

EQUITY TRUST NEWS

Equity Trust Fund aids visionary affordable housing program *Coalition rescues threatened homes, will permanently protect them in new community land trust*

An Equity Trust loan provided the key piece of leverage for a coalition of tenant, community, legal, and government agencies to launch a great experiment in foreclosure prevention in Boston.



COHIF home, MA

The nonprofit Coalition for Occupied Homes in Foreclosure (COHIF) came together in 2008 to promote regulatory reform and provide support services for low-income homeowners and tenants facing foreclosure. In order to stabilize neighborhoods, they wanted to provide residents greater control of their housing, and so this year they joined Dudley Neighbors, Inc. (DNI), a successful nearby community land trust, in an initiative to acquire at-risk units and place them into a new

community land trust (a CLT) as permanently affordable rental housing.

Equity Trust's participation in assembling a financing package involving three other lenders enabled COHIF to purchase the first four buildings in the project's initial phase, saving them from the pressures of gentrification and keeping ten families in their homes. While the buildings are rehabbed and the residents receive financial counseling and other assistance, COHIF and DNI will develop a business plan for the CLT and engage in organizing to recruit members and establish it in the community. Over time, COHIF hopes to repeat the formula and add many more units to the CLT.

Equity Trust is particularly proud of this loan, which directly addresses almost every aspect of our mission: providing access to housing for low-income people; promoting responsible use of land; providing financing to organizations engaged in community economic development; offering opportunities for people of greater economic means to support disadvantaged communities; uniting organizations in common efforts for reform; and prioritizing programs addressing the urgent needs of low-income people. *Read about other loans on page 3.*

Juanita Morrow Nelson

August 17, 1923 – March 9, 2015

"We cannot avoid decision-making. We are not absolved by following the dictates of a mentor or of a majority."



Juanita Nelson was a pacifist, war tax resister, civil rights activist, writer, homesteader, and organic farmer.

Juanita's deeply held values and her commitment to nonviolence in

all aspects of her life provided inspiration to many people and helped to shape Equity Trust as an organization. Our work owes much to her wisdom and to the honesty and courage of her tremendous life.



Equity Trust continues to partner with the National Young Farmers Coalition (NYFC) and others to assist conservation land trusts seeking to incorporate affordability and farmer access into their work, and to support partnerships between farmers and land trusts. This workshop for farmers that we led with NYFC and California Farmlink was one of several in that state this year, with others in Maine and Connecticut.

Early Impact in Hudson Valley

Farms for Farmers

When Equity Trust launched our Hudson Valley Farm Affordability Program, we knew we were bringing important new tools to the region for protecting farms for farmers long term. What we didn't fully anticipate was how our program could play a critical role in preventing farm conservation projects from falling through altogether due to inopportune timing or a shortfall of resources. Here are three examples from the past year.

Delapenta Farm is a third-generation dairy farm on 600 acres in Ancram, raising Holstein and Jersey cows. Since 2008, Dean and Michele Zapp had been working with Columbia Land Conservancy (CLC) to protect the 83½ acres they own, including their home and barns. Scenic Hudson raised funds for a conservation easement, but the deal couldn't go through unless a little more money could be brought to the table. Working with all project partners, Equity Trust purchased an affordability restriction that became part of the conservation easement and ensures the farm will transfer only to other working farmers, at an affordable price. It is the first affordability restriction held by CLC and one of the first in New York State. Proceeds will support the Zapp family's transition to organic production, which they anticipate will bring a better price and enable them to update dairy infrastructure and strengthen their business.



Homestead Farm, NY (photo credit: Bridget Kelly)

Homestead Farm produces vegetables for 100 CSA member families and raises pastured poultry and pork. Farmers Zack and Annie Metzger began their operation on 166 rented acres in Cropseyville as the previous farmers were retiring. Both couples hoped the Metzgers could buy the farm, and they worked with Agricultural Stewardship Association (ASA) to apply for New York State funding for a conservation easement. The request was approved, but funds would not be available for six to eighteen months. When an opportunity to purchase a home arose, the retiring farmers needed to sell immediately. The deal might have fallen apart at this point because the Metzgers couldn't borrow the full market value from a bank. Fortunately, Equity Trust was able to provide a short-term bridge loan until easement funds come in. Along with a mortgage from Farm Credit, this enabled the Metzgers to purchase the farm. Equity Trust will also provide a grant to allow ASA to purchase an affordability restriction. When the state funds come in, ASA will acquire both the conservation easement and the affordability restriction, and the property will be available for working farmers for generations to come.

Artemis Farm is home to Cynthia Creech's herd of Randall cattle and her genetic preservation work to restore this hardy, heritage breed. The Randalls are a triple-purpose breed (meat, dairy, draft power) hailing from early 1900s Vermont. Cynthia and a handful of other farmers have brought the population of Randalls back from the brink into the hundreds and they are once again being used commercially. Cynthia lives and farms on 120 acres in New Lebanon, but owns only half the land. She can afford to buy the half she is leasing only by selling a conservation easement on both parts of the farm. When the previous owner needed to sell, Equity Trust purchased the leased acreage on a temporary basis to provide time for CLC and Scenic Hudson to seek funding to acquire the easement, and we also approved a grant to pay for inclusion of an affordability restriction. Meanwhile, Cynthia is leasing from Equity Trust until the deal is complete and she is able to purchase the protected land.



Artemis Farm, NY (photo credit: uliphoto@aol.com)

Equity Trust Fund Loans

New lending model enables land stewardship evolution at Oregon farm

Tryon Life Community Farm and Cedar Moon collective will share ground lease rights and responsibilities

A new loan made this year not only enables an evolution in a property ownership arrangement originally designed in part by Equity Trust, but also represents an innovation in our lending practice that could become a model for future projects. With the participation of project supporters recruited by the borrowers, Tryon Life Community Farm and the Cedar Moon collective, we refinanced a conventional loan that otherwise would have been beyond our capacity, at an interest rate lower than we are typically able to offer. As a result, the borrowers are able to fully realize the land stewardship vision they had conceived ten years earlier, but were prevented from implementing under the terms of their original bank loan.

The land is an urban oasis owned by the Oregon Sustainable Agriculture Land Trust, which the borrowers use and manage on the land trust's



Welcome to TLC Farm, OR

behalf under long term ground leases that allow them ownership of the structures on the land. The lessees have slightly different relationships with the land and serve as checks-and-balances on each other to ensure that changes in

organizational leadership will not imperil the

land. In situations where the interests of the two organizations diverge, the long-term health of the land itself takes precedence.

Because their original primary lender would not sign off on that arrangement, TLC Farm had been the sole lessee, but the members of Cedar Moon, who lived there and paid rent, wanted the opportunity for a more direct relationship with the land through a ground lease of their own and ownership of their homes. When it came time to refinance the loan, they turned to Equity Trust.

Since the amount needed was more than we could offer, almost two dozen friends, family, and supporters of the borrowers agreed to share in the risks and benefits of the loan along with Equity Trust, providing more than forty percent of the funding through individual "participation loans" that Equity Trust administers under a single loan agreement with the borrowers.

This weaving together of a network of small lenders leveraged a larger Equity Trust loan, deepened and extended community investment in the project, and allowed the borrowers to funnel more resources directly to their educational and sustainability programs.



Sesame farmer, Nicaragua

Nicaraguan farmer co-op expands

Loan to Jubilee House Community

Small farmers working cooperatively in Nicaragua received a short-term bridge loan this year to help them process a sesame harvest while their marketing co-op works on acquiring the plant it uses and modernizing it into a world-class facility. Equity Trust has previously made loans related to the co-op's peanut and cotton businesses.

A U.S.-based nonprofit, the Jubilee House Community's Center for Development in Central America (JHC), works with hundreds of Nicaraguans who cooperatively own about twelve thousand acres where they grow peanuts, coffee, and cotton in addition to sesame. A huge amount of land was redistributed after Nicaragua's 1979 revolution, much of it to groups of village collectives rather than to individual owners. Additionally, some co-op farmers rent land under long-term leases negotiated with the assistance of JHC. This shared ownership and secure tenure enables poor communities to practice organic agriculture and become self-sufficient and sustainable.

The production co-ops themselves belong to the Cooperative of Organic and Traditional Producers and Exporters of Nicaragua, which helps them market their products to U.S.-based companies. The co-op leases a processing facility from the government and realized it could earn money by processing for

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Initiative reemphasizes commitment to underserved communities

In 2015, Equity Trust began a second year exploring the issue of land tenure for urban farms and gardens. Poor urban communities are particularly disadvantaged in their access to land for housing, food production, or other uses, and Equity Trust has a long history of supporting organizations empowering such communities to gain control of land, like Newtown Florist Club (Gainesville, GA) and Southside Community Land Trust (Providence, RI). Urban agriculture, with its contributions to healthy food access, youth programs, refugee self-determination, environmental improvement, economic development, and more, is an important area for Equity Trust to expand our work, to benefit a greater diversity of communities.



The year began with publication of a report on the state of land tenure for organizations engaged in urban agriculture in nine northeastern states, based on interviews done in 2014 and on the ideas generated at a symposium for practitioners that we hosted last December. (The report is available to download from our website.)

Guided by priorities developed by participants in that symposium, Equity Trust has begun outreach to the funding community to raise awareness of the critical role of land tenure in the viability of a wide range of farm- and garden-based programs related to health and nutrition, environmental protection, and community empowerment. This fall we partnered with Merck Family Fund and the Cedar Tree Foundation to convene a forum about land and urban agriculture in Boston with participation by several foundations and by leaders from New Entry Sustainable Farming Project (Lowell, MA), Gardening the Community (Springfield, MA), Green Guerillas (New York, NY), the Conservation Law Foundation, and the Trust for Public Land, among others.

We also engaged funders in thinking about this issue via an online survey. The results from the survey and these conversations will be shared with a growing group of

allies interested in *Gardening the Community, MA* strengthening land security for urban agriculture. We hope that these discussions will promote creative strategies to protect access to land.

We are drafting recommendations for creating land use agreements for urban farms and gardens, where close neighbors, zoning regulations, and competing land uses combine to create a complex set of issues to be negotiated. Equity Trust has also begun to provide direct technical assistance to support secure land tenure for two groups of immigrants and refugees settled in urban areas in Massachusetts and New Hampshire and growing food for their families and for sale to their communities. Our exploration of this issue over the past two years has confirmed the need for this work and Equity Trust is committed to continuing our efforts.

Nicaraguan farmers

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others. However, significant upgrades were needed, resulting in a cash crunch before sales and fee revenues began to flow.

Our loan was sizeable, but it was repaid in just four months, and the co-op is now hoping to purchase the plant to further enhance its members' business plan.