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FORTERRA



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New Partnership Will Preserve Washington Farmland and Ensure Equitable Access for Farmers

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SEATTLE, WA – A new collaboration of state agencies and nonprofit conservation groups will let Washington’s land trusts move quickly to permanently protect critical farmland from development—while ensuring long-term access to affordable land for beginning and disadvantaged farmers.

The Farmland Protection and Affordability Investment program (FarmPAI) was officially launched with an investment of \$7 million approved by the Washington State Housing Finance Commission board in August. Financing is expected to be available starting in January 2022.

“We are thrilled that a three-year collaboration of multiple partners has come to fruition with this program,” said Housing Finance Commission Chair Bill Rumpf. “While our core business is housing, we have also long been committed to preserving land for the public good. This program does that while also building family wealth over generations for those who have been historically left out.”

The Housing Finance Commission (WSHFC) and Washington State Conservation Commission (WSCC) worked with Washington Association of Land Trusts, Washington Farmland Trust, American Farmland Trust, Forterra, and Northwest Farm Credit Services to design and launch the new program.

Farmland Protection

Despite strong land-use planning, Washington State continues to lose farmland to development—nearly 100,000 acres between 2001 and 2016. Over 50% of the land lost was considered the state’s best quality farmland. (Data from American Farmland Trust’s *Farms Under Threat: The State of the States.*)

Washington’s 30-plus local land trusts have permanently protected more than 22,000 acres of farmland. Yet land trusts face significant challenges in this work. Most rely on public grant funding, which typically only funds easements, not the purchase of land itself, and involves long and complex application cycles. It can take two to six years to protect a single farm.

FarmPAI addresses this challenge by allowing land trusts to quickly access financing, so they can respond when the “for sale” goes up on an important piece of farmland and then repay their loans over time using slower funding options.

Equitable Access for Farmers

The program also creates a direct path to land ownership for families and individuals, who can apply to the program for help purchasing a specific piece of land. After vetting, one of the land trusts would

purchase the land; the farmer then would have time to assemble financing to purchase the land from the trust. That financing might include a loan from the Commission's existing Beginning Farmer/Rancher loan program.

FarmPAI thus ensures that the farmland stays farmland indefinitely through the trust, while families build wealth and can pass their farms down to future generations. The program has an explicit commitment to equitable access for would-be farmers who are Black, indigenous and people of color (BIPOC).

"As the cost of farmland continues to skyrocket, the next generation of farmers face a crisis of land affordability and financing barriers as they try to navigate a future in agriculture," said Hilary Aten, Associate Director of Washington Farmland Trust. "These barriers are only exacerbated for BIPOC farmers who have faced a long history of dispossession and discrimination in land tenure."

A New Financing Tool

Farm PAI takes advantage of the Commission's unique discretionary spending authority and expertise in providing revolving loan funds that can't be offered by other government programs and land trusts – and that offer much lower interest rates and better terms than any market-rate bridge lender. FarmPAI is modeled after the Commission's highly successful Land Acquisition Program, which allows nonprofit housing developers to buy land now for later development of affordable housing.

Carol Smith, Executive Director of the Washington State Conservation Commission, applauds the program. "As a new tool in our toolbox, FarmPAI will allow conservation groups to step in and acquire priority farmland and provide an opportunity for land to be offered back to farmers at its agricultural value," she said. "Land affordability is a critical issue for the next generation of Washington farmers. FarmPAI has the potential to be a great option for partners and farmers in our state."

Creation of the FarmPAI program was one of 59 actions recommended by the Washington State Food Policy Forum in its 2020 "Early Implementation Action Report" to the legislature. The Food Policy Forum was created by the legislature in 2016 and convenes a broad group of food security and agricultural stakeholders.

According to Nick Norton, Executive Director of the Washington Association of Land Trusts, "FarmPAI shows what is possible when agencies and nonprofits come together at the table to look clearly at overlapping problems and commit to creative solutions.

"This program will provide the fast, flexible, affordable capital that land trusts need to protect a productive land base, while centering on the importance of equitable land access in a just and resilient food system," he added.

An initial funding application cycle is expected to open in December 2021. More information about FarmPAI and other programs at WSHFC can be found here: <http://www.wshfc.org/farmranch/>.

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The [Washington State Housing Finance Commission](#) is a publicly accountable, self-supporting team that brings private investment dollars to benefit families and achieve public goals throughout Washington.

