

# Annual Report 2015



## Equity Trust, Inc.

Promoting equity in the world  
by changing the way people think about and hold property



## **Dear Friends,**

As we put together this annual report for 2015, it is impossible not to think about Equity Trust's full history as we enter our 25th year. Our regional program to preserve affordable working farms in the Hudson Valley is only possible because of years of work with farmers and allies, developing and demonstrating alternative approaches to farm ownership. Our work on secure tenure for urban agriculture draws on all we have learned working to preserve farms for farmers and on a commitment, a founding principle for Equity Trust, to provide support to communities whose access to land has been historically limited or obstructed.

The Equity Trust Fund gets strength from and contributes to a multi-generational movement for economic reform. Participants include early investors in community loan funds, some with us from the start, and folks newly inspired by social investing and the sharing economy. Recently two long-time lenders made portions of their loans into gifts, ensuring that those resources will continue to be shared into the future.

Our work depends equally on the sharing of ideas. This report describes how organizations we have supported contribute to a vibrant network that is creating new spaces for implementing alternative land ownership models and assisting groups recently discovering these approaches.

Social change is a long and gradual process, and though we pause to look back we also look forward. The world needs new economic models more than ever, and Equity Trust remains committed to helping to build those alternatives.

**Jim Oldham, Executive Director**

Front cover photos: Laughing Earth Farm, NY; Land access workshop, CA.

## **Equity Trust, Inc.**

### **Staff:**

*Jim Oldham, Executive Director*  
*Rebecca Fletcher, Project Manager*  
*Johanna Rosen, Program Associate*  
*Rob Crowner, Loan Fund Manager*

### **Loan Fund Committee:**

*Jim Oldham*  
*Madeline Cantwell*  
*Mary O'Hara*  
*Matt Schwartz*  
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### **Board of Directors:**

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*Monica McGloin*  
*Russ Fox*  
*Scott Reed, President*

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# Collaborative Farm Protection

Equity Trust's Hudson Valley Farm Affordability Program is supporting close to a dozen farm protection projects in this important agricultural region of New York. Initiated by innovative farmers, and relying on multiple partners for success, these are complex projects that take time to complete.

In Columbia County, the story unfolding as farmers Chris and Katie Cashen work to expand their acreage exemplifies these elements



The Farm at Millers Crossing, NY

of farmer initiative, progress in phases, and intensive collaboration.

The Farm at Millers Crossing grows certified organic vegetables, plants, and flowers, and has a small grass-fed organic beef herd. Owned and operated by the Cashens, this farm feeds 920 CSA member families each summer CSA season and 440 families each winter, the majority in Brooklyn and Queens. Chris and Katie also market their produce through farmers markets and wholesale.

As the Cashens' business has grown, so has their need for good land. The farm that they own is 200 acres, protected by a conservation easement held by Columbia Land Conservancy (CLC). They lease additional land on a short-term basis, including 70 acres of an adjacent former dairy. The Cashens contacted Equity Trust seeking help to purchase that leased land, and together we worked with CLC and Scenic Hudson Land Trust to develop an acquisition and protection plan.

Since the landowner wanted to sell the entire former dairy rather than subdivide it, Scenic Hudson identified a conservation investor who purchased it in the summer of 2015, removing it from the market and providing time for Scenic Hudson and CLC to seek funds from New York State to purchase a conservation

*See Collaborative Farm Protection next page.*

## New Board Member: Russ Fox

In late 2015, Equity Trust welcomed Russ Fox as the newest member of our Board of Directors. Russ brings an important West Coast perspective to our work. He is Faculty Emeritus (Planning and Community Development) of The Evergreen State College, and has a long history of public service in a wide variety of governmental and nonprofit community development initiatives in the state of Washington. He is a founding director of South of the Sound Community Farm Land Trust (SSCFLT), dedicated to preserving farmland in areas south of Puget Sound and to keeping it farmed forever.

Although new to the board, Russ's connection to our work dates back to before the organization was born. He recalls being inspired by discussions with Chuck Matthei at community land trust (CLT) meetings in the 1980s about how the CLT housing model could and should be morphed into a strategy for supporting local farmers and assuring farmland for food production in perpetuity. More recently, Russ worked closely with Equity Trust in developing the ground lease for SSCFLT's first permanently affordable working farm in 2013. We are delighted to have Russ's knowledge, experience, and commitment in service to our work.



## Collaborative Farm Protection *(continued from previous page)*

easement. Equity Trust simultaneously helped the farmers to negotiate both a short-term lease and an option to purchase the 70 acres for a fixed price from the investors once the easement has been purchased.

Once state conservation funds become available, anticipated in summer 2017, the entire property will be protected by the easement, and part of it will be transferred to the Cashens. Equity Trust will also purchase a permanent resale restriction to preserve the affordability of the Cashens' parcel, making this the third farm on which CLC will hold an affordability restriction. Since the parcel includes two residences that the Cashens are renovating for farmworker housing, Equity Trust's grant will ensure that whenever the farm is sold, the affordability of this housing will be protected along with the land.

# Secure Land for Urban Agriculture

Over the past two years, Equity Trust has been exploring land tenure issues for urban agriculture through dialogue with practitioners from around the Northeast. As we consider the applicability of existing farm protection tools and strategies to the urban setting, participants in this work have emphasized the need for public and philanthropic funding to protect urban land for food production, as exists for rural farmland preservation.

To learn more we convened conversations about land and urban agriculture with foundation representatives and conducted a survey of funders. Key takeaways included the following:

- Funders have widely differing levels of awareness of the land tenure challenges faced by the organizations engaged in urban agriculture and this affects their readiness to invest time and resources in finding solutions.

- Direct funding for acquisition of land is not something that many funders of urban agriculture programs are in a position to provide, in part because many of the foundations supporting these programs are relatively small.



New Entry Sustainable Farming Project, MA

- There are a variety of non-monetary strategies that foundations can and do use to contribute to securing land access for urban agriculture. Simply bringing stakeholders together can have a large impact at low-cost.

- Land trusts play a critical role in land protection, and their reach in the urban arena could be expanded in conjunction with expanded funding.

- The diversity of interests that lead funders to support urban agriculture makes it hard to draw general conclusions and suggests that continued outreach will require multipronged approaches.

A full report is available at our website: [equitytrust.org/urban-agriculture](http://equitytrust.org/urban-agriculture)

# Equity Trust Fund

## Social Investing and the Equity Trust Fund

On the masthead of our website, you'll find two short definitions of *equity*: (1) a financial interest in a property, and (2) a moral principle of fairness. Both factor prominently in the purposes of the Equity Trust Fund, which facilitates the sharing of capital, in the form of a loan from those not currently using it to those who have a present need for it, to acquire property that can provide long-lasting benefits for their communities.

The Fund complements our work promoting alternative ownership structures that keep property accessible and affordable for members of the community in which it is located, especially for those who are traditionally disadvantaged and those of lesser means. We especially like to loan to projects that involve the permanent protection of property; that help make property affordable to future owners (beyond the actual borrower); or that have significant community involvement, such as nonprofit ownership of a community farm. We also loan to community land trusts, cooperatives, and other alternative-economy



Coop farmer, Nicaragua

Our funding comes mostly from individuals (and a few organizations) all over the country who value the opportunity to help distribute the benefits and obligations of equity more broadly. Our lenders find us through word-of-mouth and by engaging with the same networks as we do. Many have agreed to accept less than the maximum interest rate we offer – even down to zero interest – in order to support our mission as much as possible. By pooling these resources, we are able to fund projects that might otherwise not find a source of financing. Thus, the Equity Trust Fund helps people and communities gain or solidify a financial interest in property, often through shared ownership or in conjunction with its permanent protection via restrictions on its resale price or its use. This approach to economic reform joins socially concerned lenders and borrowers into



COHIF home, MA



Tryon Life Community Farm, OR

both a model of and constituency for structural and policy change.

In 2015, the Equity Trust Fund made five new loans totaling almost one million dollars, while five borrowers repaid their loans: New London Homeless Hospitality Center, Whiskey Pigs Farm, Three Springs Community, Foxglove Farm, and White Earth Land Recovery Project.

COALITION FOR OCCUPIED HOMES IN FORECLOSURE works to keep homeowners and tenants in their homes during and after foreclosure, promoting household and neighborhood stability and resident and community control of housing. Our loan provided essential leverage for COHIF to put together a financing package to purchase four multifamily buildings facing foreclosure in Boston. They will be rehabbed and, with the help of Dudley Neighbors, Inc., placed into a new community land trust.

JUBILEE HOUSE COMMUNITY is a US-based nonprofit that provides a range of community-building assistance to small agricultural communities in Nicaragua. Our loan allowed a marketing cooperative to compensate a farming cooperative for its sesame harvest. Both coops were organized with Jubilee House's encouragement and help promote local self-sufficiency. This loan has already been repaid from sales of processed sesame.

WOODLAND COMMUNITY LAND TRUST operates in an impoverished Appalachian community in northeastern Tennessee and has received a number of loans over the years to advance its mission of securing a land base for affordable housing and sustainable community development, including two this year that helped it add new land.



Woodland CLT, TN

TRYON LIFE COMMUNITY FARM is a nonprofit organization that helped preserve a small urban farm in Oregon at which it offers educational programs on sustainability. CEDAR MOON is a residential cooperative that lives on and cares for the land. Both have long-term ground leases that provide them access to the land and the opportunity to build ownership equity in the buildings there. This year, we partnered with supporters of these two groups to refinance their mortgage, enabling them to implement an innovative stewardship relationship.

# Building a Network for Change

Every year Equity Trust leads workshops and gives presentations at conferences, universities, and other forums around the country to share the work of our Farms for Farmers program and the Equity Trust Fund. We aim to promote exploration, understanding, and the wider implementation of socially equitable forms of property ownership and economics based on principles of social justice and environmental sustainability.



Discussion group at Land Access Innovations Training for land trusts, CA

In recent years, we've seen growing interest in our programs, a greater number of organizations doing similar work, and a greater diversity in who attends. The twenty-five-year experience of our Equity Trust Fund is very relevant to the growing number of individuals interested in social and local investing, whether to support a particular goal, such as affordable housing or community farms, or as a tool for sharing resources for equitable economic development.

Similarly, as more land trusts and farmer support organizations, and an increasing number of local food advocates, recognize the need to protect farm affordability as well as farmland itself, demand for the particulars on how this is done is rising. A number of organizations have evolved from seeing affordability restrictions as an interesting "add-on" that Equity Trust offers, to seeking to learn the detailed process for implementing these approaches in their own farm protection efforts. Many of our allies and past partners in farmland protection efforts are becoming advocates and resources for others.

All of this has contributed to an expanding number of opportunities to share our philosophy and our work and a growing richness in the dialogue.

In 2015, we partnered with the National Young Farmers Coalition (NYFC) for the second year, this time in Sacramento, CA, to lead a full-day training for land trust staff from around the country on tools and innovations to

promote affordable and secure land access for farmers. In a parallel event we also collaborated with NYFC and California FarmLink to lead a workshop for farmers on how to partner with land trusts to access land.

Other activities included a featured presentation at a workshop for farmers on *Accessing Farmland in the Hudson Valley* hosted by American Farmland Trust, Glynwood, and NYFC (March—Hudson, NY); leading a daylong workshop for farmers and land trust staff, hosted by the UConn Extension Program and highlighting the use of the community land trust-inspired ground lease as a tool for protecting affordable farms (July—Wethersfield, CT); and co-teaching three sessions for the Maine Farmland Trust Land Access Conference (October—New Gloucester, ME).

We shared ideas on alternative forms of property ownership with law students and others as part of a Yale Environmental Law Association and Food Law Society lunch panel (February—New Haven, CT) and at a daylong convening to explore *New England Farmland Tenure* at Vermont Law School (February—South Royalton, VT).

Our work connected with funders through participation in a panel on Approaches to Farmland Preservation in the Northeast, an event hosted by



Land Access Innovations Training, CA

Community Food Funders (April—New York, NY) and in a gathering to discuss strategies funders can use to support secure land tenure for urban farms and gardens that we

organized in collaboration with Cedar Tree Foundation and Merck Family Fund (November—Boston, MA).

The Equity Trust Fund was one of several lenders featured in a *Where's the Money?* panel for Harvest New England, a six-state agricultural marketing conference (February—Sturbridge, MA) and both the Fund and our farmland protection work were featured at the annual forum of our local PVGrows network (April—Holyoke, MA), which we helped organize and cosponsored. We also participated throughout the year on two working groups contributing to the Massachusetts Local Food Action Plan (land access and urban agriculture), bringing Equity Trust's perspectives to the table as part of a statewide food system planning process.



**STATEMENT OF FINANCIAL POSITION December 31, 2015**  
**(with comparative totals for 2014)**

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>
<b>Current assets:</b>		
Cash and cash equivalents	2,524,178	\$2,117,368
Interest receivable	18,682	12,868
Pledges receivable	13,335	3,265
Other receivables	1,123	13,734
Net loans receivable-current portion	<u>1,911,020</u>	<u>1,188,261</u>
<b>Total current assets</b>	<b>\$4,468,338</b>	<b>\$3,335,496</b>
<b>Noncurrent assets:</b>		
Net loans receivable-noncurrent portion	1,894,084	1,906,897
Donated and acquired real property	<u>389,188</u>	<u>144,335</u>
<b>Total noncurrent assets</b>	<b>\$2,283,272</b>	<b>\$2,051,232</b>
<b>Total assets</b>	<b>\$6,751,610</b>	<b>\$5,386,728</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
Accounts payable	3,135	2,527
Accrued interest	22,234	14,913
Advance funds received	56,250	75,250
Other current liabilities	5,889	6,585
Loans payable-current portion	<u>1,072,306</u>	<u>1,007,219</u>
<b>Total current liabilities</b>	<b>\$1,159,814</b>	<b>\$1,106,494</b>
<b>Noncurrent liabilities:</b>		
Loans payable-noncurrent portion	<u>3,781,580</u>	<u>2,517,857</u>
<b>Total noncurrent liabilities</b>	<b>\$3,781,580</b>	<b>\$2,517,857</b>
<b>Total liabilities</b>	<b>\$4,941,394</b>	<b>\$3,624,352</b>
<b>Net assets:</b>		
Unrestricted	166,292	79,747
Temporarily restricted	1,643,924	1,682,629
<b>Total net assets</b>	<b><u>\$1,810,216</u></b>	<b><u>\$1,762,376</u></b>
<b>Total liabilities and net assets</b>	<b>\$6,751,610</b>	<b>\$5,386,728</b>



**STATEMENT OF ACTIVITY For the year ended December 31, 2015  
(with comparative totals for 2014)**

	<u>2015</u>		<u>2014</u>	
<b>REVENUES and OTHER SUPPORT</b>	<b>Unrestricted</b>	<b>Temporarily restricted</b>	<b>Total</b>	<b>Total</b>
Cash contributions	25,910	1,110	27,020	27,684
Grants received	179,000	10,000	189,000	141,500
Property revenues	0	22,299	22,299	21,369
Interest income	392	148,356	148,748	119,298
Program revenues	21,390	0	21,390	18,846
Donated services	24,902	0	24,902	40,430
Net assets released from restriction	<u>220,470</u>	<u>(220,470)</u>	<u>0</u>	<u>0</u>
<b>Total revenues and other support</b>	<b>\$472,064</b>	<b>(\$38,705)</b>	<b>\$433,359</b>	<b>\$369,127</b>
<b>EXPENSES</b>				
<b>Programs:</b>				
Program services	240,155	0	240,155	305,910
Project grants	64,969	0	64,969	0
Interest paid	<u>56,797</u>	<u>0</u>	<u>56,797</u>	<u>38,872</u>
<b>Total programs</b>	<b>\$361,921</b>	<b>\$0</b>	<b>\$361,921</b>	<b>\$344,782</b>
Mgmt. and general	20,398	0	20,398	18,522
Fundraising	<u>3,200</u>	<u>0</u>	<u>3,200</u>	<u>7,920</u>
<b>Total expenses</b>	<b>\$385,519</b>	<b>\$0</b>	<b>\$385,519</b>	<b>\$371,224</b>
<b>Change in net assets</b>	<b>\$86,544</b>	<b>(\$38,705)</b>	<b>\$47,839</b>	<b>(\$2,097)</b>
<b>Net assets - beginning of year</b>	<b>\$79,747</b>	<b>\$1,682,629</b>	<b>\$1,762,376</b>	<b>\$1,764,473</b>
<b>Net assets - end of year</b>	<b>\$166,292</b>	<b>\$1,643,924</b>	<b>\$1,810,216</b>	<b>\$1,762,376</b>

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Pea picking at Crystal Spring CSA, Maine