Farmland Protection and Affordability Investment Program: FarmPAI

Kate Delavan, Farmland Preservation Coordinator
January 21, 2021 Conservation Commission Meeting
Background

• Concept in development phase for several years

• Ongoing discussion within Farmland Preservation Roundtable
  – Taskforce developed out of Roundtable in 2018

• Prior Commission action includes supporting capital budget request in 8/2018 to support program implementation (not funded)
Recommendation: Implement a cooperative program between SCC and the Washington State Housing Finance Commission to provide low-interest loan capital for practitioners to buy agricultural ground at high risk of conversion.
Program Need

Land costs and average age of farmer increase

Available acres of farmland decrease

Avg age = 58 years old

Irrigated cropland up 58% in $/acre 2002-2017

Lost 640,000 acres 2002-2017

5x as many producers over 65 than under 35 years old

70% of retiring farmers lack a successor
What are the existing tools?

Land Preservation
* Easements
* Fee simple

Succession and Transition Supports

Agricultural Viability Supports

Zoning and Land Use Policy
Fee simple $\rightarrow$ “Buy-Protect-Sell”

**Buy**: Conservation entity buys farmland at imminent risk

**Protect**: Land permanently protected through conservation easement

**Sell**: Land sold to farmer/rancher, providing tenure and land access for the next generation
Proposed Program

• Designed to fill a gap in existing tools

• Revolving loan program administered by State Housing Finance Commission

• Loan provides bridge funding to secure property while easement dollars are lined up

• Conservation easement removes development value, making it more affordable for farmer

• Conservation entity repays loan when property is sold to farmer

• Up to 10% of program funds could be used to finance purchase of Transfer of Development Rights

• Ranking criteria will align with existing conservation easement funding programs and the State’s Beginning Farmer and Rancher program

• Accredited land protection entities would be eligible
RCW 89.01.010

Directs Office of Farmland Preservation to:

• “develop model programs and tools, including innovative economic incentives for landowners, to retain agricultural land for agricultural production”

• “begin the development of a farm transition program to assist in the transition of farmland and related businesses from one generation to the next, aligning the farm transition program closely with the farmland preservation effort to assure complementary functions.”
Status

• Taskforce group developed draft program guidelines and criteria

• Seeking support from Conservation Commission communicated via letter from SCC’s Executive Director to the SHFC Executive Director

• Expected to be presented to State Housing Finance Commission this spring
Recommended Action

Staff recommend the Commission authorize by motion their support for the development of the FarmPAI program.

Draft Motion Language:

The Conservation Commission hereby formally supports the development of the FarmPAI program and requests the Commission Director to communicate this support to the State Housing Finance Commission.
Contact:

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