

Farmland Protection and Affordability Investment Program: FarmPAI



Washington State
**Conservation
Commission**

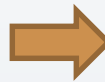
Kate Delavan, Farmland Preservation Coordinator
January 21, 2021 Conservation Commission Meeting

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)

Food Policy Forum Letter

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.



Washington State Food Policy Forum

December 2, 2020

Board of Commissioners
Washington State Conservation Commission
PO Box 47721
Olympia, WA
98504-7721

Board of Commissioners
Washington State Housing Finance Commission
1000 Second Avenue, Suite 2700
Seattle, WA 98104

Dear Commissioners,

As members of the Washington State Food Policy Forum and food system practitioners, we are writing to draw your attention to a recommendation that was included in the "Early Implementation Action Report," we released in August 2020. The "Early Implementation Action Report" was the result of months of discussions after the Forum was convened to help address recovery of our food system in the face of COVID-19.

As you know well, COVID-19 has wreaked havoc on our economies and communities, resulting in new challenges for farmers of all scales, shifting consumer preferences, and market constraints. Taken at once, these factors threaten the viability of our agricultural economy and the security of our agricultural land base. It was in part this threat to Washington's farmland – undeniably a cornerstone of our food system – that the Food Policy Forum sought to address in our "Early Implementation Action Report." The recommendation in question is as follows:

Implement a cooperative program between Washington State Conservation Commission and the Washington State Housing Finance Commission to provide low interest loan capital for practitioners to buy agricultural ground at high risk of conversion. In periods of economic uncertainty such as caused by COVID-19, agricultural land with significant development potential is more likely to be placed on the open market on short notice. By providing non-profits or other entities the loan funds to secure these important properties, this land can ultimately be protected with a conservation easement before being sold to low-income or new and beginning farmers through alternative financing models. The framework and transactional details of such a revolving loan program have been developed by key stakeholders and are ready for rapid implementation with additional agency collaboration. (Early Implementation Action Report, August 5, 2020, pg. 25)

Food Policy Appointed Forum Members

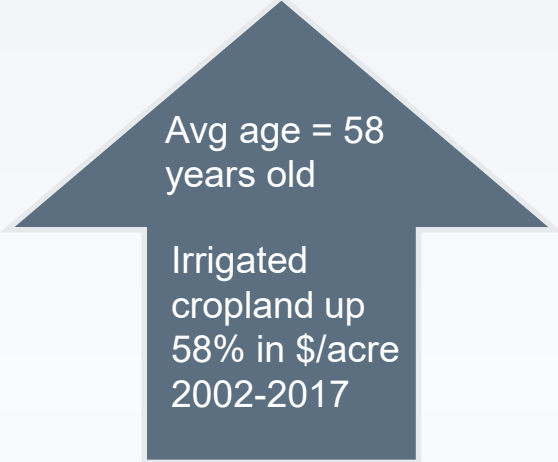
Card Smith, Executive Director
State Conservation Commission
Derek Sandison, Director
Department of Agriculture
Elizabeth Stagg, WA Young Farmers Coalition
Kiddie Condit, American Farmland Trust
Olana Carlen, WA Association of Wheat Growers
PJ Caskey, Charlie's Produce
Richard Conlin, Puget Sound Regional Council
Tim Crosby, Cascadia Foodshed Financing Project
Aaron Czyniewski, Food Lifeline
Tom Datto, WA State Farm Bureau
Kate DeWahl, WA Office of Farmland Preservation
Shane Dempster, Clark County Food System Council
John DeWaters, WA Tree Fruit Association
Colleen Donovan, WA State Farmers Market Association
Lanessa Elk, Office of Superintendent of Public Instruction
Chris Elden, Whatcom County
Amy Elling, WA Department of Health
Mary Emberton, King Conservation District
Brian Ennis, LINC Foods
Mark Foxworth, Food Footprint
Chad Finger, Washington State University - C2AHR
Clara Lane, Anti-Hunger and Nutrition Coalition
Lara Lewis, WSU - Food Systems Program
Julian Meade, Thurston Economic Development Council
Amy Monroe Sills, PCC Farmland Trust
Linda Northing, Snohomish County
Nick Norton, Washington Association of Land Trainers
Lara Raymond, Washington State Department of Agriculture
Isabella Reardon, WA Department of Social and Health Services
Tom Smith, WA State Office of Conservation Districts
Ron Smith, WA State Conservation Commission
Melissa Spear, 10th Alliance
Trish Twining, WA Food Coalition
Chris Veigh, Pucallio Commission
Nancy Warner, Initiative for Rural Innovation and Strengthening
Christina Wong, Northwest Harvest
Dan Wood, WA State Dairy Federation

Co-Op Members:
Mary Dye, Representative
Mia Gregerson, Representative
Dawn Tally, Senator
Judy Warwick, Senator

* Indicates that the Forum member chose to stand aside for the vote. A 'stand aside' does not count against consensus.

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Program Need



Avg age = 58
years old

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

Land costs and
average age of farmer
increase



Lost 640,000
acres 2002-
2017

Available acres of
farmland decrease

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 → “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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