

Language for Goal 3 Subcommittee Review

3. Equitable Land Transition and Acquisition

Millions of acres of farmland are expected to change hands between owners over the next 15 years.⁵⁶ Without a clear vision and plan for ensuring fair opportunities for priority producers and land stewards, it is likely that this land transition will worsen existing inequalities, with powerful landholders further consolidating land ownership.

In California, several factors make it difficult for priority producers and land stewards to access agricultural land. Ninety-six percent of California farmland is privately owned and largely consolidated among a few large-scale landholders. Land consolidation continues to accelerate,⁵⁷ and the cost of farmland increased to an average of \$12,000 per acre in 2022, a 10.1% increase from the year before.⁵⁸ On top of the financial barriers, technical and legal knowledge is often required to successfully navigate the process of purchasing or gaining access to farmland.

Priority producers and land stewards face many barriers to accessing existing funding for land acquisition, including but not limited to, discrimination in obtaining agricultural credit; weaker credit histories due to operating smaller, lower-revenue farms; slow processes and limited flexibility related to spending capital; language barriers and a lack of cultural humility in existing grant and loan programs; and a lack of service providers and experts who can effectively serve priority producers and land stewards.

Centuries of discrimination have taken both land and generational wealth from priority producers and land stewards. It is the responsibility of the State to offer a combination of funding options—identified below— and wrap-around support such as technical assistance to rebuild the wealth that was stolen.

3.1 Establish new funding programs that are designed to serve priority producers and land stewards

a) Grants

- i) Establish and fund through continuous appropriation a new Generational Land Transition Grant Fund to ensure availability of farmland for the next generation of priority producers and land stewards.
 - 1) Fund land acquisition and related costs, such as identifying viable land and legal fees.
 - 2) Allow a third party to hold the land if needed until the recipient is ready for the land transition to occur.

- 3) Require at least 25% of funding be set aside for to support priority producers and land stewards.

b) Loans

- i) Create and fund a low-interest, forgivable, and/or reverse amortization loan program to support priority producers and land stewards with land acquisition.
- ii) Create a downpayment assistance loan program for first-time buyers to improve access to conventional loans and other available finance.
- iii) Establish debt forgiveness programs for priority producers and land stewards.
- iv) Administer loans through state-chartered credit institutions with agricultural knowledge.

c) Tax law and incentives

- i) Remove tax barriers to successful agricultural land succession by revising existing tax law to enable and encourage the transition of land during retiring producers' and land stewards' lifetimes.
- ii) Create an Aggie Bond program—a federal-state partnership that allows private lenders to receive tax-exempt interest on loans made to beginning farmers—to support fair financial institutions in reducing interest rates for priority producers and land stewards.
- iii) Establish tax benefits designed to support priority producers and land stewards whether or not they own land, e.g., tax relief on student loans, insurance, and infrastructure expenses.
- iv) Establish a state tax credit for landowners to rent and sell land to priority producers and land stewards.
 - 1) Provide additional incentives for selling or leasing at lower-than-market value leases of at least five years in length and leases with purchase options or rights of first refusal.
 - 2) Allow for both the landowner and tenant to receive the same tax benefit for a given plot of land.
- d) Establish a California producer pension fund to allow producers and land stewards to retire without needing to sell their land to the highest bidder.
- e) Increase resources and capacity-building support for agricultural cooperatives.

3.2 Continually evaluate and improve funding programs

- a) Create and maintain a centralized, evergreen resource hub that is available in different languages and lists available programs that fund land access and tenure.

- b) Implement recommendations from the California Department of Food and Agriculture's BIPOC (Black, Indigenous, and People of Color) and Small-Scale Producer Advisory Committees regarding application, eligibility, reporting requirements, and cost share requirements for conservation and land-based programs such as the State Water Efficiency & Enhancement Program (SWEET), Healthy Soils Program (HSP), California Farmland Conservancy Program (CFCP), etc.
 - i) Consult Tribal Nations before implementing these recommendations.
- c) Improve existing grant programs related to land access, stewardship, and tenure to be responsive to specific communities and needs by:
 - i) Administering funds using block grants.
 - ii) Ensuring eligible activities and grant terms are flexible and include a wide range of needs associated with land stewardship.
 - iii) Funding technical assistance.
 - iv) Removing the requirement for a waiver of sovereign immunity.
 - v) Requiring at least 25% of program funds be set aside to support priority producers and land stewards.
- d) Mandate standardized program evaluation metrics for land access programs and require annual interagency collaboration to review and address findings. Ensure this process does not create burdensome reporting requirements for priority producers and land stewards nor make it more difficult for community-based organizations to provide block grants and technical assistance. Develop tools to assist this process. Evaluation metrics may include:
 - i) Information about applicants, awardees, and final land stewards, including optional demographic questions.
 - ii) Geography.
 - iii) Acres impacted.
 - iv) Dollars invested.
 - v) Number of land stewards impacted.
 - vi) Length of lease (tenure variables).
- e) Improve existing needs assessment tools such as CalEnviroScreen to account for inefficiencies in census data, especially in agricultural regions, to ensure fair and representative access to funding.⁵⁹

3.3 Develop first opportunity to purchase ordinances

Fund a coalition of local and regional organizations to develop culturally and regionally informed first opportunity to purchase ordinances for adoption by local governments.

- a) The coalition should develop model ordinances through statewide outreach and engagement with Tribal Nations, local governments, and priority producers and land stewards.

- b) California Tribal Nations should be provided with a first right of refusal to acquire their ancestral lands. If a Tribal Nation does not acquire the land, other priority producers and land stewards should be prioritized for the acquisition of the land.

3.4 Support tailored technical assistance and capacity building

- a) Increase grant program access through technical assistance.
 - i) Ensure language access and technology assistance are a core component of all technical assistance and capacity-building programs during both the application and award periods.
 - ii) Advance the statutory obligations established in AB 2377 (Irwin, Agriculture: Cannella Environmental Farming Act of 1995: technical assistance grant program) by establishing a separate, continuous funding source and increasing the amount allocated to CDFA to support technical assistance for all its grant programs.
 - iii) Enact legislation modeled on AB 2377 to require other agencies and departments to fund technical assistance to increase grant program access.
- b) Establish and fund regional cohorts of technical assistance providers focused on land access for priority producers and land stewards in more effective, thorough, and equitable ways.
 - i) Support should be offered in diverse languages and on a regional scale, and include land-linking services, advice on land access and acquisition, and guidance on securing fair purchase and lease agreements.
- c) Provide legal technical assistance to priority producers and land stewards navigating deeds, titles, water rights, and trusts, helping them maintain secure tenure on the land.

3.5 Establish and Fund a Land Market Monitoring Department

- a) The Land Market Monitoring Department should monitor agricultural land market trends and manage a public database on agricultural land ownership, lease rates, and demographic trends. The data collected should be analyzed and shared publicly.
- b) The Land Market Monitoring Department should provide land-linking services to assist priority producers and land stewards in connecting with existing landowners to support purchase opportunities.
 - i) Improve and maintain land listing portals and add available properties in all regions across the state on an ongoing basis.

- ii) Offer capacity building for regional land-linking staff to partner with counties and local governments.
 - iii) Support both parties with the development of secure agreements that include a pathway to ownership, including the option and support for seller financing.
 - iv) Make publicly available information from county assessors' offices.
- c) The Land Market Monitoring Department should be a joint effort between CDFA, Department of Conservation, and the Tribal Lands Return Commission (see Goal 1) to ensure cross-agency collaboration on Tribal and agricultural lands. Tribal Nations should be consulted during the establishment of the Department.
- d) The Land Market Monitoring Department should collaborate with organizations that already monitor the agricultural land market and leverage technology to advance its work.