

EQUITY TRUST NEWS

December 2018

Permanently Affordable Farms Gain Foothold in New York

Five years in, Equity Trust's Hudson Valley Farm Affordability Program is, with many strong partners, beginning to have a significant impact on farm preservation in this region of New York State. The program preserves working farms by ensuring that they:

- Are permanently affordable for farmers;
- Grow food for the region on an ongoing basis; and
- Remain in the hands of farmers.

It complements and enhances the farmland protection efforts of the region's many land trusts by providing technical assistance and funding for incorporating affordability restrictions into conservation easements, or for the purchase of land to create ground-lease farms. (See sidebar, page 4.)

Despite the deep affordability the ground lease can deliver, it has taken time to gain traction in the Hudson Valley, so we're excited to report on two important projects using this approach!

Thompson-Finch Farm, in Ancram, NY, is a family-run fruit farm specializing in certified-organic strawberries, blueberries and apples, begun in 1982 by Don and Marnie MacLean. Equity Trust's Farm Affordability Fund made the MacLeans a loan in 2016 to temporarily acquire the farm in the midst of an intergenerational transfer, until Columbia Land Conservancy (CLC) could complete a capital campaign. CLC will use a portion of the \$1M raised, with additional money from Scenic Hudson, to pay for an easement to be held by Dutchess Land Conservancy. The remainder, with an equal match from Equity Trust, will go to purchase 196 acres of the easement-protected land, while the MacLeans continue to own the buildings on that land, and their business. The long-term ground lease now being finalized—CLC's first, and the first for any Hudson Valley land trust!—will



Featherbed Lane Farm, NY

protect the future affordability of the farm and require continued commercial-scale food production.

Nemeth Farm, a 72-acre farm in Hamptonburgh, NY, was saved from conversion to industrial use when Equity Trust purchased it from Orange County in August, and simultaneously sold a conservation easement to Orange County Land Trust (OCLT) paid for by Scenic Hudson. This collaborative effort, which also involved Morse Pitts, owner of the abutting 142-acre **Windfall Farms**, David Nemeth, the former property owner, and GrowNYC's FARMroots Program, is an important step in establishing the two neighboring farms as affordable farmland where farmers can share land, equipment, and knowledge while managing independent businesses.

Equity Trust is leasing Nemeth Farm to Windfall Farms, and has an agreement with Morse to purchase the Windfall land and develop long-term ground leases that can provide multiple farmers with

Continued on p. 3.

New York State to Fund Farm Affordability

The impact of the Hudson Valley Farm Affordability Program goes well beyond the benefits it provides to individual farmers and the communities they serve. In July, the Working Farm Protection Act was signed into law by New York Governor Andrew Cuomo after being passed unanimously by the State Assembly and Senate. It makes farm affordability protections of the sort pioneered by Equity Trust eligible for funding under New York's farmland protection program.

The legislation was the result of advocacy by many organizations, spearheaded by the National Young Farmers Coalition, but the success required the example that Equity Trust's work provides. Our projects demonstrate that the tools are effective. The farmers and conservation partners that have collaborated with us are some of the strongest and most eloquent advocates for preserving farm affordability. New York now joins Massachusetts and Vermont in attempting to ensure that farms protected with public funding remain working farms. We are proud to have contributed to this outcome.

New Partnerships, New Endeavors

Equity Trust Fund

This year Equity Trust made our first loans under a new partnership with the **Black Family Land Trust**. BFLT is a conservation land trust working primarily in the Southeastern United States to help African American and other historically underserved landowners preserve and protect land assets, critical for enabling opportunity and economic security for Black families today and into the future. It is estimated that the number of acres of rural land owned by African Americans dropped from fifteen million to around one million over the course of the twentieth century. Through the efforts of BFLT and a few other groups, that situation is improving, but there's a long way to go and scarce resources to draw upon. To help, we have committed to provide access to financing for landowners working with BFLT's asset protection, land productivity, and heirs property programs, supporting BFLT's important mission and diversifying our own land reform work.



Berkshire Co-op Market, MA (photo credit: Dorian Gregory)

Our first loan to a BFLT client provided bridge financing to a landowner engaged in a multi-year conservation project involving reforestation of 65+ acres in Virginia. Another provided operating capital to a 150-acre fifth-generation family farm in North Carolina. Future loans could enable families to consolidate title claims on ancestral property or to launch a new business making use of their land.



Pitt Farm, NC (photo credit: Felton Wooten)

Several years ago, a number of organizations working in Western Massachusetts including Equity Trust and fellow community loan funds Cooperative Fund of New England (CFNE), Common Capital, and Franklin County CDC, helped establish the **PVGrows Investment Fund** (the PV stands for Pioneer Valley) to provide community-based financing to support the local food system. We continue to serve on the PVGrows Investment Fund Advisory

Committee, helping review applicants for loans. This year, when the **Berkshire Co-op Market**, a forty-year-old consumer-owned grocery store in Massachusetts, needed financing to build a new facility, we joined a coalition led by CFNE and including PVGrows and Franklin County CDC (plus Coastal Enterprises, Inc., of Maine) to pool funds and make the loan. It's a good example of how grassroots organizations with different but complementary missions can work together to make possible a project that none could handle alone.

Since 2010, we have partnered with Saint Francis House of New London, Connecticut to offer financing to charitable projects in Southeastern Connecticut, often involving the acquisition of property. Until recently, we did not have a local partner positioned to enforce restrictions designed to ensure the permanent affordability of the properties that have benefited from Equity Trust Fund loans, though we were happy to make those loans anyway because of the borrowers' importance to the community. Now, after years of organizing, Saint Francis House and its allies in New London have formed a new **Southeastern Connecticut Community Land Trust** "to hold property in common ownership in order to expand and protect affordable access to housing, land for food production, green spaces, and facilities for community organizations, and thereby to counter community deterioration throughout Southeastern Connecticut." Our loan to them this year enabled their first purchase, a two-family home that will provide affordable housing for low-income members of the community.

One Farm at a Time in California

Stewardship

On Halloween day, Annie and Jeff Main of Good Humus Produce sat down with Equity Trust Executive Director Jim Oldham at a Vacaville, California title company to place a specialized easement on their farm that will ensure it always remains a place where farmers can build a life growing food for their community, as the Mains have done.



Jeff and Annie Main of Good Humus Produce

This culminates a two-decade effort, inspired in part by a first-of-its-kind easement that Equity Trust created with Gloria and Stephen Decater for Live Power Community Farm in 1995. It requires that the farm's owners make their living from farming and that future sales of the Mendocino County

property go to farmers for a price equal to its agricultural value. Chuck Matthei, Equity Trust's founder, encouraged Annie and Jeff to believe they could do the same.

At the time, the Mains were building their farm from the ground up. When they arrived on their 20-acre property northwest of Sacramento in Yolo County, there was a single olive tree. Now, 35 years later, it boasts orchards, vegetable fields, wind breaks, and native hedgerows providing forage and habitat for pollinators, predatory insects, and other wildlife. The Mains built a beautiful house, a barn, greenhouses, and other infrastructure, and a business selling produce through the Davis Farmers' Market, Food Co-ops, and a CSA. With that grew a community that loves and appreciates all that the farm offers.

That community has now guaranteed the farm's future. Somehow, the Mains found time over the years to work with friends of the farm, including Equity Trust, to define appropriate protections for their farm and to begin raising funds for a future easement holder to buy an easement, but a larger effort was needed. So in 2009, the Sacramento Natural Foods Co-op, Davis Food Co-op,

California FarmLink, and other partners launched One Farm at a Time to preserve Good Humus and other small working farms for future generations.

By 2014 the campaign had raised the funds needed. However, the question remained: who would hold the easement? When no California-based land trust stepped forward, Equity Trust agreed to take it on. Further work followed—easement drafting, surveys, appraisals—leading to this fall's closing and a November 1st celebration at the farm.

Building their farm has been the Mains' life work, but they see it as even more than that: The full value of this community resource can only be realized as it evolves under the stewardship of generations of farmers. Thanks to the Mains and One Farm at a Time, this will happen.



CA Farmlink Director Reggie Knox, former Sac. Food Co-op General Manager Paul Cultrera, and Farmlink Board President Kendra Johnson celebrate their One Farm at a Time success.

Affordable Farms Gain Foothold *(Cont'd from p. 1.)*

secure tenure and the opportunity to build equity in farm infrastructure and businesses. Meanwhile, Morse, David, and other farmers are working with GrowNYC and Equity Trust to develop a land use plan and systems for cooperative management of the combined 214 acres.

Five other Hudson Valley projects now coming to completion include an Equity Trust-funded Preemptive Purchase Right (PPR, see sidebar) in the easement to protect the farm's future affordability:

Artemis Farm, in New Lebanon, NY, home to Cynthia Creech's Randall cattle, a hardy breed whose genetic legacy she has worked to restore, was protected in June. The easement, with funding from state and federal programs and Scenic Hudson, and held by CLC, made it possible for Cynthia to purchase 57 acres that Equity Trust had acquired *Continued on p. 4.*



Windfall Farms, NY

in 2015 to hold until it could be protected, and add it to the 62-acre portion she already owned.

Featherbed Lane Farm is a horse-powered CSA run by Tim Biello on 62 acres in Ballston Spa, NY, leased from the Local Farms Fund (LFF), a social investment fund. New York State and Saratoga County will pay for the purchase of an easement to be held by Saratoga PLAN, with Equity Trust paying for the PPR to maintain affordability. When Tim exercises his option to purchase from LFF, he will pay only the agricultural value of the property.

Trish Sweetman-Southway and Matt Southway, who sell the produce, eggs, and meat they raise at their **Farmer's Daughter** market in Otisville, are preparing to purchase the 196-acre farm they lease in Mount Hope, NY. To make the purchase affordable for the young farmers, in a region facing extreme development pressure, Equity Trust worked with Scenic Hudson and OCLT to draft an easement with a covenant to farm as well as resale restrictions, another first for the region.

The Farm at Miller's Crossing raises certified organic vegetables and plants, and grass-fed organic beef, in Hudson, NY. Chris and Katie Cashen sell at farmers' markets, wholesale, and through a CSA feeding 900 member families, most in Brooklyn and Queens. The farm is adding 70 adjacent acres, with two renovated farmworker residences and a farm store, which will be affordable thanks to a conservation easement with PPR, to be held by CLC, funded by New York State, Scenic Hudson, and Equity Trust.

Soliphilia Farm, a 100-acre farm in Greenwich, NY, was purchased in 2014 with an Equity Trust loan, with the

goal of permanently protecting it. The original buyer is now preparing to sell to Arthur Kraamwinkel, whose business **Mariposa Farm** raises organic pastured animals and can make use of the existing dairy infrastructure for milk processing. Agricultural Stewardship Association will simultaneously purchase an easement with PPR, with Equity Trust funding, to establish yet another protected working farm.

A Diversity of Innovations

Equity Trust's farm conservation projects are not one-size-fits-all; we tailor our approach to the needs of each farm. Here are three important tools we use:

Preemptive Purchase Right (PPR)—This gives the land trust holding the easement the right to purchase the farm at its agricultural value, or assign that right to a farmer, if there's a proposed sale to a non-farmer or for an unaffordable price. (Known in some states as an Option to Purchase at Agricultural Value—OPAV).

Ground Lease—A land lease that provides a farmer long-term (typically 99-year), secure tenure, and the right to develop and own buildings, on land owned and stewarded by a nonprofit.

Both tools restrict a farm's resale price to retain affordability over time. Both prohibit the farmhouse from being separated from the fields, and both can prevent transfer of the farm to non-farmers.

Either of these tools can also include a:

Covenant to Farm—This requires active food production at a commercial scale on site, and requires the land owner or lease holder to personally participate in farming the land.



Farmer's Daughter, NY