by me," said Guzman, who views Woodmark's outreach efforts as a form of "underhanded racism."

"There were definitely discriminatory practices at work here to keep farmworkers out," he said.

Membrila said, "I'm not mad that the housing units are filled by people who need the housing," she said. "I'm angry for those farm workers who did qualify for those units that they didn't outreach to and find. It's problematic."

What next?

As they sat at Peppers, Membrila and Guzman strategized about what to do next.

Regarding Woodmark, Membrila said, "Phase Two should absolutely be for farmworkers," she said, referring to Woodmark's next stage of development, which will add 36 new units to the property. "And we need to hold them accountable. I need to fill all of these units as farmworker units. Also, as soon as a unit is empty— which I don't think it will be," she said, given the units are so much less expensive than market-rate apartments, "but as soon as a unit is available, it needs to be allocated to farmworkers."

When asked if he would dedicate Phase Two of the development to farm

workers, TPC's Roope didn't respond. He did say, however, that, "we will continue our outreach to the farmworker community in the hopes that as resident turnover occurs, we can occupy the units with qualifying farmworker households."

Membrila and Guzman also said the Woodmark experience was more evidence of the need for better information on the housing needs of farmworkers in Sonoma County. At the Sonoma County Supervisors meeting in Sebastopol earlier this month, Membrila, who worked on the 2024 Farmworker Housing Report in Napa County, urged the supervisors to support the creation of a similar report for Sonoma County.

Membrila and Guzman are also turning their eyes to Cloverdale, where TPC is about to build another farmworker housing complex.

At first Guzman said that he would oppose the development in Cloverdale, based on his experience with TPC's issues in Sebastopol. But Membrila disagreed.

"It's already hard enough to build farmworker housing," she said. "I think what this is showing us is that we need to step up in Cloverdale instead of stopping it—like we need to step up and say they need to make sure that the farmworker housing units are actually filled by farmworkers."

The Sebastopol Times spoke with Zeke Guzman this morning. Regarding the problem at Woodmark, Guzman said he has already contacted the USDA, Legal Aid of Sonoma County, and Supervisor Lynda Hopkins' office.

He said, "I'm not letting this go."



Woodmark Apartments on Bodega Avenue. (Photo by Ezra Wallach)

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