

EQUITY TRUST NEWS

December 2017

The first loan we ever made was repaid this year!

This fall the very first loan that the Equity Trust Fund ever made was repaid, a milestone event that prompts a retrospection of other loans with interesting stories that have recently been repaid.

That first loan was to **Assisi House**, a Washington, DC intentional community founded in 1986 and inspired by the Central American solidarity movement, Catholic efforts for nuclear disarmament, and simple living. In 1992, they approached Equity Trust for a loan to purchase a house to provide hospitality for Central American refugees. This loan was made possible by one of the very first lender loans the Fund received, from a New York City-based religious order, and was a model for Equity Trust's mission to provide a mechanism for people of wealth to contribute meaningfully to economic and social justice.



Caterpillar Hill, ME



Co-op Power solar panels at Brattleboro Food Co-op, VT

Other loans repaid this year include one to the **Caterpillar Hill Initiative**, made to preserve a scenic Maine landscape and provide a place for a nonprofit arts collective to establish a center. That effort didn't pan out, but with the cooperation of the borrowers and another mortgage lender, we shifted gears and facilitated the land's acquisition by the local land trust, thereby preserving the land and ensuring public access. The proceeds of the sale repaid our loan.

Co-op Power is a member-owned business focused on providing a variety of local energy solutions in Massachusetts and Vermont. We made a loan so that they could install a solar array on the Brattleboro Food Co-op in Vermont. That loan was also repaid this fall, and now ownership of the solar array will be transferred to the community-owned grocery, which will benefit from

lower energy costs.

Last year at this time, the **Coalition for Occupied Homes in Foreclosure**, a Boston nonprofit that works to counteract threats to at-risk low-income housing, repaid a loan they received to purchase and rehab several apartment buildings that will be turned into a community land trust.

And two years ago at this time, the **White Earth Land Recovery Project** repaid a loan that enabled Ojibwe people to reclaim stewardship of ancestral lands, where they provide a variety of community services.

We're proud to have taken a chance on these and other projects that have sought to balance the needs of individuals with the needs of the community, the earth, and future generations, and we're grateful for the opportunity to work with these groups – an opportunity made possible by lenders to the Equity Trust Fund.



White Earth Land Recovery Project, MN

Farms grow with new loans

Equity Trust Fund

Simple Gifts Farm adds a farmstand

Simple Gifts Farm has a long-term, affordable ground lease on land protected from development by the nonprofit North Amherst Community Farm in Western Massachusetts. Simple Gifts Farm owns the buildings on the land, giving the farmers both land security and the ability to build equity. Equity Trust has been involved at many points along the way as this farmer-community relationship has evolved, most recently helping negotiate the terms of the lease and the transfer of equity in the farm's infrastructure from the nonprofit to the farmers.

Concurrently, responding to a changing market, Simple Gifts decided to augment its CSA business with a farmstand at which they offer their own and other local producers' goods. While they waited for USDA construction financing to be approved, we made a loan to help cover operating expenses during the transition. The farmstand enables a sizeable low-income and university student community easy walking access to organic farm-fresh produce on a retail basis (in addition to the opportunity to purchase CSA shares) and increases the farmers' ownership interest in the farm.

The farm is well integrated into the community, with pedestrian access on the farm roads, an annual harvest celebration, and a new very-low-income-affordable duplex rising on a building lot carved out of an unused corner in a partnership with the Amherst Community Land Trust and Pioneer Valley Habitat for Humanity.

Supporting the success of the first farmers on a ground lease farm like this goes a long way to ensuring that people believe that the large investment of time and resources that go into creating these farms is worth it.



Simple Gifts Farm, MA

Pie Ranch farmers build a house

Pie Ranch is a nonprofit organic farm south of the San Francisco Bay Area that works to promote food justice through education, farmer training, and regional partnerships. It is among the first farms in the country to achieve Food Justice Certification, recognizing the farm's commitment to fair labor practices including farm workers' right to collective bargaining, fair wages and benefits, and workplace health and safety, among other standards.



A number of years ago we made a loan to *Pie Ranch, CA* help the farmer-directors secure their land while they worked on a conservation easement that not only protects the land from development but requires active organic agriculture in perpetuity, an approach the local land trust, Peninsula Open Space Trust, had not previously taken. This accomplishment owes a lot to the efforts and persistence of the farmers in direct, independent communications with the land trust, as well as to Equity Trust's ongoing work to raise the visibility of the affordability problem and promote solutions, including through trainings and outreach conducted in California with the National Young Farmers Coalition.

With the land secure and the easement in place, this year we made a loan to enable the farmers to build a residence on the property, a key feature in making a farm accessible and affordable to another farmer. The home will be restricted to "farm labor housing" use, which may include farm workers or the farm owners as long as they are involved in farm operations.

Although the easement itself does not include any formal resale price restriction, the combination of farm labor housing and an affirmative farming easement should significantly reduce pressure from real estate speculators and thereby help keep the property more affordable for future farmer-buyers.

Completing a Promise

Property Stewardship

Twenty years ago, a group of residents in a small brick building in downtown Turners Falls, Massachusetts contacted Equity Trust for help. The residents were concerned because the building where they lived, home to two families and a nonprofit teen center, was on the market. Concerned that it would be sold to an investor



Montague Reporter storefront in Turners Falls, MA

who would have different plans for the site, the group wished to create a plan for cooperative purchase by the residents themselves.

Equity Trust worked with the group to explore their options. In 1998, Equity Trust agreed to purchase the building on a temporary basis, to give the group time to develop a strategy for cooperative purchase. One thing and another happened, as it often does, and six years later, the residents had not yet been able to purchase the building. At the time, Equity Trust was based on a farm in Connecticut and undergoing a difficult transition in the wake of the death of our founder Chuck Matthei. Meanwhile the teen center was relocating to a larger space nearby, leaving the first floor vacant. Equity Trust made the decision to pull up roots from Connecticut, and move to Massachusetts, where we would occupy that first floor.

For the next eight years, Equity Trust operated out of that space, sharing for years with another nonprofit, Field to Table. During that time we were happy to own the building. Eventually though, we chose to relocate our offices to Amherst, MA, to shorten the staff's travel time. This made room for two more local nonprofits,

the Center for New Americans and the Montague Reporter, to move into the first floor commercial space, which they have been sharing ever since.

We are excited to announce that the original vision from the late 1990s has been revived, and a new resident-driven plan to purchase the building is now in the final stages of implementation. A group comprised of the editor of the Montague Reporter, and residents of both the second and third floor apartments, as well as a local general contractor, have formed an LLC to hold the building, and have been soliciting loans for acquisition from family and socially-motivated individual investors. The LLC's mission is to purchase, maintain, and administer the property as affordable nonprofit workspace and affordable housing. The group's intention is for those living and working in the building to invest in the building together, and to manage it collaboratively.

To make the property affordable to this group, and to future residents, Equity Trust will place an affordability restriction on it at time of sale, limiting future resale of the building to 80% of appraised value. The restriction will also limit residential rents to fair market value, and commercial rents to below-market value to encourage continued use by nonprofits. We will retain a first option to purchase the building, affording us the opportunity to facilitate transfer to new mission-friendly buyers if the LLC ever chooses to sell. We will also support this resident purchase by providing a low-interest loan for part of the acquisition cost. This transfer will free up Equity Trust staff time from building management that we can now put towards new projects. As we go to press, we have just signed a purchase and sales agreement, and our hope is that they will be able to close on the purchase before the end of the year.



Equity Trust has been stewarding the brick building on the right..

Innovation requires groundwork

Farms for Farmers

It is always rewarding to announce the permanent protection of a farm, but much of our time is spent contributing to projects that take a long time to complete, and on education and assistance that doesn't lead to immediate results. The frequent inquiries we receive shows how great is the need for our work. We hear from



Light Root Community Farm, CO

farmers struggling to find affordable farmland and families seeking creative solutions to keep their land in farming. This year, we have been contracted to provide technical assistance to farmers interested in using the ground lease model in Colorado and Pennsylvania, as well as here in Massachusetts, all of whom are interested in accessing affordable farms by sharing ownership with a nonprofit under a long-term ground lease.

Word has spread farmer-to-farmer about our technical assistance, and farmers are asking us to help them educate and inform land trusts, funders, and others who can support affordable, secure land tenure. Just as support from the NoVo Foundation opened up new opportunities to preserve working farms in the Hudson Valley, we hope that funders in other regions will enable programs and projects that will serve as models and catalysts for the preservation of more working farms.

We continue to partner with the National Young Farmers Coalition to lead workshops for land trusts, including this year in North Carolina and Oregon. When we help land trusts prepare to take on innovative projects, we are

ensuring that more organizations are available to support farmers in securing affordable land access. The lack of appropriate partners is just one of a number of challenges farmers face, along with the high price of land, the lack of state land protection programs in certain states, and conservation programs that are not easily compatible with affordability tools. While we collaborate with other organizations to provide input on federal and state policy change, we focus most of our efforts on working directly with land trusts and other service providers to help them understand the need, and the strategies, for promoting land access and affordability.

We share information and engage with allies in a range of ways, from attending and presenting at conferences to participating in regional collaborations. In May, Project Manager Rebecca Fletcher gave a presentation for attorneys at a Farm Succession Advisors Training in New Hampshire. In June, Director Jim Oldham and Program Associate Johanna Rosen attended and each presented at "Changing Lands, Changing Hands," a national conference on farm and ranch access, tenure, and transfer in Denver. Both these events were hosted by Land For Good as part of its Land Access Project, a multi-year, USDA-funded effort to which Equity Trust contributes on land tenure innovations for urban and rural farms.

This ongoing work to increase awareness of tools that promote affordable and secure land tenure helps to set the stage for the successful implementation of future projects. So although it doesn't always deliver newsworthy results immediately, we continue to encourage exploration of innovative approaches to preserving farms for farmers through presentations, trainings, technical assistance, and informal education in response to the many inquiries we receive.



Windfall Farms, NY