Dear Friends,

The events of 2020 have thrown a glaring light on the inequality in our nation and our world—in health, in the application of justice, and in life opportunities—and profoundly exacerbated that inequality. There is an urgent need for a deep and ongoing effort to remake our society. Large political changes are necessary, but we can’t ignore the opportunities we have as individuals and organizations to make change where we can.

It is daunting to challenge deep systemic problems, but naming them and working to dismantle what we can is essential, even if insufficient. Racial oppression and gender injustice create economic inequality and are also perpetuated by that inequality. As Chuck Matthei and the other founders of Equity Trust observed 30 years ago, unequal access to land, and a history of land theft and exclusion, plays a particularly large role in creating and maintaining that inequality.

This is why Equity Trust advocates for an approach to land tenure that prioritizes the common good rather than private ownership, balancing individual and community needs, and considering future as well as present users. These ideas are learned from, and deeply embedded in, many traditional and indigenous cultures, but they have been largely lost or ignored by the dominant culture. So we celebrate each step in a different direction, like the new vision for our Southeastern Connecticut Fund for Land Equity and the other work described in this report.

As Equity Trust approaches our 30th anniversary, we are deeply grateful for all our lenders and donors who responded so generously to address the unequal impacts of the pandemic, and to all who have supported our work and mission for three decades.

Jim Oldham, Executive Director

Front cover photos: Riquezas del Campo cooperative farm, MA (© Erin Long Photography) and Albert Lansing Jr., Lansing Farm, NY.

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Equity Trust, Inc.

Staff: Jim Oldham, Executive Director, Johanna Rosen, Project Manager, Rob Crowner, Loan Fund Manager

Board of Directors:
- Scott Reed, President
- Jody Bolluyt, Vice President
- Madeline Miller, Clerk
- Dan Rosenberg, Treasurer
- Michael Wallace
- Russ Fox

Loan Fund Committee:
- Darrin Vander Plas
- Madeline Miller
- Matt Schwartz
- Rachana Crowley
- Scott Reed

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413-256-6161 www.equitytrust.org

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Pandemic Response

Equity Trust Fund navigates pandemic with help from lenders and donors

In the early weeks of social distancing and the economic slowdown, we weren’t sure how our borrowers’ ability to keep up with loan payments would be affected. Because the loan fund is primarily comprised of loans to us from people who support our mission and are willing to make funds they’re not currently using available to those who don’t have such ready cash on hand, we can’t afford to simply forgive loans that don’t get repaid – we eventually have to repay our lenders! We can be flexible, though, in making accommodations for borrowers who need extra time or creative payment plans and were prepared to forbear principal payments for some months if our borrowers needed to take a break to adjust to the changed circumstances.

We had to find a way to let borrowers pause the payment of interest as well as principal, if necessary. However, the interest we collect from borrowers has two important purposes: It is used pay interest to those lenders who requested it when they made their loans to us, and it helps support our operating budget, supplementing the donations and grants we receive. We wouldn’t be able to go without that revenue indefinitely – and we had no idea how long the pandemic and its effects would last.

Testing the principle of the Fund being a community of people sharing resources so that no one falls behind, we made an appeal to Equity Trust Fund lenders and regular donors to Equity Trust, asking for help in riding out the storm. The response was very generous! A number of lenders agreed to reduce or even waive their annual interest for the year, saving
Community steps up in face of pandemic

that part of our expenses, and some donors made an extra contribution to keep things running smoothly. We are grateful for their willingness to allow us the flexibility we needed to support the innovative property ownership models we believe will be essential as we continue to adapt to our changing world.

Now a year out from the appeal, we can report that there were indeed a few borrowers who were grateful for the forbearance those contributions made it possible for us to offer. Happily, most of our borrowers managed to maintain their payments and a couple even thrived, seeing an uptick in demand for local produce that could be delivered directly to customers’ doors. With the pandemic (hopefully) winding down, we’ve ended up with a small surplus in our covid-related accounts, which we are pleased to be able to use to reduce the debt of a few of our economically disadvantaged borrowers who have been struggling even before last year.

Board Welcomes New Member

We were pleased to welcome Michael Wallace to the Equity Trust Board of Directors in early 2020. Michael is an attorney at Goulston & Storrs in Boston, where he works with clients on all facets of real estate law including land use, zoning, acquisitions and dispositions, financing, and leasing. Between graduate school and law school, he worked for four years as a guide leading hiking and cycling tours in Italy, which deepened his appreciation for sustainable agriculture. Even before joining the Board, Michael advised on projects as part of the Goulston & Storrs team, with former Board member David Abromowitz and other associates and directors, that has provided pro bono legal assistance to Equity Trust since our founding. We are grateful to have Michael bring his energy, ideas, and commitment to this new role.

Fund for Land Equity

New partnership creates new possibilities for loan fund

Equity Trust is pleased to announce a new partnership with the Southeastern Connecticut Community Land Trust (sectclt.org) and a new name and new direction for our revolving loan fund that serves New London County, CT.

Established in 2010 to provide a vehicle for local investment to support a sustainable, just, regional economy, the Francis Fund was formed and managed in partnership with Saint Francis House (sffrancishousenl.org) in New London. For many years, Saint Francis House (SFH) has led community conversations on public education and other vital issues and supported peace and justice initiatives including community gardens and alternatives to homelessness. During the period that SFH served as the local contact for borrowers and lenders of the fund and as an advisor to Equity Trust’s loan committee, the fund made fifteen loans totaling nearly $1.4 million.

In 2020, with the support of SFH and long-time lenders to the fund, Equity Trust entered into an agreement with the Southeastern Connecticut Community Land Trust, a former borrower from the fund and one of many grassroots organizations nurtured by SFH, to take on the mantle of local contact and advisor to Equity Trust beginning in 2021. Importantly, the agreement also makes financing available in support of the community land trust’s mission to acquire and hold land for the “development and stewardship of permanently affordable housing, land for food production, green space, and facilities for community organizations.” With the new partner and the new purpose, the fund also got a new name: the Southeastern Connecticut Fund for Land Equity (equitytrust.org/sect-fund/). We are excited that this partnership will continue our support for financially sustainable non-profit and for-profit organizations and projects that meet the needs of the community, create new opportunities, and restore the land to health, while prioritizing the permanent protection of land under the stewardship of the Southeastern Connecticut Community Land Trust.
Although Equity Trust’s Hudson Valley Farm Affordability Program officially ended in 2019, the multi-year timeline for farmland protection projects meant that throughout 2020 we continued work to complete the final farm protection projects launched under the program. Now we are pleased to share the results of the program we launched in eastern New York in late 2013.

First the direct impacts: The program has ensured that fourteen farms, totaling 2117 acres, will always be available to working farmers for an affordable price. These farms range in size from 20 to 444 acres, include dairies, pastured meat operations, diversified vegetable production, fruit farms, and more. Two farms were protected through a shared-equity ownership structure where the land is held permanently by a nonprofit and made available to a farmer under an affordable, long-term lease to a farmer who owns the infrastructure and the business on the land. The other farms were protected using conservation easements with provisions that ensure that upon sale the farms will go to working farmers for no more than their agricultural value. In preserving these working farms, the program also helped new farmers get on land, supported retiring farmers passing on their farms, prevented the sale and disappearance of much-loved farms, supported the financial stability and continuity of multi-generational farms, and helped sustain the agricultural economy of the Hudson Valley.

Our goal to introduce strategies for keeping farmland affordable and accessible, and to win buy-in from key regional partners, had equally satisfying outcomes. Located in six counties in the Hudson Valley, these affordable working farms will be stewarded by seven different conservation land trusts; the work to protect these farms engaged other partners as well, including several nonprofits that support farm businesses, social investor groups, and state and federal farm protection programs. Thanks in part to the examples provide through our program, shortly before our pilot project concluded, New York passed the Working Farm Protection Act, providing state funding towards affordability provisions in easements. Our land trust partners in the program’s final project were among the first to receive this funding, so we were able to see the impact of the legislation on the ground. With public funding in place, and established regional organizations familiar with and committed to using farm affordability tools, we expect their use to expand throughout the Hudson Valley and elsewhere in New York State.

A central piece of Equity Trust’s work is promoting the need for more equitable land access and strategies for achieving it. In 2020, we carried on remotely, sharing our work in virtual conferences and maintaining collaboration via video meetings. Some highlights included:

- In June, we presented on “The Agricultural Ground Lease: an alternative conservation tool” at the Land Trust Alliance’s virtual New York Land Conservation Conference. Other panelists included representatives from Columbia Land Conservancy, with whom we partnered to preserve their first ground leased farm, Thompson Finch Farm, in 2019, and Genesee Land Trust.

- In November, we presented a paper to the Emerging Research on Beginning Farmers and Ranchers Conference, hosted online by Farm Foundation and USDA’s Economic Research Service. The paper “Supporting land access and farm succession with resale restrictions: a case study from New York’s Hudson Valley,” presented as part a session on Land Access and Other Barriers to Entry, described the positive impact of over a dozen farm affordability projects that Equity Trust and partners implemented between 2014 and 2020.
Equity Trust Fund

Loan fund approaches $10 million in loans made

Equity Trust has provided financing for projects promoting alternative land tenure and other kinds of economic and social change since we were founded in 1991. Providing a mechanism for people to use their wealth to help others is a primary component of our mission. As we approach our 30th anniversary, we’re also coming up on a major milestone in terms of the total amount we’ve been able to loan. Here we take a look at how those funds have been used.

138 loans made / 205 loans received

**Loans by purpose of loan**

- Land Conservation
- Housing
- Community Benefits
- Agriculture
- Other
- Land Trust/CLT
- Nonprofit Organization
- CSA/Farmer
- Co-op

Loans in: $5,357,605
Loans out: $9,864,940

**Growth of the Equity Trust Fund**

- All funds
- Lender funds

Average size of loan: $71,400
Range: $2,000 to $307,000

**Loans by type of borrower**

- Co-op
- Land Trust/CLT
- CSA/Farmer
- Nonprofit Organization

**Average length of loan: 4.75 years**
Range: 3 months to 25 years

**Loans by type of loan**

- Acquisition
- Operating
- Refinancing
- Capital Improvement
- All funds
- Lender funds

Borrowers come from 22 states (so far) and 4 countries.
STATEMENT OF FINANCIAL POSITION on December 31, 2020
(with comparative totals for 2019)

ASSETS

Current assets:
- Cash and short term investments: 3,158,518 / 2,997,040
- Accrued interest receivable, net: 18,316 / 129,524
- Pledges receivable: 5,280 / 2,105
- Other receivables: 429 / 1,702
- Net loans receivable-current portion: 1,747,240 / 2,269,361
Total current assets: $4,929,782 / $5,399,732

Noncurrent assets:
- Net loans receivable-noncurrent portion: 788,012 / 697,070
- Donated and acquired real property: 397,342 / 397,342
Total noncurrent assets: $1,185,354 / $1,094,412

Total assets: $6,115,136 / $6,494,144

LIABILITIES AND NET ASSETS

Current liabilities:
- Accounts payable: 8,298 / 4,352
- Accrued interest payable: 119,475 / 97,976
- Advance funds received: 11,344 / 16,344
- Other current liabilities: 8,296 / 45,070
- Loans payable-current portion: 1,770,630 / 2,201,253
Total current liabilities: $1,918,042 / $2,364,994

Noncurrent liabilities:
- Loans payable-noncurrent portion: 2,669,821 / 2,235,155
Total noncurrent liabilities: $2,669,821 / $2,235,155

Total liabilities: $4,587,864 / $4,600,148

Net assets:
- Unrestricted: 50,000 / 112,422
- Temporarily restricted: 1,477,272 / 1,781,574
Total net assets: $1,527,272 / $1,893,996

Total liabilities and net assets: $6,115,136 / $6,494,144

STATEMENT OF ACTIVITY For the year ended December 31, 2020
(with comparative totals for 2019)

REVENUES and OTHER SUPPORT

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<th>W/out donor restriction</th>
<th>With donor restriction</th>
<th>Total</th>
<th>Total</th>
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<td>229,045</td>
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<tr>
<td>Total revenues and</td>
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<td>$415,349</td>
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<tr>
<td>other support</td>
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</table>

EXPENSES

Programs:
- Farms for Farmers: 346,858 / 0 / 346,858 / 1,087,167
- Equity Trust Fund: 344,343 / 0 / 344,343 / 117,372
- Land Stewardship: 56,837 / 0 / 56,837 / 40,580
Total programs: $748,038 / $0 / $748,038 / $1,245,118

Mgmt. and general: 30,762 / 0 / 30,762 / 30,133
Fundraising: 3,273 / 0 / 3,273 / 5,009
Total expenses: $782,073 / $0 / $782,073 / $1,280,260

Change in net assets: ($62,422) / ($304,302) / ($366,724) / ($772,330)
Net assets - beginning of year: $112,422 / $1,781,574 / $1,893,996 / $2,666,326
Net assets - end of year: $50,000 / $1,477,272 / $1,527,272 / $1,893,996