

# California Agricultural Land Equity Task Force Grants and Resources Subcommittee Meeting Summary: September 18, 2024

DRAFT until approved at subsequent meeting

## Meeting Called to Order

Facilitator Wylie started the meeting at 1:33 p.m.

## Welcome and Housekeeping

Facilitator Wylie provided housekeeping information for all meeting participants. Slides and materials presented during the meeting are available on the Strategic Growth Council ([SGC](#)) [website](#).

## Roll Call

Members present:

- James Nakahara
- Liya Schwartzman
- Doria Robinson

Members absent:

- Thea Rittenhouse
- Irene de Barraicua

Quorum was established.

## Staff Update

Staff provided an update on survey development. All Task Force Members received an email with the draft survey tool. Members can provide feedback to staff over email for compilation. Staff indicated the survey is a community outreach and engagement tool and will likely be open for response from October/November through January 2025. Staff hope it will enable the Task Force to reach people that speak different languages and that might otherwise not be reached by the work of the Task Force. Staff highlighted a survey question which asks respondents whether they have received a grant or financial support and, if so, if they would be willing to participate in an interview. Subcommittee Members asked how

the Task Force could reach individuals who applied for funding but were denied. They expressed interest in interviewing those who were not granted funding and suggested that the survey be modified to help achieve this goal.

Staff requested written feedback on the draft survey tool by September 30. This will allow time for revisions, as needed, in advance of the October 7 Community Outreach Subcommittee meeting.

## **Guest Presentation**

Facilitator Wylie introduced guest speaker David Mancera of The Cultiva. Mancera provided a case study on Rancho Corralitos, a 177-acre ranch outside of Watsonville. The property was purchased for over \$11 million and is proposed for transfer to Latino-immigrant-farmers in the Salinas region for approximately \$8 million. The organization worked with a "friendly" seller, and the property was never listed on the market, which streamlined the effort and reduced competition. Mancera discussed the approximately \$11.5 million in capital stacking used to finance the project, highlighting the numerous financial contributors. The process to acquire funds took approximately six months and included a combination of grants, equity and loans. Dirt Capital Partners was able to obtain a back up loan as their scale allows them to work with traditional lenders less accessible to small scale farmers. As Kitchen Table Advisors could not hold the land, it was determined that the People's Land Fund should become a nonprofit and form an LLC to hold the property. Members sought clarification on this structure, and Mancera outlined the advantages of having nonprofits and LLCs hold land, including access to grant funding and program-related investments.

Members inquired about the meaning of equity in the context of this project and how the farmers benefitting from it will gain access to land. Mancera explained that the goal is to sell the land to the farmers who cultivate it. He noted that a master lease was in place until 2028, but Cultiva successfully negotiated with the landowners to allow farmers to begin working the land earlier. The specifics of how the land will be sold have not yet been determined.

He described the region's limited access to quality land, mismatched parcel sizes, and challenges related to affordability, language, and cultural barriers.

Members asked Mancera for his recommendations related to improving land access for small farmers, and he shared a number of ideas:

- Create a fund for low interest loan capital responsive to the challenges with Farmer Services Agency loans,

- Continue with ongoing funding for technical assistance that supports farmers through their land access journey,
- State incentives for landowners looking to sell to beginning farmers,
- Increase funding for agricultural conservation easements,
- Establish a state fund to assist with land purchases, which could include down payment support or cover a certain percentage of acquisition costs,
- Increase the availability of legal support available

Members asked Mancera what changes he would have made to improve the project's execution. He stressed that identifying the right partners and securing legal support early on were crucial and would have been valuable to establish sooner. He expressed a desire to have had more assistance throughout the project, as time is of the essence in such situations. Members noted the need for both adequate support for unexpected land acquisition opportunities and for farmers that are planning to sell their land in the mid- to long-term future.

Members again highlighted the collaborative ecosystem of organizations that made this project possible, emphasizing that creative strategies require collective effort. They inquired about how to scale this type of land acquisition and suggested that the Task Force explore ways to support small farmers in land acquisition efforts. Mancera noted that this work is place-based and requires regional relationships and local support to ensure project success.

A member requested an asset map to identify the types of support required for such projects. Mancera responded that existing organizations may already have similar resources. Staff will evaluate the organizations Mancera mentioned and outline an asset map as requested.

Members highlighted the importance of TA support, aligning institutional stakeholders, and establishing incentives as other key takeaways. They indicated a desire to develop an effective incentives structure and suggested creating a working group to examine successful models from other states. Additionally, they recommended reviewing the United States Department of Agriculture (USDA) Beginning Farmer Advisory Committee for further insights and recommendations.

Members suggested creating a state-level fund to offer low-interest loans for land purchases accommodating both individual and collective buying approaches. Staff asked about mechanisms for reducing purchase prices. Mancera said that grant funding and improved cash flow have helped lower land costs.

Members asked about the effectiveness of existing grants and potential improvements. Mancera identified market access grants as the most effective, especially when integrated into farmers' business plans. He highlighted the value of relief grants and emphasized the importance of market infrastructure, including equipment purchases. He mentioned value-added producer grants at the state level and funding to explore other sales channels can also be beneficial. However, Members noted many existing grants have stipulations that might hinder farmers from accessing grants.

When asked for feedback on land access programs, Mancera noted that many programs support farmers indirectly through service organizations such as resource conservation districts (RCDs), rather than directly funding the farmers. A member said that ideally, funding and resources should be directed to the farmers themselves. Members concurred with the observation that many programs work through third parties while acknowledging that Mancera's case study illustrates the need for a collaborative team to support creative land acquisition due to the complexity and expense.

Mancera and Members discussed how grant programs are often inaccessible for various reasons and successful and accessible programs should be scaled up. Mancera suggested a collective group of farmers should be able to access low-cost capital to acquire larger parcels, for example. Another member noted there are various structures for land acquisition, and this case study represents just one possible approach.

## **Public Comment**

- None

## **Work Planning**

Staff gave additional updates on the Subcommittees' research requests. Research is being done on state-level tax incentives for land transfer to beginning farmers outside of California. Regarding the grant program analysis, staff have selected 12 grants for further analysis. This research could contribute to the asset-mapping request. They outlined the methodology which includes reviewing existing public information, requesting applicant and awardee data, and conducting interviews. Additional metrics for evaluating these grant programs will include the application phase, eligibility criteria, and outcomes.

In response to the research request on programs that support Land Back, staff plan to evaluate successful case studies of Land Back projects and outline associated tribal consultation practices.

The draft Work Plan was shared. Staff propose the Subcommittee focus on three main topics: financing, tax law and incentives, and grant program outcomes. Staff noted the

formation of working groups of one or two members aligning with these three topics may best advance the Subcommittee's work. Members indicated support for this approach and indicated the working groups they are interested to join. Individual correspondence between Members and staff will help determine the composition and format of the working groups. Staff clarified that individuals can also work independently and bring their ideas to a Subcommittee discussion. Ideally, initial recommendation concepts from each Subcommittee can be presented and discussed during the February 2025 full Task Force meeting.

Members agreed it is time to start formulating recommendations and suggested inviting a tax law specialist to discuss applicable programs from other states as examples for California to an upcoming meeting. Staff invited Members to submit suggestions for guest speakers via email.

A member put forward an idea that the Task Force's final report include various hypothetical scenarios to illustrate the diverse challenges people may face in accessing land.

The Subcommittee plans to reconvene the last week of October or early in November to exchange updates from working group efforts and develop a plan for the Subcommittee's report to the full Task Force at the November 13-14 meeting.

## **Public Comment**

- None

Facilitator Wylie highlighted upcoming Task Force meetings. The meeting ended at 3:27 p.m.