

STATE AFFAIRS

‘Urban-focused’ housing fixes leave rural California behind

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Lawmakers have passed dozens of housing bills in recent years, but many still overlook the unique needs of rural California.

That gap was on display Wednesday at an Assembly Housing and Community Development Committee hearing focused on farmworker housing in the San Joaquin Valley, where officials from rural counties and housing nonprofits detailed barriers they face in getting projects built.

“I think that we've made enormous strides to try to address the affordability crisis that is impacting constituents across California,” Assemblymember [Esmeralda Soria](#), D-Fresno, said. “But I also recognize that a lot of the policies that do come out of this building are very urban-focused.”

“We talk a lot about equity in this building, and the reality is that we are not getting an equitable share in the Central Valley,” Soria added.

The hearing was originally convened to review a law Soria authored last year to spur farmworker housing, but testimony quickly broadened into a critique of how state housing policy and funding formulas leave rural regions at a disadvantage. Soria noted that the San Joaquin Valley makes up about 11% of California’s population and land area but gets a “far smaller share” from state housing programs.

The need for affordable homes in the valley is stark. According to committee documents, 81% of extremely low-income households spend more than half of their income on housing, and an estimated 124,000 low-income renters lack access to an affordable home.

Developers and local officials told lawmakers that the region is left behind by state programs meant to encourage affordable housing construction and streamline development.

“The inland areas used to be considered the last bastions of affordable home ownership, but that picture is changing,” Tom Collishaw, CEO of Visalia affordable housing developer Self Help Enterprises, said.

He said the low incomes across the valley make it difficult for affordable housing developers to finance projects, since allowable rents are capped based on income levels.

For example, Collishaw said a family of four earning 80% of the median income makes about \$75,000 a year in Tulare County, compared to nearly \$120,000 in Ventura County.

“That's a difference of over \$1,000 a month that we could either charge in rent or that somebody can pay for a house payment,” he said.

That income gap leaves rural projects heavily dependent on public funding. But those dollars often come with prevailing wage rules that drive up construction costs – making rural development nearly as expensive as building in cities.

Competitive grant programs add another hurdle. Many award bonus points for local matching funds, a disadvantage for cash-strapped counties. Some grants also prioritize areas designated as underserved on state maps, but Collishaw said those maps don't accurately reflect conditions in rural areas.

“I know that people have worked to make the maps more usable for our rural counties, but the fact is, they don't work.”

Infrastructure is one of the biggest barriers to new rural housing.

“Infrastructure is still the primary consideration for new sites,” Collishaw said. “Many of our rural communities have challenges with water and sewer, primarily.”

In one case, Collishaw said his organization bought land for farmworker housing in 2003 — construction didn't start until 2020, and units are only now being completed.

“It was 20 years because they had a sanitary sewer challenge that had to be solved,” he said.

In the San Joaquin Valley and other major agricultural regions, farmworker housing has been a major focus in the Legislature.

Lawmakers have passed a suite of bills in recent years aimed at alleviating the shortage of housing for farmworkers. Now-Speaker [Robert Rivas](#), D-Hollister, authored a 2019 bill that mirrored earlier efforts to streamline infill housing permits in cities, but applied them to dedicated farmworker housing on agricultural land.

Later legislation, including Soria's bill, expanded the size of permissible housing in select counties in the Central Valley and Central Coast.

So far, no projects have applied for permits under the expanded law in those counties.

"Today, it has never been more challenging to create farmworker housing," Matt Huerta, an affordable housing consultant in Salinas, told lawmakers.

While, conceptually, the bills opened up more areas for potential development, Huerta said "the reality is that most of the development opportunities are infill or immediately adjacent to urban centers."

Even when sites are identified, they face a long list of hurdles. Some of those are specific to agriculture, like mandatory clean-ups of soil contaminated by years of chemical use. But there are also zoning hurdles and many of the same challenges housing developments in urban areas face.

"In Half Moon Bay, we are seeing local NIMBYs threaten to send the approval of a ground lease for a 40-unit senior farm worker housing development to the voters this fall, in an attempt to stop the development," Huerta said.

Consuelo Hernandez, deputy county executive for Santa Clara County, pointed out that while the streamlining bills address some permitting issues, "it does not solve the issue of financing."

She added the laws are still relatively new and need time to prove whether they are effective. If they are going to work, she said, county governments will have to take the lead on new projects.

"I think what you all have done in your leadership roles with these bills is create the environment for ag worker housing to happen," Hernandez said. "Now we just have to be creative, and that really requires the county to lean in."

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