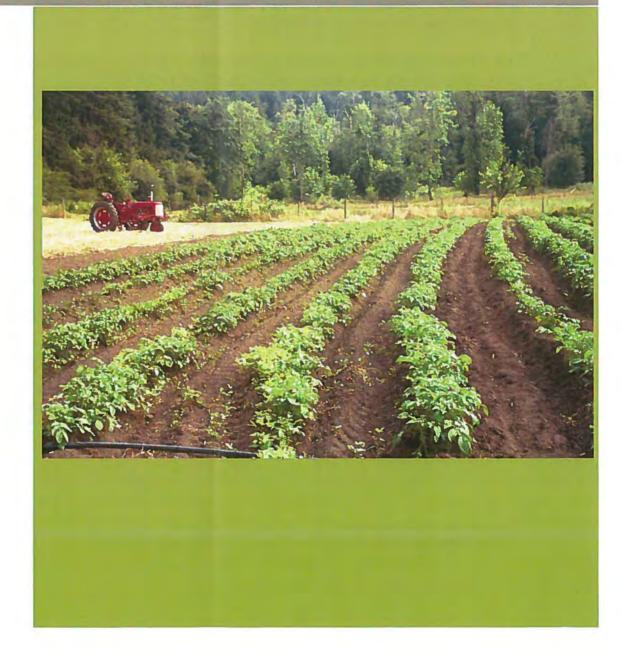


## August 2015

# **Findings Report**

Exploring Farm and Food Lands Access in the CRD: A Local Government Farmland Trust Approach



# Acknowledgements

This report is brought to you by CRFAIR, the Capital Region Food and Agriculture Initiatives Roundtable. CRFAIR, is a collaborative initiative of food and farm organizations formed in 1997. CRFAIR's mission is to mobilize and connect efforts to develop a healthy and sustainable food system in the Capital Region. Our work is focused on aligning efforts for collective impact in the areas of food literacy, food access and the local food economy.

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This report is supported by preceding discussion papers and community dialogues done by CRFAIR. The following reports are available on CRFAIR's website<sup>1</sup>:

- 1. Policy Discussion Paper One: Role of Local Government in Farmland and Farm Viability
- 2. Policy Discussion Paper Two: Regional Farmland Conservation and Access Program
- 3. Policy Discussion Paper Three: Agriculture Parks Model for the CRD
- 4. Policy Discussion Paper Four: Farm Incubators Growing Access to Land and Mentorship for New Farmers in the CRD

This initiative and report was made possible by funding from the Real Estate Foundation of British Columbia, Vancity, and the District of North Saanich.



The following report addresses land management and access on the Saanich Peninsula. We acknowledge that the Saanich Peninsula and current agricultural lands on the Peninsula are the traditional territory of the Saanich Peoples (Tsawout, Tsartlip, Pacquachin, Tseycum, and Malahat First Nations).

<sup>&</sup>lt;sup>1</sup> CRFAIR Policy Discussion Papers available at <u>http://crfair.ca/resources/reports/</u>

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# **Executive Summary**

The Districts of Saanich and North Saanich and the Capital Regional District are considering frameworks for a farmland trust and acquisition fund. CRFAIR undertook research and a series of stakeholder consultations to gauge support for the approach, gather input, and to explore models and mechanisms available to local government to support the utilization of publicly owned lands for food growing and farming. This report contains a summary of what we heard. The project goal is to support dialogue and advance local government strategies to secure and support the productivity of farm and food lands today and into the future.

The key findings are enumerated below. The full report elaborates on these key findings and provides case studies illustrating the models and mechanisms presented for the implementation of a farmland trust and acquisition fund in practice.

- There is general support for a local government farmland trust policy direction: We
  received a positive response from a diversity of stakeholders to advancing a local
  government approach to a farmland trust and to the public financing of farmland
  acquisition and management.
- 2. A regional (CRD) approach to a farmland trust and acquisition fund was favoured over implementation at the municipal level. However, municipal leadership and support is critical to implementation. A phased approach in which the trust and acquisition fund is initiated within the municipality of Saanich and/or North Saanich and then expanded to incorporate other municipalities in the CRD is an option we heard support for.
- There was a preference for a trust and fund specific to farmland as opposed to an approach that would broaden an existing fund (e.g. parklands acquisition fund) to be inclusive of agricultural lands.
- 4. The acquisition of land can occur through a diversified strategy, including expanding food activities on already owned public lands, using policy tools such as community amenity contributions and density bonusing, and through the creation of a farm trust and acquisition fund to raise public revenue for the acquisition of key lands.
- 5. A strong diversified funding strategy is required. Potential means of raising public funds include cash-in-lieu amenity contributions, development cost charges, and property taxes. Local government funds can be used to leverage matching funds from other levels of government, the private sector, and the non-profit sector. Donations of land, public fundraising campaigns, and emerging financing models (e.g. community investment funds) should be considered in tandem.
- 6. Adopt a 'no net loss of farmland' approach. We clearly heard concern for utilizing any strategy that would encourage or support land coming out of the ALR. We strongly advise

against advancing any strategy founded on the removal of ALR lands in exchange for cash contributions to an agricultural fund.

- 7. A clear governance structure and development of strategic plan is a key to success. A governance structure and strategic direction for trust operations will need to be established, there must be built in oversight mechanisms with community representation and advisory for the fund expenditures, land acquisition, and management of land placed in trust.
- 8. Partnerships with non-governmental organizations for the management of farming and food activities (day-to-day land use) on the publicly held land was recommended.
- 9. Build on proven models: we heard of a diversity of local government models, tools, and mechanisms transferrable to a farmland trust. Two models that we heard particularly strong support for were the CRD's Parklands Acquisition Fund and the CRD's affordable housing strategy which is operationalized through the Regional Housing Trust Fund, Housing Secretariat and Capital Regional Housing Corporation. These models have established governance structures, legislative frameworks, financing and asset acquisition models that can be used to inform the development of a farmland trust and acquisition fund.
- 10. Trust mandate inclusive of diverse land uses/food activities desired: we heard support for a diversity of land uses including long term leases to commercial agricultural operations, non-commercial community food activities, training and incubator farm programs, and mixed use 'agricultural parks' that will meet a broad set of public services and community needs.
- 11. Explore partnerships with First Nations: the Saanich peninsula is the traditional territory of the Tsawout, Tsartlip, Pacquachin, Tseycum, and Malahat First Nations and it is essential that First Nations' government and community representatives be engaged to explore opportunities for ongoing partnership in the stewardship of food lands on the Saanich Peninsula.
- 12. Start with existing public lands to establish a trust framework and develop operations: Examine and build from existing public farmland models in the region (Newman Farm, Haliburton Farm, Welland Orchard). Develop land use of recently acquired public agricultural lands (Sandown Raceway Panama Flats). Identify existing public lands with potential for farming or food activities and develop models to bring these lands into production. Build from these initiatives to develop a unified framework for a local government farmland trust model which can then be expanded to future land acquisitions.
- Strike a joint government-key stakeholder task force to develop a strategic direction and to identify and initiate needed policies to establish a local government farmland trust and acquisition fund.

# 1. Introduction

The Districts of Saanich and North Saanich recently passed council motions to explore frameworks for a farmland trust and acquisition fund. This report presents findings from an initial exploration of options for implementing a local government (municipal or regional) farmland trust for the consideration of planning staff and council. At the regional level, the development of the Regional Growth Strategy (RGS) by the Capital Regional District (CRD) includes a policy directive to initiate a farmland trust in the region. CRFAIR undertook a research project to gather ideas, gauge support for this approach, and to explore models and mechanisms available to municipalities and/or the CRD to support the utilization of publicly owned lands for food growing and farming. This report contains a summary of what we heard. Our intention is to support dialogue and advance the work of local governments in the development of strategies to secure and support the productivity of farm and food lands today and into the future. There are a diversity of strategies available to local governments and this report focuses on the option to create a farmland trust.

Throughout the report we refer to a farmland trust, as per the language used in current council motions, however we would like to introduce the term "foodlands" and "foodlands trust" which emerged from dialogue with participants from the Working Group on Indigenous Food Sovereignty. The term foodlands trust aims to recognize the diversity of food growing and harvesting practices and to open a dialogue between farmland protection and access initiatives and Indigenous land rights in BC. We encourage consideration of a shift from 'farmland trust' to 'foodlands trust' to be inclusive of the wide range of approaches to food growing, harvesting and gathering, both commercial and non-commercial, that may be supported by a trust approach.

### 1.1 Why a Farmland Trust in the CRD?

Farming and food production are key contributors to local food availability, the regional economy, the retention of natural areas, the provision of ecosystem services, and to the rural culture of the Capital Regional District and the Saanich Peninsula. A 2014 survey of BC residents reported that 92% believe local food production and the reduction of dependency on food imports is very important. It was also found that respondents identified "food and farming" as the second most important land use in the province after "natural fresh water systems."<sup>2</sup> In a 2012 study of farmers markets across BC, it was reported that demand for locally grown food has grown dramatically over the past decade. The study found that provincial farmers markets

<sup>&</sup>lt;sup>2</sup> McAllister Opinion Research. (2014). BC Public Attitudes Toward Agriculture and Food 2014. http://www.refbc.com/sites/default/files/BC-Poll-Agriculture-and-Food-Detailed-Topline-Report-Aug-2014-PUBLIC\_0.pdf

sales in 2012 were 147% those of 2006, contributing over \$170 million in economic benefits.<sup>3</sup> In the CRD, the Moss Street Market has been operating for over 20 years and was estimated to have an economic benefit to the local economy of \$3.6 million annually and to draw on average 1,000 people per hour.<sup>4</sup> Demand for local food is on the rise and maintaining working agricultural lands in the region and province is a public priority.

The Agricultural Land Reserve (ALR) is an essential policy for the protection of farmland in British Columbia and local governments further contribute to the retention of farmland through zoning bylaws and planning tools. However, even with protective measures there is significant development pressure on BC's limited farmlands. In the capital region it is estimated that over 3,000 hectares of ALR land has been lost since the ALR's inception.<sup>5</sup> Land use competition will further increase with a predicted population increase of 30% in the CRD between 2006 – 2036.<sup>6</sup> There is a need for continued strengthening of farmland protection measures and support for food producing activities to ensure the continuity of a productive agricultural sector in the CRD. A farmland trust is one tool that can contribute to protecting working farmland in the region.

The protection of farmland must be coupled with measures to promote the utilization of farmland for farming, to ensure farmland is accessible to farmers, and that farmers can make a living on the land. Non-farm uses of farmland and the high cost of farmland are major impediments to the agricultural sector. The amount of land reported to be actively farmed in BC in the 2011 Census of Agriculture amounted to 55% of the total land in the ALR,<sup>7</sup> and it is estimated that near 50% of farmland in the CRD is sitting idle.<sup>8</sup> Part of the non-farmed land in the ALR is a result of anthropogenic uses including residential, transportation and recreation. There is also a significant portion of ALR land that is natural areas and may not be suitable and/or desirable for agricultural development. Non-farm uses of farmland reduce land availability for farming in a province in which agricultural land is already limited to 5% of the total land base. Non-farm uses of farmland as well as speculative land holdings also drive up the cost of farmland above its farming value and make it unaffordable to farmers. The average cost of farmland in Southern BC is the most expensive in Canada<sup>9</sup> and can reach up to \$100,000/acre

http://www5.statcan.gc.ca/cansim/a33?lang=eng&spMode=master&themeID=920&RT=TABLE

<sup>8</sup> CRFAIR. (2012). Local Government Growing Local Food Systems: Regional Farmland Conservation and Access Program. http://crfair.ca/wp-content/uploads/2014/06/CRFAIR-

<sup>&</sup>lt;sup>3</sup> Connell, D.J. (2012). Economic And Social Benefits Assessment. BC Farmers Market Association and University of Northern BC. http://www.bcfarmersmarket.org/resources/subpage/economic-and-social-benefits-study <sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> ALC. (2014). ALC Annual Report 2013/4. http://www.regulatorwatch.com/wp-content/uploads/2014/06/ALC-Annual-Report-2013-2014.pdf

<sup>&</sup>lt;sup>6</sup> CRD. (2009). Capital Regional District Strategic Plan 2009- 2011. https://www.crd.bc.ca/docs/defaultsource/legislative-pdf/strategic-plan-2009-2011.pdf?sfvrsn=2

<sup>&</sup>lt;sup>7</sup> Statistics Canada. (2012a). Table 004-0001 Census of Agriculture, number and area of farms and farmland area by tenure, Canada and provinces, every 5 years (CANSIM database).

Farmland\_Access\_and\_Conservation\_Policy\_Discussion\_Paper\_0.pdf

<sup>&</sup>lt;sup>9</sup> REMAX. (2014). FARM Report 2014.

http://www.cafanet.com/LinkClick.aspx?fileticket=iGyXXyOYNwM%3D&tabid=96

in the CRD.<sup>10</sup> There is a growing trend of farmland being purchased as rural residences for its pastoral character, especially in peri-urban areas. A study conducted in Saanich reported that hobby farms/rural residences in the ALR drive up the cost of ALR land in the range of \$61,700 to \$162,200/ha.<sup>11</sup>

In BC only 5.4% of farm operators are under 35 while 54% are over 55 years old.<sup>12</sup> The average age of farmers is at a historic high. With more than 50% of farmers over 55 it is predicted that up to half the provinces farmers will retire in the next two decades implying a significant turnover of farmland. A recent study of new and beginning farmers in BC found that the cost of land was the most significant barrier to establishment for new farmers in Southern BC.<sup>13</sup> Farmland trusts can support the entry of new farmers, support the retirement and succession of outgoing farmers, and help transition both land and farming practices between generations.

"It's not farmland without farmers."<sup>14</sup> A key element in protecting our farmland is to ensure it remains actively farmed. Yet, there is a significant amount of farmland currently used for non-farm purposes and the cost of farmland in the CRD is increasingly prohibitive to ownership for farming.

### **1.2 Farmland Trusts Primer**

A farmland trust approach is founded on the principle of managing farmland as a public good rather than as a private asset and placing land in trust can act to remove farmland from the impacts of the real estate market. Trusts are used as an approach across different sectors such as housing, conservation and agriculture. Farm Folk City Folk and The Land Conservancy carried out a review of non-profit farmland trusts<sup>15</sup> that provides information on the structure, governance and activities of farmland trusts in the US and Canada. The report defines a farmland trust as follows:

"A farmland trust is an independent non-profit organization that protects and preserves farmland. They do this by owning and managing farmland, holding covenants, and/or providing information and support for farmland protection and farming."<sup>16</sup> Farmland trusts are commonly non-profit organizations, however, governments can also act as a land trust (public land bank) and hold and manage farmland as a public service.

Columbia. Canadian Journal of Regional Science, 393-410.

 <sup>&</sup>lt;sup>10</sup> CRFAIR. (2012). Local Government Growing Local Food Systems. http://crfair.ca/resources/reports/
 <sup>11</sup> Stobbe, T., Cotteleer, G., & van Kooten, G. C. (2009). Hobby Farms and Protection of Farmland in British

<sup>&</sup>lt;sup>12</sup> Statistics Canada. (2012b). Table 004-0017 - Census of Agriculture, number of farm operators by sex, age and paid non-farm work, Canada and provinces, every 5 years (number).

http://www5.statcan.gc.ca/cansim/a33?lang=eng&spMode=master&themeID=920&RT=TABLE

<sup>&</sup>lt;sup>13</sup> Dennis, J. and Wittman, H. 2014. Farmland Access in British Columbia: Project Summary Report.

<sup>&</sup>lt;sup>14</sup> American Farmland Trust. https://www.farmland.org/

<sup>&</sup>lt;sup>15</sup> Gorsuch, W., & Scott, R. (2010). A Review of Farmland Trusts (pp. 1–126) http://www.farmfolkcityfolk.ca/PDFs\_&\_Docs/CFPdocs/FLT\_web.pdf

<sup>16</sup> Ibid.

#### Farmland trust activities commonly include:<sup>17</sup>

- Land acquisition and long term lease to farmer(s)
- Covenants attached to the land title
- Land use planning and monitoring, land stewardship support
- Farmer support, succession planning, public engagement programs

Farmland trusts function similar to conservation trusts in that they aim to acquire and hold land (purchased or donated) and/or place covenants on land with the goal of protecting a particular value of the land, in this case the agricultural value. On top of contributing to farmland protection, farmland trust organizations aim to ensure that farmland is actively farmed through the management of leasing arrangements with farmers. Farmland trusts can contribute to addressing challenges farmers face in securely accessing land by securing farmland and providing affordable leasing arrangements with appropriate long term land tenure. Farmland trusts can also be used as a tool to support succession and the transition of land between generations through accepting land donations and life-estates. In some cases retiring farmers can remain on the farm as new farmers come on to farm it. Farmland trusts may also provide support in the form of resources for farmers and act as a tool for land use planning.<sup>18</sup>

| Land access for current & new farmers    | • | Provide farmer training and resources              |  |
|--|---|--|--|
| Secure leases for farmers                |   | Provide succession planning options                |  |
| Increase young entrants into agriculture |   | <ul> <li>Non-family farm transfers</li> </ul>      |  |
| Protect farmland                         |   | <ul> <li>Support retirement on the land</li> </ul> |  |
| Kan formaland in maduation               |   | Now former montorship                              |  |

Keep farmland in production

Support retirement on the land
 New farmer mentorship

Land trusts can also use a tool called a covenant, which is a legally binding agreement attached to the title of land to conserve a feature or to protect a desired land use. Covenants are voluntary agreements registered on the title of land that pass between land owners and are a tool for protecting land that remains in private ownership.<sup>19</sup> Covenants are often restrictive, preventing certain activities on the land. Covenants can also be affirmative and require that the land be used for a certain purpose, such as farming, however there are limited examples of affirmative agricultural covenants in practice. Covenants are effectively used by other farmland trusts to protect farmland in Canada; for example it is the primary approach employed by the Ontario Farmland Trust.<sup>20</sup> Local governments can hold covenants, positive or negative, as per section 219 of the *Land Title Act*<sup>21</sup> and is hence a tool that can be considered for a local government trust. While we heard interest in better understanding the potential of covenants for agricultural land protection in BC from selected stakeholders, we also heard that using

<sup>17</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>&</sup>lt;sup>20</sup> Ontario Farmland Trust. 2014. Protected Farms. http://ontariofarmlandtrust.ca/protected-farms/

<sup>&</sup>lt;sup>21</sup> Land Title Act [RSBC 1996] CHAPTER 250 Part 14 — Registration of Title to Charges Division 1 — General. Last updated June 17, 2015. Queen's Printer, Victoria, British Columbia, Canada.

covenants for farmland protection in BC faces challenges as there are restrictions on placing covenants on land in the ALR. Furthermore the ALR already places a restriction on development and hence a restrictive covenant may be redundant, and it was expressed by stakeholders that affirmative covenants are challenging to use. While the use of covenants by local government is a possibility, a key stakeholder with legal expertise in the area advised against pursuing covenants as a key strategy for a farmland trust in the BC context.

While it is worth noting that covenants are a tool at local government's disposal they face limitations with respect to farmland in the BC context and therefore are not recommended as the primary function of a farmland trust.

There are many non-profit conservation trusts working in BC, and farmland trusts are widely used in the United States and other countries, however the advancement of farmland trusts in BC has been limited in comparison. There are currently four small farmland trusts in BC whose capacity are restricted, in particular with respect to successful land acquisition in the face of the extremely high cost of farmland in BC. *Communities are striving to respond to a need to protect and manage farmland, however it was found that the non-profit sector faces limitations in advancing farmland trust activities in BC. The findings of this study suggest that a local government farmland trust approach has greater potential to leverage public funds, policy options, and government operating capacity to successfully advance a regional farmland trust that is more likely to be sustained over time.* 

Case Study: Non-profit Sector Farmland Trust Madrona Farm, Victoria

Madrona Farm is located in Victoria and was to be sold after the farmer working the land since the 1950s passed away. The land is located in an area of high development pressure and the farmers leasing the land were concerned that the farm may be purchased for residential use. They wanted to see the farm protected into the future and launched a campaign with The Land Conservancy of British Columbia (TLC), a provincial land trust, to purchase the property and have it held in trust and have its agricultural use protected in perpetuity. The funds for TLC to purchase the land were successfully raised through a community fundraising campaign and private donations. The farmers who were on the land now have a long term secure lease from TLC and remain actively farming the land. Madrona Farm is ecologically farmed, it has an onsite market open to the public and is an active community member hosting fundraising events on site. The acquisition of the land by a land trust has ensured the protection of the farm and provides secure land access to farmers.<sup>22</sup>

The Land Conservancy is a conservation and heritage trust that had a farmland program between 2006 and 2012. It was the only provincial trust to work with farmland and since the

<sup>&</sup>lt;sup>22</sup> The Land Conservancy of BC. (n.d.). Madrona Farm. http://blog.conservancy.bc.ca/properties/vancouver-island-region/madrona-farm/

program was discontinued there is a lack of trust organization to hold and manage farmland in the province. FarmFolk CityFolk and The Land Conservancy of BC produced a Review of Farmland Trusts that is available online and provides a more detailed picture of farmland trust operations and activities.<sup>23</sup>

### 1.3 Local Government Farmland Trust Directives

The Districts of Saanich and North Saanich Councils have both passed motions to explore a farmland trust as a mechanism to support farmland protection and utilization. The CRD's draft Regional Growth Strategy currently includes a directive to implement a farmland trust.

#### Saanich Council Motion, February 2014:

"That Council request Planning staff undertake a preliminary exploration of possible partnerships with other regional stakeholders; and draft protection frameworks for the development of a Farmland Trust for Council's consideration."<sup>24</sup>

North Saanich Council Motion, July, 2014

BE IT RESOLVED that the District of North Saanich work in concert with the CRD and other regional municipalities to support a regional farm trust and farm land acquisition fund to acquire a supply of farm land, and including land already acquired, for lease to farmers, including incubator farm plots for new farmers.<sup>25</sup>

#### CRD Draft Regional Sustainability<sup>26</sup> Strategy, 2015

Policy Section 2.3 "Initiate a regional farmland trust and farmland acquisition fund."<sup>27</sup>

<sup>&</sup>lt;sup>23</sup> Gorsuch, W., & Scott, R. (2010). A Review of Farmland Trusts (pp. 1–126). http://www.farmfolkcityfolk.ca/PDFs\_&\_Docs/CFPdocs/FLT\_web.pdf

<sup>&</sup>lt;sup>24</sup> District of Saanich. (2014). Minutes of the Council Meeting, February 24, 2014.

http://www.saanich.ca/living/mayor/pdf/mins/2014/feb24minutes.pdf

<sup>&</sup>lt;sup>25</sup> District of North Saanich. July 29, 2014 Staff Report: Notice of Motion: Regional Farm Trust and Farmland Acquisition Fund. https://northsaanich.civicweb.net/document/6629/Rpt%20Farm%20Trust%20and%20 Acquisition%20Fund.pdf?handle=B8D4E4F9FE1748FCBCD8D4BF5182B5E4

<sup>&</sup>lt;sup>26</sup> Note the draft document still has the title Regional Sustainability Strategy, however at the May 27, 2015 meeting the decision was made to call the document the Regional Growth Strategy.

<sup>&</sup>lt;sup>27</sup> CRD. (2015a). Regional Sustainability Strategy Draft, October 2015 – Revised.

https://www.crd.bc.ca/docs/default-source/regional-planning-pdf/rss/rssdraft-october2014-revised.pdf?sfvrsn=2

# 2. Report Purpose and Research Approach

CRFAIR is a non-profit organization working on food and agriculture initiatives in the CRD and undertook preliminary research on local government farmland trust options in response to the above policy directives.

The research purpose was to explore models and mechanisms available to municipalities and/or the CRD to support the utilization of publicly owned lands for farming and food and to present the findings to relevant stakeholders to gauge support, hear concerns, and generate ideas and dialogue.

**Phase 1:** Individual meetings with key stakeholders were conducted between January and May of 2015. The meetings were used to gather information on relevant models, mechanisms, and approaches from individuals with relevant expertise. Background research was carried out to identify models and mechanisms used by trust organizations and by local government that could be applied to a local government farmland trust and to follow up on information and recommendations from the stakeholder meetings. The meetings included representatives from the following types of organizations:

- Farmland Trusts
- Conservation Trusts
- Local Government Staff
- Provincial Government Staff
- Vancity Community Foundation
- Private Farmland Investors
- Farm Organization

Phase 2: The initial findings were presented and feedback sought from several relevant groups in Saanich, which were as follows:

- Key Stakeholder Roundtable, May 13 2015
  - Included representatives from Municipalities of Saanich, Central Saanich, North Saanich, Metchosin, CRD, Saanich South MLA/Opposition Spokesperson for Agriculture and Food, Islands Trust, Non-Profit Trusts, FarmFolk CityFolk, National Farmers Unioin Youth, National New Farmers Coalition, Linking Land and Farmers, Peninsula Agriculture Advisory Committee, Vancity, UVIC Faculty of Law, Kwantlen Institute for Sustainable Food Systems
- Peninsula Agriculture Advisory Committee, May 14 2015
- Saanich Public Forum, May 25 2015
- Environment and Natural Areas Advisory Committee, May 26 2015

The consultations focused on the Saanich Peninsula, however representatives from other municipalities attended and there were expressions of interest in the farmland trust initiative beyond the Saanich Peninsula. The project team will be following up to make this this report available to other interested municipalities and community organizations in the CRD.

**Phase 3:** This report was produced based on the findings and will be presented to the District of Saanich, Central Saanich, and North Saanich planning staff and council for consideration, to CRD planners and Board, and shared with other interested parties.

# 3. Public Value of Farm and Food Lands - The Case for a Local Government Trust

As stated in the introduction, farmland and food production are essential to local food availability, economic activity, ecological services, and cultural heritage. The term foodlands is used to acknowledge the diversity of systems of food production including both commercial and non-commercial and in particular to recognize Indigenous food systems in BC. Foodlands managed by and for the community in which they are located offer a wide diversity of public goods that coincide with the service provision mandates of local and regional governments in the CRD. Local government policy already plays a key role in farmland management and the implementation of a trust is a further action that can be taken towards supporting a strong agricultural sector in the CRD and to achieve a diversity of public benefits as shown below.

#### Public Values of Farm and Food Lands

- Food security
- Local food availability
- Regional food system viability
- Rural economic development
- Stimulates regional economy
- Job creation
- Agri-tourism
- Cultural heritage and practices

- Learning and education
- Health and wellness
- Active living
- Community engagement
- Wildlife habitat
- Biodiversity
- Ecological services
- Greenspace

Public support for farmland protection has remained strong over time in BC. In 1997 it was reported than 90% of residents in BC supported strategies to contain urban development and protect farmland,<sup>28</sup> in a 2008 Ipsos Reid poll 95% of residents said they supported the ALR and policies to preserve farmland,<sup>29</sup> and in a 2014 Angus McAllister public opinion poll (commissioned by the Real Estate Foundation and Vancouver Foundation) respondents identified "food and farming" as the second most important land use after "natural fresh water

<sup>&</sup>lt;sup>28</sup> Quayle, M. (1998). Stakes in the ground, provincial interest in the Agricultural Land

Commission Act: a report to the Minister of Agriculture and Food. British Columbia. Ministry of Agriculture and Food.

<sup>&</sup>lt;sup>29</sup> Ipsos Reid Public Affairs. 2008. Poll of Public Opinions Toward Agriculture, Food and Agri-Food Production in BC. Retrieved from

http://www.iafbc.ca/publications\_and\_resources/documents/PublicOpinionPoll\_Results.pdf

systems" and 95% of respondents supported the ALR.<sup>30</sup> There is clear public support for government policies that ensure the continuity of farming in BC. The need for a farmland trust or land bank mechanism in BC has also been previously identified. A public land bank was recommended to the Provincial Government in 1998 followed by provincial consultations<sup>31</sup> and the non-profit organization FarmFolk CityFolk has been supporting community trust farms since 2006 and is pursuing the development of a provincial Foodlands Trust.<sup>32</sup> This Provincial framework could support regional approaches such as a local government farmland trust.

Over the course of our research we received a positive response from a diversity of stakeholders to advancing a local government approach to a farmland trust and to the public financing of farmland acquisition and management.

Throughout our conversations with stakeholders, we found considerable support for the approach and also heard that implementing a local government farmland trust will require broad public support, particularly in municipalities that do not have a significant amount of farmland. Some approaches to garnering public support for the initiative suggested include:

- 1. Frame the initiative within a set of broad public benefits as listed in the table above.
- 2. Identify existing government policy directives that a farmland trust policy would contribute to fulfilling beyond those specific to agriculture.
- 3. Emphasize the benefits of a farmland trust for all members of the farming community (new farmers, current, and outgoing farmers).
- 4. Highlight successful farmland trust and public agricultural land management examples to demonstrate the potential.
- 5. Develop and set targets to better communicate (to both public and policy makers) the goals and potential outcomes of implementing a farmland trust in the region.



<sup>&</sup>lt;sup>30</sup> McAllister Opinion Research. 2014. BC Public Attitudes Toward Agriculture and Food 2014. http://www.refbc.com/sites/default/files/BC-Poll-Agriculture-and-Food-Detailed-Topline-Report-Aug-2014-PUBLIC\_0.pdf

<sup>&</sup>lt;sup>31</sup> Quayle, M. (1998). Stakes in the ground.

<sup>&</sup>lt;sup>32</sup> FarmFolk CityFolk. 2015. Foodlands Trust Project Backgrounder.

http://www.farmfolkcityfolk.ca/projects/foodlands-trust/

# 4. Overview of Trust Models & Mechanisms

There are four key components to a farmland trust model and within these four components there are different options or mechanisms that can be combined. The diagram below shows these four components listed down the right hand side with potential options illustrated in the flow chart.

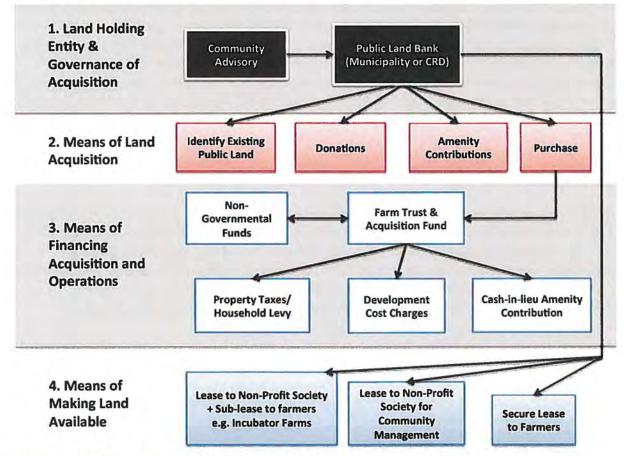


Figure 1: Listed in the left hand column are four key components of a farmland trust and the flow chart illustrates potential options for a local government trust within these four areas.



# 5. Trust Jurisdiction: Municipal, Regional or Phased Approach

Motions to explore a farmland trust were passed in two municipalities and a policy directive to initiate a farmland trust is currently included in the CRD's draft Regional Growth Strategy and Regional Food Strategy. A farmland trust could be implemented at the municipal or regional level as land can be acquired, owned, and managed by both levels of government. We heard a preference for implementation at the regional level. However, it was noted that implementation at the CRD level requires support from across the municipalities and may take longer to implement. It was expressed that a regional approach would be more effective at garnering funds. Some municipalities have less residents and development occurring and hence wouldn't be able to leverage property, household, or development funds as effectively as other municipalities. Furthermore agriculture is inherently a regional issue with farmland in certain municipalities without farmland. Farmland protection is an issue relevant to urban and rural communities and to farmers and eaters across the CRD.

A regional farmland acquisition fund could coincide with the CRD being the entity that acquires and owns land and/or a regional level farmland fund could be established and made accessible to the municipalities who in turn could be the land owners and managers. The farmland acquisition fund could also be made available to non-government entities seeking to hold and manage farmland in parallel to the way the CRD's Regional Housing Trust Fund (further described below) is available to non-governmental entities creating affordable housing.

A phased approach is an option for implementation at the regional level and could begin with a pilot program in one or more municipalities such as Saanich and North Saanich who already have council support. The Regional Housing Trust Fund began with 6 participating municipalities and has since expanded to 12.<sup>33</sup> A farmland trust could similarly begin with selected municipalities and expand over time.

The Agricultural Land Reserve is an essential provincial policy to protect farmland in BC and a local government farmland trust would be a complimentary measure. It was recommended in consultations that the Agricultural Land Commission be engaged by local government as the project advances.

It was found that a regional approach to a farmland trust and acquisition fund was preferred, however, having municipal leadership and support is critical to implementation. A phased approach in which the trust and acquisition fund is initiated within the municipality of Saanich and/or North Saanich and then expanded to incorporate other municipalities in the CRD is an option that we heard support for.

<sup>&</sup>lt;sup>33</sup> CRD. 2015. Regional Housing Trust Fund. https://www.crd.bc.ca/about/what-we-do/affordablehousing/regional-housing-trust-fund

## 6. Land Ownership and Governance Options

Land placed in a local government farmland trust would be owned and held as an asset by the government. In our region that would mean that it would either be owned by a municipality or by the CRD. The level of government at which the land will be owned and the governance mechanism is tied to the above discussion regarding the jurisdiction at which a farmland trust is implemented. If implemented at the municipal level then the municipality would be the land owner and governance would occur within the municipality. If a farmland trust and acquisition fund is implemented at the regional level then there is greater complexity – the municipality or the CRD could be land owners and there would need to be regional level governance of the farmland trust program with municipal representation in that governance structure.

A farmland trust requires development of a governance structure for acquiring and managing lands brought into public ownership. This governance structure would oversee the acquisition and management of the lands according to a strategic plan. Governance and management of the farmland trust operations could occur by an existing government department, referred to as the 'in-house model' below, or could occur through the initiation of a new governance structure specific to the farmland trust, such as a subsidiary corporation, referred to below as a 'local government corporation model.' These two options are elaborated below.

If a public farmland trust fund is established as part of a local government farmland trust framework, then another consideration with respect to governance is whether land acquisition and land held in trust is governed by the same or a separate entity as the farmland trust fund. A final consideration discussed in this section is the potential for a local government farmland trust model to incorporate a mechanism to enable land owned by non-governmental organizations alongside publicly held land.

### 6.1 In-House Governance Model

The management of a local government farmland trust and acquisition fund could be incorporated into the mandate of an existing government department, such as the parks department. If this approach is pursued the creation of a staff position and portfolio specific to the farmland trust within the existing department would facilitate effective management. A second approach to an in-house model is to establish a new department or operating unit with a staff and a mandate specific to the new service delivery area of the farmland trust and acquisition fund. In both of these cases the governance and operations would be executed by local government staff under the direction of the CRD board or municipal council. A long term strategic plan specific to farmland acquisition and management would guide management decisions and an advisory board established to support and monitor the implementation of the plan by staff. Community stakeholder input would occur through engagement of a citizen advisory board to develop a farmland trust and acquisition strategic plan and through the creation of a farmland trust advisory board to provide ongoing input to government staff.

This approach is used by the CRD to manage regional parklands. The CRD established a Parks Acquisition Fund and the Regional Parks department staff are responsible to oversee land acquisition, develop management plans, conduct assessments and environmental management, and to consult with partners in the management of parklands. The CRD Regional Parks department acts in accordance with a CRD Board approved 10 year strategic plan in place for parks in the region. In the most recent strategic plan (2012- 2021) a volunteer Citizen Advisory Panel (CAP) was formed to integrate community input into the plan.<sup>34</sup>

### 6.2 Local Government Corporation Model

A second approach to governance is to establish a distinct legal entity in the form of a local government corporation to manage the operations of the farmland trust. A local government corporation entails the establishment of a board of directors who would then be responsible for management of the farmland trust operations (as opposed to existing government staff). The board of directors can incorporate both community stakeholders and government representatives allowing local government to draw on outside expertise and directly incorporate non-governmental stakeholders into the governance structure. A separate legal entity would take responsibility for the operations and financial management of the farmland trust rather than placing that responsibility on the existing government staff. Local government corporations can have different structures and require the engagement of business, legal and financial expertise to develop. The provincial government published a guide that can be referred to for further information on local government corporation structures, benefits and drawbacks.<sup>35</sup>

The Capital Regional Housing Corporation (CRHC) is an example of a local government corporation in the CRD. The CRHC was created to develop and manage affordable housing units in the capital region. The CRHC is a wholly owned, not-for-profit, subsidiary corporation and is managed by its own board of directors which includes government and community representation. <sup>36</sup> A farmland trust could similarly be operationalized through the establishment of a local government corporation.

### 6.3 Unified or Distinct Governance of the Land and the Funds?

A consideration in developing a governance structure for a farmland trust and acquisition fund is whether the land acquisition and land held in trust is governed by the same or a separate entity as the farmland trust fund. One option is that governance of the farmland acquisition fund and the acquisition and management of the land assets could occur by a single **unified** governance structure. A second option is for the farmland trust fund and for the land placed in

<sup>&</sup>lt;sup>34</sup> CRD. (2012). Regional Parks Strategic Plan 2012 – 2021. https://www.crd.bc.ca/docs/default-source/parkspdf/regional-parks-strategic-plan-2012-21.pdf?sfvrsn=0

<sup>&</sup>lt;sup>35</sup> BC Ministry of Community Services. (2006). Launching and Maintaining a Local Government Corporation. http://www.cscd.gov.bc.ca/lgd/infra/library/Local\_Government\_Corporations\_Guide.pdf

<sup>&</sup>lt;sup>36</sup> CRD. (2015b). Capital Region Housing Corporation. https://www.crd.bc.ca/about/what-we-do/affordablehousing/capital-region-housing-corporation

the farmland trust, the assets, to be managed by **distinct** entities. The CRD Regional Housing Trust Fund (RHTF) is an example in which the fund is managed distinctly from the entity (CRHC) that manages the assets. The RHTF raises funds through a levy on participating municipalities to support the creation of affordable housing. The fund is managed by a government commission (bylaw 3294)<sup>37</sup> and a stakeholder advisory committee (bylaw 3296)<sup>38</sup> which includes participating municipalities and an advisory of community stakeholders. The CRHC manages the housing assets and has its own separate board of directors distinct from the governance structures managing the RHTF.

### 6.4 Another Approach to Consider: Mixed Government and Non-Governmental Land Ownership and Management?

This report is on local government farmland trust options and is focused on strategies that involve publicly owned land. However, there is also potential for a local government farmland trust model to incorporate land held by non-governmental organizations alongside publicly held land. The establishment of a local government farmland trust fund could allow for nongovernmental organizations to accesses public funds to purchase and hold farmland in trust. There is also the potential for non-governmental organizations to be the recipient of land as a result of local government policies (i.e. amenity contributions). See the case study of Salt Spring Island Farmland Trust and Burgoyne Farm on page 18.

If we are to look at the example of the Regional Housing Trust Fund again, the RHTF acquires public funds and these funds are made available to government and non-governmental organizations (private sector or non-profit sector) to create affordable housing. A farmland trust fund could similarly be set up such that public funds are raised for the acquisition and management of farmland but are made accessible to both government and non-governmental organizations to acquire and manage the lands for the purpose of supporting agricultural activities on those lands.

The following table summarizes some of the pros and cons with respect to government and non-governmental ownership. We want to emphasize again that it does not need to be one option or the other, but could involve a mix of ownership by local government, ownership by non-profit organizations or co-ownership between local government and a non-governmental organization.

<sup>&</sup>lt;sup>37</sup> CRD. (2005a). Bylaw No. 3294: A Bylaw Establishing the Regional Housing Trust Fund Commission and the Administration of the Fund. https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/housingtrust/3294---capital-regional-district-housing-trust-fund-commission-and-administrative-bylaw-no-1-2005B.pdf?sfvrsn=0

<sup>&</sup>lt;sup>38</sup> CRD. (2005b). Bylaw No. 3296: A Bylaw To Establish A Regional Housing Trust Fund Advisory Committee. https://www.crd.bc.ca/docs/default-source/crd-document-library/bylaws/housingtrust/3296---capital-regionaldistrict-housing-trust-fund-advisory-committee-bylaw-no-1-2005B.pdf?sfvrsn=0

#### Government Land Ownership

#### Pros

- Leverage government financial and human resources and existing government lands
- Organizational stability over long term
- Manage land to meet multiple public values

#### Cons

- Concerns over security of program with change in government over time
- Limitations of activities on current public land farms, (e.g. no farmer housing)
- · Need to manage for mixed public values
- Short-term license agreements are currently practiced

#### Non-Governmental Land Ownership

#### Pros

- May be higher level of trust amongst public with respect to long term protection of land from development
- Mandate focused on farming
- Often closer connection to community
- Ability to offer long-term lease arrangements and housing options for farmers

Cons

- Current lack of established trust organization capable of being land holder across CRD
- Organizational and financial vulnerability of non-governmental land trust organization over long term

Regardless of the governance structure selected, we heard that a key consideration is the integration of community stakeholder oversight into the governance structure and the development of a strategic vision in advance (with stakeholder input) to guide decisions on farmland acquisition and fund expenditures. Stakeholder and community oversight can be achieved through different structures such as advisory panels, advisory boards, or as board members of a subsidiary corporation. Options for the management of activities on the farmland following acquisition is further discussed in Section 9.

# 7. Mechanisms of Land Acquisition

As land is very expensive, one of the largest concerns we heard was regarding how land would actually be acquired for a farmland trust. We found a lot of examples of how this is currently occurring and heard a lot of good ideas about how this could be done in the region. In this section we provide an overview of the different recommendations we heard and case studies to illustrate different mechanisms for land acquisition.

### 7.1 Identify Potential Public Lands

A key recommendation from stakeholder meetings and consultations was to pursue the development of agriculture and/or community food activities on already owned public lands with production capacity. Placing these lands into a farmland trust framework would also need to consider complimentary uses that could continue (e.g. recreation and biodiversity, flood plain and watershed management), but these lands may be one of the first steps to identifying

food producing lands to include in the region's land bank. It was recommended that as a first step, a survey of land held by local government across the CRD be carried out to identify parcels of land with existing or potential food production/community food activities.

Case Study: Underutilized Public Land Loutet Farm, North Vancouver

Loutet Farm was established on existing municipal parkland owned by the City of North Vancouver. The project was initiated in partnership with the UBC Faculty of Landscape Architecture, the City of North Vancouver and the North Shore Neighbourhood House's Edible Garden Project. The project is managed by the Edible Garden Project, a non-profit society, and the urban farm is structured as a social enterprise that aims to be revenue neutral. Loutet Farm generates employment, local food availability, provides educational opportunities for youth, volunteer opportunities, and community events, thereby providing a diversity of public benefits to the surrounding community.<sup>39</sup>

### 7.2 Donations From Private Land Holder to Government

One of the means through which non-profit conservation trusts acquire land is through donations from private land owners. The donation and transfer of land can occur upon the owners passing away or can occur while the owner remains living on the land with the management of the land transferring to the trust when the owners passes on. More than half of the farming population is nearing retirement age in BC and it is estimated that there will be a significant transfer of farmland in the coming decades. A farmland trust can be used as a mechanism for land owners to donate land for the purpose of ensuring the continuity of farming in cases in which there is not an heir. The transfer of land to a farmland trust can also be employed as a succession planning tool for retiring farmers without children to take over the farm. Succession planning includes not just the land transfer but the transfer of the farm business and practices between generations, and a farmland trust can play a role in facilitating that transfer to a new generation of farmers.

#### Case Study: Private Land Donation Newman Farm, Central Saanich

Newman Farm is a historic multi-generational farm located in Central Saanich that was farmed by the Newman family since 1897. Without a next generation to take over the farm, the land was donated by the Newman family to the municipality in 2003 for use as public parkland. The plans developed for the site involve multiple uses including restoring active agriculture on the land. In 2012 a lease agreement was signed between the District of Central Saanich and a non-

<sup>&</sup>lt;sup>39</sup> Edible Garden Project. (n.d.). Loutet Farm. http://ediblegardenproject.com/loutet-farm/

profit organization called the Farmlands Trust Society, who are in charge of the regeneration and management of agricultural activities on the land.<sup>40</sup> This case is an example of a private land donation to local government as well as an example of an agreement with a non-profit organization for the management of activities on public land.



### 7.3 Community Amenity Contributions and Density Bonus Zoning

"Community Amenity Contributions (CACs) are amenity contributions agreed to by the applicant/developer and local government as part of a rezoning process initiated by the applicant/developer."<sup>41</sup> CACs have a high level of flexibility and hence may be opportune for extending to farm and food production related amenities.

In BC, CACs can be obtained in two ways: 1) through a voluntarily negotiated amenity contribution at the time of rezoning, or 2) through density bonus zoning as per Section 904 of the Local Government Act. An amenity contribution is agreed upon through voluntary negotiations and is obtained by local government once the rezoning bylaw is adopted. CACs can include a diversity of amenities such as affordable housing, child care, infrastructure, recreation facilities and importantly can include amenities that Development Cost Charges (DCCs)

<sup>&</sup>lt;sup>40</sup> District of Central Saanich. (n.d.). Newman Farm.

http://www.centralsaanich.ca/hall/Departments/planning/community\_services/Parks/Parks\_Inventory/Newman\_Farm.htm

<sup>&</sup>lt;sup>41</sup> Ministry of Community, Sport and Cultural Development. (2014). Community Amenity Contributions: Balancing Community Planning, Public Benefits and Housing Affordability.

http://www.cscd.gov.bc.ca/lgd/intergov\_relations/library/CAC\_Guide\_Full.pdf

(explained in the section below) cannot be applied towards. The extension of DCCs to farmland acquisition would require a legislative change whereas CACs can currently include farmland and there are examples of this presented in the case studies below. Local government has the authority to negotiate CACs with a developer but unlike DCCs, CACs are not legislative requirements and cannot be imposed by government.<sup>42</sup>

Density Bonusing is authorized under the Local Government Action (LGA) section 904, and "is intended to provide options for the developer to build either to the "base" density or to a higher level of density, if they provide certain amenities or affordable housing, or meet other specified conditions."<sup>43</sup> Density bonusing, like CACs, have flexibility and are a policy tool that could be currently applied to a farmland trust and acquisition fund.

Section 904 of the Local Government Act allows for government to provide a developer with increased density, above the base density zoning, in exchange for providing an amenity or providing a cash-in-lieu amenity contribution which would be set aside for the establishment of a community amenity in the future.<sup>44</sup> Hence density bonusing could involve the direct provision of an amenity such as land for farming or community gardens, or a cash-in-lieu contribution to a farmland acquisition (or broader community services) fund (further discussed in the section below).

#### Case Study: Farmland Amenity Contribution Burgoyne Farm, Salt Spring Island

The Salt Spring Island Farmland Trust Society (SSIFTS) is a charitable organization that was formed in 2009 with the goal "To promote agriculture on Salt Spring Island and Southern Gulf Islands by acquiring, managing and leasing land for farming."<sup>45</sup> The Burgoyne Valley Community Farm is a 60 acre parcel in the ALR that has been used for agriculture since 1887. It was purchased by a real estate developer in 2005. The property was transferred to the SSIFTS as an amenity contribution as part of a rezoning application on a property in Fulford Harbour. The rezoning was approved by the local government in exchange for provision of the farm property to a community organization. This is an example a local government policy option contributing to the acquisition of farmland by a non-governmental organization and subsequent management of the farmland by that organization. The SSIFTS released a request for proposals, has an established application process, and is managing leases of up to 10 acres to farmers for 10 years. The RFP and rental MOU can be viewed on their website.<sup>46</sup>

<sup>42</sup> Ibid.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

<sup>&</sup>lt;sup>45</sup> Salt Spring Island Farmland Trust Society. (n.d.). http://ssifarmlandtrust.org/

<sup>&</sup>lt;sup>46</sup> Salt Spring Island Farmland Trust Society. http://ssifarmlandtrust.org/?page\_id=20

#### Case Study: Farmland Amenity Contribution Sandown Racetrack, North Saanich

The former Sandown Racetrack in North Saanich is a 95 acre site and is in the ALR. The land owners, a development company, put in a proposal to the District to rezone 12 of the 95 acres for light commercial use and offered to transfer the remaining 83 acres to North Saanich. In accordance with ALR legislation North Saanich's proposal included the addition of an adjacent 12 acres of land into the ALR to ensure no net loss of ALR lands. This is an example of a community amenity contribution of farmland in exchange for a rezoning application approval by local government. The District of North Saanich now owns a 95 acre parcel of farmland that will be protected from development and managed for agricultural uses. The District is also seeking to register a covenant to the land to restrict its use to agriculture. If successful the use of a covenant by local government for ensuring the farming use of publicly held farmland could be used as a model in other cases. North Saanich has stated that the primary use will be agriculture and is considering a diversity of options including, small plots to new farmers, larger leases to farmers, community gardens, farmers markets, educational initiatives by universities and other organizations. The District is undertaking a consultation process with the public and key advisors to determine the future management and site plan.<sup>47</sup> The development of the agricultural activities at Sandown provides an excellent opportunity to demonstrate the potential operations and benefits of a local government farmland trust in the region and to inform the development of a farmland trust framework.

#### Case Study: Farmland Amenity Contribution Southlands Farm, Delta

Southlands Farm (previously Spetifore Farm) is a 217 hectare parcel of farmland in South Delta that was acquired by Century Group, a local real estate development and property management company in the early 90s. The farm was removed from the ALR in 1981 but remained zoned farmland. In 2005 Century Group began community consultations around the future of the Southlands property and developed a mixed-use plan incorporating housing, farming, a market square, natural areas and walking paths. The final plan which has now been approved by the Municipality of Delta and by Metro Vancouver involved the transfer of 80% of the land (425 acres) from private to public ownership by Delta. The remaining 20% of the land (107acres) will be developed into mixed housing and commercial space by Century Group. Delta plans to protect the agricultural use of the land by applying to add 300 acres of the publicly held land back into the ALR. The Municipality of Delta agreed to rezone a portion of the land for housing and commercial development and Century Group transferred a portion of the land to public ownership as an amenity contribution. On top of the land

<sup>&</sup>lt;sup>47</sup> District of North Saanich. (2014). Sandown Proposal Meeting.

http://www.northsaanich.ca/Assets/Current+Projects/Sandown+Racetrack/Proposal+Public+Meeting.pdf?method =1

transfer Century Group is also providing a 9 million dollar fund to develop the agricultural capacity of the land including the installation of drainage and irrigation. The vision for the agricultural land is a community farm integrated with an urban neighbourhood that is managed for the benefit of community members, to increase local food availability, and contribute to community food security.<sup>48</sup>

Note that this example involves the loss of 107 acres of farmland to residential and commercial development and this loss was raised as an issue by opponents of the plan. While 'no net loss of farmland' must be a guiding principal in decisions involving rezoning applications and CACs, each case is unique and enabling viable, active agriculture needs to be weighed along with land preservation goals. Southlands farm had not been productive for a long time and the cost of land and needed upgrades was out of the range of any farm operation. The 9 million dollar fund provided by Century Group is facilitating land improvements and infrastructure essential to activating the agricultural potential of the land. In urban and peri-urban areas there is opportunity in pursuing integrated urban-agricultural land use plans to contribute to farmland utilization and viability on top of protection.

### 7.4 Purchase

The municipality or regional government can outright purchase farmland. Farmland is expensive and purchasing land is just one means of acquiring land to be integrated with the above approaches that do not require purchase. Over the course of the consultations there was strong support for initiating a farm trust and acquisition fund specific to farmland that would leverage public funds to support farmland acquisition and management. There are a diversity of options regarded as having potential for structuring the fund and these are discussed in the section below. A local government fund can be used in conjunction with funds matched from other levels of government, private and/or non-profit sector funds, or donations from citizens to acquire land. The government can also co-purchase and manage farmland with a nongovernmental organization to share the cost and management. There are precedents in which the CRD has co-purchased and shared management of parkland with non-governmental organizations (e.g. The Land Conservancy of BC and the Nature Conservancy of Canada).49 Another option is for a farmland trust fund to be structured such that the public funds raised could be directly accessed by a non-governmental organization for the purpose of acquiring and managing farmland similar to the way the CRD's Regional Housing Trust Fund is accessible to government, private, and non-profit sectors to create affordable housing.

<sup>&</sup>lt;sup>48</sup> Century Group. (2014). Imagine Southlands. http://www.imaginesouthlands.ca/
<sup>49</sup> CRD. (n.d.) Creating New Parks: Annex G.

https://powellriverregionaldistrict.civicweb.net/document/2938/Annex%20G.pdf?handle=35E41987B4C1410FA60 68712B8040E76

#### Case Study: Purchased Land, Panama Flats, Saanich

In 2011 the District of Saanich purchased Panama Flats, a 26.5 hectare site zoned agricultural with 8.5 hectares in the ALR. The property has a history of agricultural uses and is also an important floodplain. The land was recently purchased by a farmer who wanted to install berms to prevent flooding in order to produce a berry crop which would be problematic for water management in the area. In response to concerns over the impacts of the proposed berry farm, The District of Saanich purchased the land from the private land owner and then initiated a planning process with hired consultants and public consultations. The Panama Flats Concept Plan was approved by council in 2014 and a key element of the plan is the addition of 14.5 ha of land to the ALR and ensuring the continued agricultural use of the land. The land will also be managed to provide additional public amenities including floodplain management, wildlife habitat, and walking trails. In the planning process Saanich emphasized the farming value of the land and states that the protection of the agricultural land for farming is a significant community asset and a means to further support local food production and food security.<sup>50</sup> Panama Flats is an example of private farmland purchased by local government to protect the agricultural and ecological value for the public good. Along with Sandown in North Saanich, the development of the agricultural activities at Panama Flats provides an opportunity to demonstrate the potential operations and benefits of a local government farmland trust in the region and to inform the development of a farmland trust framework.

# 8. Financing & Acquisition Fund Models

Figuring out how to finance the land acquisition, management and maintenance of the farmlands is a key part of making a farmland trust possible. What we heard is that there are a lot of different ways this could happen and that this area will most likely require a combination of approaches. We also heard that it will be important to have both government and non-government sources working together to create the resources necessary.

### 8.1 Local Government Financing Options

The Council motion from the District of North Saanich refers to a Farm Trust and Acquisition Fund. Leveraging public funds that can be used for farmland acquisition and management through local government mechanisms received positive feedback across consultations and was identified by stakeholders as key piece in developing a local government farmland trust. Nonprofit trusts are often limited in their activities by their ability to access financial resources. Leveraging public funds is a means to overcome this barrier and advance farmland trust activities in the region. Having a stable publicly owned and controlled entity such as local

<sup>&</sup>lt;sup>50</sup> District of Saanich. (2014). Panama Flats Planning.

http://www.saanich.ca/parkrec/parks/projects/planninganddesignconcepts/PanamaFlatsManagementPlan.html?r ef=shortURL

government to provide a consistent and stable base of funds for the trust was something that people held to be important.

With respect to establishing a farmland fund, a key point of consideration is whether to, 1) establish a new fund that is specific to farmland and a new mechanism to raise those funds (e.g. household levy), or 2) to include farmland as one of the amenities/services that a general amenities fund could be applied to thereby drawing from existing funding streams. An option that was raised was that of acquiring parkland to then be used as farmland. Parkland can be used for agricultural activities and there is already the legislation in place for local governments to raise funds through household taxes and development cost charges for parkland acquisition. However there were concerns raised over the public perception towards devoting parkland to agricultural activities and there was a preference among participants at consultations to seek the establishment of a fund and mechanism specific to farmland acquisition and management. Three key mechanisms to create a fund available to local government were considered and are as follows:

#### 8.1.1. Cash-In-Lieu Amenity Contributions

As discussed in Section 7, a cash-in-lieu amenity contribution can be provided rather than an asset. Cash-in-lieu amenity contributions could be directed into a fund to be used for farmland acquisition and/or a general amenities fund inclusive of farmland. Langford had an example of a policy which required an amenity contribution for increased density zoning that was put towards a fund dedicated to the acquisition of agricultural land and the support of agriculture. The fund has since been rolled into a General Amenity Reserve Fund and the funds collected can still be used for agriculture as well as other amenities. One of the planners from Langford expressed a preference for the flexibility of a General Amenity Reserve Fund over a fund devoted specifically to agriculture. However, Langford has yet use any of the collected funds towards supporting agriculture.

At the time of writing this report, this approach is currently being proposed in Langford but tied to removal of ALR lands. Langford is proposing an approach whereby landowners who want to remove land from the ALR provide a cash contribution to support an agriculture fund. This fund would be used to support the development of agriculture, and potentially more urban agriculture in their jurisdiction. *We heard clearly that there is concern for utilizing any type of strategy that would encourage or support land coming out of the ALR. We strongly discourage any strategy that sees cash contributions for land removal from the ALR.* There may be circumstances in which the removal of land in exchange for the addition of equivalent ALR land (e.g. Sandown) or in which the removal of land with low agricultural potential in exchange for lands/funds that will dramatically increase the utilization of farmland (e.g. Southlands) be carefully considered on a case-by-case basis.

We strongly advise against advancing a strategy founded on the removal of ALR lands in exchange for cash contributions to an agricultural fund.

#### 8.1.2. Development Cost Charges

"Development Cost Charges (DCCs) are monies that are collected from land developers by a municipality, to offset some of the infrastructure expenditures incurred, to service the needs of new development." Local governments are limited as to what services they are permitted to spend these monies on and would require a legislative change to extend DCCs to farmland acquisition.<sup>51</sup>

DCCs are regulated by the provincial Local Government Act (section 932 - 937) and in the Act, their expenditure is restricted to the following uses: roads, other than off-street parking, sewage, water, drainage, parkland acquisition and improvement. The City of Vancouver has an allowance to use DCCs to acquire property for childcare facilities and the Resort Municipality of Whistler Act allows for DCCs to be used for employee housing. Hence there are precedents of extending DCCs to other service provision areas.<sup>52</sup> Parkland can be used for agricultural purposes and hence it is currently feasible for local government to use DCCs to acquire parkland and incorporate farming and food production activities on that land. CRFAIR has a policy brief available on the potential of agricultural park models for the CRD where an agricultural park is defined as "a park that is accessible to the public providing recreation and wildlife habitat at the same time as providing space and opportunity for a range of food growing and educational opportunities."53 There was a preference expressed in the consultations for pursuing the necessary changes to allow for DCCs to be applied to farmland directly rather than using parkland for agricultural activities. This approach would allow for a diversity of land use models, such as long term tenure to commercial farmers, alongside agricultural parks.

#### 8.1.3. Property Taxes: Household or Municipal Levy

CACs and DCCs are both means through which community development goals and public services are achieved by raising revenue and assets from development. Property taxes or household levies are another way for municipalities to generate revenue that can be used towards property acquisition and community development. Two models that have proved successful are the Capital Regional District Parklands Acquisition Fund which relies on a household levy and the Regional Housing Trust Fund which relies on a levy on participating municipalities in the CRD who in turn raise their contribution through property taxes. A farm trust and acquisition fund based on a property taxation strategy could leverage funds directly from tax payers in participating municipalities whereas CACs and DCCs do not directly affect individuals' taxes but rather directly impact developers. The choice of mechanism through which to establish a farmland acquisition fund will have different impacts on different segments

<sup>&</sup>lt;sup>51</sup> BC Ministry of Community Services. (2005). Development Cost Charge Best Practices Guide. http://www.cscd.gov.bc.ca/lgd/intergov\_relations/library/DCC\_Best\_Practice\_Guide\_2005.pdf
<sup>52</sup> Ibid.

<sup>&</sup>lt;sup>53</sup> CRFAIR. (2013). Policy Discussion Paper 3: Agriculture Parks Model for the Capital Region. http://www.communitycouncil.ca/sites/default/files/CRFAIR2013\_Agriculture\_Parks\_Discussion\_Paper\_3\_0.pdf

of the community that need to be weighed in the decision. The Regional Park Land Acquisition Fund and the Regional Housing Trust Funds are both successful examples of funds based on property taxes that were identified by participants as models to consider for a farmland acquisition fund.

#### Case Study: Household Levy Regional Park Land Acquisition Fund, Capital Regional District

The Regional Park Land Acquisition Fund (RPLAF) was established in 2000 for the acquisition of parklands in the CRD. The RPLAF is based on a household levy and was initially established at a rate of \$10 per average assessed household for a 10 year period. The Fund proved successful over the first 10 years and was renewed for an additional 10 years (2010 - 2019) with a \$2/year increase in the levy up to maximum \$20 per household by 2014. Between 2000 and 2014, 4,485 hectares of land were acquired by the CRD totaling a value of over \$48 million. The CRD partners with non-governmental organizations, such as conservation trusts, in the acquisition and management of selected properties. Of the funds expended 72% were raised by the CRD and 28% by non-profit and private partners/donors. The fund is projected to raise \$3.6 million per year resulting in a total of \$15.6 million by 2019. Acquisitions are managed by CRD staff and are guided by the goals established in the Capital Regional District Board's Regional Parks Strategic Plan 2012-2021.<sup>54</sup> The RPLAF has been successful in raising funds and acquiring lands and could be replicated as a model for a farmland acquisition fund. Utilizing funds raised through the RPLAF for purchasing parkland to be managed for agricultural uses is an option, however doing so may cause tension over limited fund allocation/land use and it was expressed by stakeholders that a dedicated farmland fund is preferable. Key aspects of this model are that the fund is based on a household levy across the region, acquisitions are managed by government staff, acquisitions are guided by a 10 year strategic plan approved by the CRD board, public funds are complimented by private and non-profit funds for land acquisition, there are examples of co-ownership and management of land between government and non-profit sector.



<sup>&</sup>lt;sup>54</sup> CRD. (2015c). Regional Parks Land Acquisition Summary of 2014 Regional Parks Land Acquisition Fund. Bulletin 15.

https://www.crd.bc.ca/docs/default-source/parks-pdf/2014-land-acquisition-fund---bulletin-15.pdf?sfvrsn=4

#### Case Study: Municipal Levy Regional Housing Trust Fund, Capital Regional District

The Regional Housing Trust Fund (RHTF) provides a second fund model used by the CRD that also raises monies through property taxes. The RHTF was created in 2005 initially with six participating municipalities to contribute to addressing the need for affordable housing. Participation has since expanded to 12 municipalities and electoral areas. The administration and disbursement of funds is governed by the Regional Housing Trust Fund Commission, which consists of a municipal council member from each of the participating areas, and the Regional Housing Trust Fund Advisory which consists of other levels of government, a Capital Regional Housing Corporation representative, and community stakeholders. The RHTF provides grants to eligible applicants which includes regional non-profit housing societies, private developers, landlords and individuals and require a minimum 5:1 leveraging of funds. Leveraged funds have included other levels of government and private sector sources.55 Between 2005 and 2012 the fund contributed 5.9 million towards capital assets valued at \$78 million, contributing significantly to the amount of affordable housing available in the CRD.<sup>56</sup> As opposed to a household levy, the RHTF raises monies through a levy on participating municipalities who raise their share through property taxes. Key aspects of the RHTF model include: that it was able to be launched regionally without the participation of all municipalities; participation expanded over time; the fund makes public monies available to the public, non-profit and private sectors to create affordable housing through a granting approach; a government commission was established to oversee operations; an advisory of non-governmental stakeholders provides input to the commission; and there is a requirement for other sources of funds to be leveraged by applicants. The RHTF differs from the Regional Park Land Acquisition Fund in terms of how the funds are dispensed, who can access the funds, and who manages the asset. Both the parklands and housing fund structures allow for involvement of non-governmental organizations; the Regional Park Land Acquisition Fund through co-purchasing and managing park lands and the RHTF through directly providing access to the fund to non-governmental entities.

Note that the RHTF is independently governed from the Capital Regional Housing Corporation. The CRHC is a wholly owned non-profit government subsidiary corporation that acts on behalf of the CRD to develop and manage affordable housing units. The CRHC can access funds through the RHTF along with private and non-profit sector developers of affordable housing projects. The CRHC is governed by a board of directors that includes both community members and directors from the Capital Region District Board.<sup>57</sup> Both the CRHC and the RHTF have governance structures that ensure community stakeholder input.

<sup>&</sup>lt;sup>55</sup> CRD. Regional Housing Trust Fund Program Policy Guidelines, https://www.crd.bc.ca/docs/defaultsource/housing-pdf/rhtfprogramguidelines.pdf?sfvrsn=0

<sup>&</sup>lt;sup>56</sup> CRD. 2015. Regional Housing Trust Fund. https://www.crd.bc.ca/about/what-we-do/affordablehousing/regional-housing-trust-fund

<sup>&</sup>lt;sup>57</sup> CRD. 2015. Capital Region Housing Corporation. https://www.crd.bc.ca/about/what-we-do/affordablehousing/capital-region-housing-corporation

### 8.2 Non-Government Financing Options

A local government farmland acquisition fund could be complimented with other sources of revenue including from other levels of government, private sector and non-governmental sector. The RHTF explicitly includes leveraging funds as one of it's purposes stated in the program guidelines. The RHTF has leveraged funds from provincial, federal and private sector and in the first five years of the program leveraged project funds ranged from 8:1 to 16:1. The CRD Parklands Acquisition Fund partners with non-profit organizations such as conservation trusts to share acquisition costs and/or management costs.

In terms of non-profit trusts the primary sources of funding are private donations, endowment funds and grants. The case of Madrona Farm (described above) is an example in which the funds to purchase farmland and place it in trust occurred through private donations to a non-profit land trust. Alternative financing options continue to emerge and are becoming increasingly available in BC and the CRD. Alternative financing options blend non-profit and private sector financing strategies and are creating new opportunities for raising funds for social purpose businesses and non-profit initiatives. Two mechanisms that are growing in use are Community Bonds<sup>58</sup> and Community Investment Funds. The Community Social Planning Council is currently working to establish a Community Investment Fund in the Capital Region and Vancity launched a community investment cooperative called Knives & Forks Investment Co-op in 2015. For further information on community bonds in BC see the report produced by the Community Social Planning Council. <sup>59</sup> It is recognized that a diversified funding stream is ideal to advance a farmland trust. Non-profit and alternative financing mechanisms can be used in conjunction with publicly raised funds to increase the project scope and impact through partnership.

Supporting viable farm operations contributes to keeping farmland in production. There is opportunity with establishing a farm trust and acquisition fund to create a fund that can be accessed to support farming through diverse ways. As an example, in Ontario when the Greenbelt zone policy was established to protect farmland in Southern Ontario from development, the Greenbelt Foundation was also established to "to help keep farmers successful, strengthen local economies, and protect and grow natural features."<sup>60</sup> The Greenbelt Foundation has provided over \$19 million in grants to support food and agriculture initiatives in the Greenbelt region since 2005. The Greenbelt Foundation is non-profit operated with funding received through the provincial government. It is an example of a fund that compliments a farmland protection policy by enhancing and supporting agricultural activity in the region. Hence in establishing a farm trust and acquisition fund in the Capital Region,

<sup>&</sup>lt;sup>58</sup> For info on Community Bonds in BC see here:

http://www.socialenterprisecanada.ca/webconcepteurcontent63/000024540000/upload/Resources/Community% 20Bonds%20-%20White%20Paper%20final%20%28Jan%202013%29.pdf

<sup>&</sup>lt;sup>59</sup> Community Social Planning Council. (2015). Community Investment.

http://www.communitycouncil.ca/initiatives/cif.html

<sup>&</sup>lt;sup>50</sup> Greenbelt Foundation. (n.d.). About the Greenbelt Foundation. http://www.greenbelt.ca/foundation

consideration should be given to applying the funds to both land acquisition and activities to enhance agricultural activity.

#### Case Study: Agricultural Fund Fonds d'Investissement pour la Relève Agricole (FIRA), Québec

FIRA is a private enterprise, launched in 2011, that operates across the province of Québec. Their mission is to support entry into agriculture of young farmers by providing business support, access to capital, and access to land. FIRA emerged in response to the barriers young farmers face in accessing capital and land. With respect to supporting land access, FIRA will acquire properties through purchase and lease it to farmers. They provide 15 year leases in which the farmer can terminate the lease with 6 months notice at any time and the tenant farmer can purchase at anytime and has the sole right to purchase the land for the duration of the 15 years. Eligible applicants must be 18-39 and must have completed a recognized agricultural training program. FIRA an example of a buy and sell approach providing farmers the option to own the land when they are established and able. The fund was created through the provision of \$25 million from the provincial government, \$25 million from a credit union and \$25 million from a private development capital fund that invests in local businesses.<sup>61</sup> While not a farmland trust specifically, FIRA is an example of an agricultural fund that was created through private and public contributions that contributes to farmland access and supporting beginning farmer establishment.

# 9. Land Management and Access Arrangements

The last of the four key components of a farmland trust is the management of the activities on the land and of the access arrangements over time. Two key options are:

- Local government staff be responsible for the farmland management and access agreements with farmers;
- 2. The government leases the land to a non-governmental organization who is then responsible for managing activities on the land and access agreements with farmers.

There are examples of both options in practice in BC. Haliburton Farm in Saanich is an example of the municipality leasing to a non-profit society and the Haliburton Farm Society in turn manages all programming on the land and the access agreements with farmers. There are also examples of both local and provincial governments leasing land directly to farmers. For example the City of Richmond owns farmland, leases directly to individual farm businesses and the leases are managed by city staff in the Parks Department.

<sup>&</sup>lt;sup>61</sup> FIRA. (2015). Accéder à une Ferme Sans Avoir à l'acheter. http://lefira.ca/accueil,2

In our research we heard that there is a need for access to land for a diversity of uses including commercial farming, new farmer training, and non-commercial food and farming activities. Different pieces of land can be managed for different goals; for example community garden plots, agricultural training programs, incubator farms, and long term leases to farm operators. Land management can also include diverse uses including both production agricultural, market infrastructure, and community food activities such as garden plots on a single property. We heard a need for long term secure leases for farmers and a farmland trust is a way to provide tenure security to farmers. There is a prevalence of short term leases on farmland which is a barrier to long term establishment and investment in the land and farm operation. Tenure security for farmers is an important consideration in devising land management and access arrangements.

Incubator farms provide short term land access to support the establishment phase of beginning farmers. Young farmers are on the decline and land access is a major barrier to establishment for beginning farmers. Incubator farms can contribute to growing a new generation of farmers and the continuity of local farming and agricultural economy in the region. An incubator farm is one model that could be established on public farmland and there are precedents such as the recently established Richmond Incubator Farm on land provided by the City of Richmond. For more information on incubator farms and their potential in the CRD see the Incubator Farms Introductory Guide produced by CRFAIR.<sup>62</sup>

A local government farmland trust must recognize that the land being managed for agricultural uses on the Sannich Peninsula is the traditional territory of the Saanich Peoples. There is opportunity to work with First Nations governments and communities on the Peninsula to determine how land access needs and food activities of First Nations communities on the peninsula can be integrated into the development and goals of a regional foodland trust.

Case Study: Lease to and Managed by Society Richmond Sharing Farm, Newman Farm Central Saanich, and View Royal Welland Community Orchard

Terra Nova Rural Park is a 63 acre park owned by the City of Richmond. The Sharing Farm Society operates a community farm on 4 acres of the parkland and grows food primarily for donation to the Richmond food bank. The land use is managed by the Society and there is a hired farm manager who runs the farming operations and works to integrate the many community volunteers on which this farm relies. The site also has a community garden offering garden boxes to individual community members and runs a diversity of workshops and events on the land for the public. The farm is also host to the Richmond Farm School run by Kwantlen Polytechtic University which is a 10 month hands on training program for entry into agriculture. The Sharing Farm is an example of agricultural activities on public land directly run by a non-profit society and an example of a farm on public park land providing a diversity

<sup>&</sup>lt;sup>62</sup> CRFAIR. (2013). Incubator Farms Introductory Guide. http://crfair.ca/wp-content/uploads/2014/10/Incubator-Farms-Introductory-Guide.pdf

of public benefits to the community. The Sharing Farm hosts over 1,000 volunteers per year, provides thousands of pounds of fresh fruits and vegetables to meal programs and the Richmond Food Bank each year, and provides educational opportunities for entry into agriculture.<sup>63</sup> The activities on Newman Farm in Central Saanich is similarly being managed by a non-profit society, the Farmlands Trust Society, who leases land from Central Saanich. Welland Community Orchard is another example of this same arrangement in a more urban context. Rex Welland donated his orchard to the City of View Royal when he passed away and the City of View Royal has an agreement with LifeCycles, a local non-profit organization, to support teaching and learning, and community food growing on the site.



Case Study: Government Lease to Society & Society Rental to Farmers Haliburton Community Organic Farm Society, Saanich

Haliburton Farm was purchased by the District of Saanich from the CRD in response to community request for the municipality to preserve the agricultural uses of the land. The land is leased to the Haliburton Community Organic Farm Society (HCOFS), managed by a volunteer board of directors, which in turn manages land use and rental agreements to farmers on the land. Haliburton is a community farm with multiple independent farm businesses sharing the land. Farmers rent sections of land for 4 years with an option to renew, and similar to the incubator farm model, Haliburton provides an opportunity for farmers to get started and establish their business without buying land and with support on the land. A unique feature of Haliburton farm is that the land was rezoned by Saanich as Rural Demonstration Farm Zone. Haliburton Farm provides an established farmer application process and rental agreements that can be used as templates in future initiatives.<sup>64</sup>

<sup>&</sup>lt;sup>63</sup> Sharing Farm Society. (2012). About Us. http://www.sharingfarm.ca/about/

<sup>&</sup>lt;sup>64</sup> Haliburton Community Organic Farm Society. (2015). Haliburton Community Organic Farm. haliburtonfarm.org/

#### Case Study: Direct Lease Between Government and Farmers ALR Property Management Program

There are examples across the province of public land, both provincial crown lands and municipally owned land, leased directly to farm operators and ranchers. The ALR Property Management Program was established in 1974 right after the ALR was formed and its purpose was "To assist young persons in establishing family run farm operations. The ALC may lease farmland in order to allow young operators, who cannot afford to buy a farm at today's very high process, to establish themselves on a long-term basis."<sup>65</sup> The ALC managed leases with farmers on provincially owned farmland. The program has an established application process, selection criteria, a selection panel, and leasing templates. The program provided long-term leases to farmers and created a means for lessees to build equity through improvements to the land which could be transferred to a new lessee or were compensated by the Agricultural Land Commission. The program also offered the opportunity for farmers to purchase the house on the land while leasing the land. The rental cost policy was market value, however reduced rent allowances could be made for the first 3 – 5 years to support establishment. Monitoring and oversight of the farming activities and assurance that lessees were using land according to the program criteria was carried out by a field agrologist with the ALC. The program was cancelled in the mid-1980s with a changing government and leased land was sold to farmers. While the program is no longer in place it provides an example of the government management of publicly owned farmland through direct leasing arrangements with farmers. The program operating protocol and application criteria can be accessed through the ALC to inform the development of a public farmland trust. The fact that the program was cancelled with a change in government and land transferred to private ownership should be taken into consideration. An oversight mechanisms that ensures land remains public and remains farmland should be integrated into a future public farmland trust.



<sup>&</sup>lt;sup>65</sup> Agricultural Land Commission. (1974). Provincial Agricultural Land Commission and Property Management Branch, BC Ministry of Agriculture and Food Guidelines to Leasing Farmland.

| Government Manages Lease Agro<br>and Oversight of Land  | eements Non-Profit Manages Lease Agreements and<br>Oversight of Land                               |
|---|--|
| Pros  | Pros   |
| <ul> <li>Maintain control over tenant :<br/>property management</li> <li>Rental Income</li> <li>Streamlined, single lease agre</li> </ul> | <ul> <li>Non-profit link to community</li> <li>Non-profit can leverage non-governmental</li> </ul> |
| Cons  | Cons   |
| <ul> <li>Government staff time to mar</li> <li>Lack of knowledge or expertis<br/>and managing farmland</li> </ul>                         |  |

# 10. Key Considerations In Developing Farmland Trust Model

In developing and implementing any new program or policy it is essential to consider potential unforeseen and perverse impacts. The following are three overarching considerations that emerged across consultations that should be taken into account in developing a farmland trust model.

### 10.1 No Net Loss of Farmland

In considering the options of Community Amenity Contributions and Density Bonusing as strategies for a farmland trust it must be ensured that the acquisition of farmland by local government is not occurring at the expense of loss of other farmland. The provision of farmland as a CAC or the use of DCCs directed to a farmland fund must avoid the creation of allowances for the development of farmland and/or removal of farmland from the ALR.

### **10.2 Impact of Taxation**

Changes to property taxation can have an impact on land values, affordability and land use that must be taken into account. In particular, concerns were raised over the impact of an additional household levy or property taxes for farmland land acquisition on housing affordability. CAC and DCC policies can impact levels and location of development. Secondary impacts of implementing any taxation or levy on development must be considered. It was also

recommended that the impact of any taxation strategy, as well a farmland trust generally, on farm property values in the region be considered.

### 10.3 Oversight & Governance

Strong governance structures and oversight mechanisms need to be established for both the land acquisition process and for the management of the land over time. One challenge of a farmland trust is ensuring that the land remains appropriately used over time by the lessees and measures need to be taken to devise clear rights, responsibilities and expectations between lessor and lessees. In the case of commercial operations leasing arrangements should provide long-term secure tenure to farmers but there also needs to be a termination strategy in place in case of tenants not meeting lease terms. Concerns were raised by selected participants over previous examples of government land banks which lacked oversight and resulted in abuse of the program by tenants who were not maintaining active farm operations.

It is highly recommended that a local government farmland trust be implemented in partnership with community members and non-governmental organizations. The governance structure of a local government trust and acquisition fund should directly incorporate relevant non-governmental representation whether through board representation or through an advisory committee. The management and oversight of activities on public land can be managed, solely or in partnership, by a non-profit society or non-governmental organization. There are already many examples in which public land is managed for farming and community food activities by non-governmental organizations as described in the report. There are also examples of public parkland managed or co-managed by non-profit conservation trusts and of community gardens managed by non-profit societies on city parkland. Partnering with a local community group removes the managing and oversight time requirements from city staff and has the benefit of planning and day-to-day management coming from an organization with direct connections to the community. Integrating non-governmental advisory into the governance structure of the farm trust and acquisition fund and partnering with local community and agriculture groups/societies for day-to-day land use management and oversight is an important means to implement checks and balances on the long term management of farmland held in a local government trust.



# **11. Complimentary Local Government Strategies**

Local governments play an essential role in protecting and managing farmland. The implementation of a farmland trust must be one part of an integrated approach. Complimentary policy approaches were raised by stakeholders and in consultations. Local government policy options and tools to support farmland protection have been developed in detail in previous reports available online.<sup>66,67,68,69</sup> The following is a summary of salient strategies from these previous reports and raised by stakeholders over the course of our research:

- Set goals and policy directives to support farmland protection, farmland access, and maintain working farms in Regional Growth Strategies, Official Community Plans, Agricultural Area Plans, Food Charters.
- Implement zoning regulations that further protect ALR and non-ALR farmland and ensure its use is limited to farming, use zoning by-laws and edge planning to limit urban sprawl.
- 3. Limit subdivision of agricultural lands and control housing footprints;
  - a. Consider a 'Community Farm' or 'Farm Village' zoning designation to allow for alternative farmland access and operating arrangements in which multiple farmers are accessing a single parcel of farmland without requirements for subdivision.
- Review Farm Tax Status requirements and consider raising the minimum required revenue to be eligible for farm tax status in order to avoid abuse of the property tax benefit by rural residences on farmland.
- Consider property taxation strategies to better incentivize farmland utilization and disincentive non-farm uses.
- Consider land ownership regulations to limit the purchasing of farmland for non-farm uses (e.g. residential) and speculation.
- Develop a task force to consider policy options available to local government to inhibit farmland speculation and address rising farmland cost beyond the farming value.

<sup>&</sup>lt;sup>66</sup> Curran, D. (2005). Protecting The Working Landscape Of Agriculture: A Smart Growth Direction For Municipalities In British Columbia. West Coast Environmental Law Research Foundation. http://www.smartgrowth.bc.ca/Portals/0/Downloads/WCEL\_ALR.pdf

<sup>&</sup>lt;sup>67</sup> CRFAIR. (2013). Policy Discussion Paper #1: Role of Local Government in Promoting Farmlands and Farm Viability.

http://www.communitycouncil.ca/sites/default/files/CRFAIR2013\_Role\_of\_Local\_Government\_Discussion%20Pap er\_1\_0.pdf

<sup>&</sup>lt;sup>68</sup> Curran, D. and Stobbe, T. (2010). Local Government Policy Options to Protect Agricultural Land and Improve the Viability of Farming in Metro Vancouver. Prepared for Metro Vancouver. http://www.metrovancouver.org/services/regional-

planning/PlanningPublications/Local\_Government\_Policy\_Options\_to\_Protect\_Agricultural\_Land.pdf

<sup>&</sup>lt;sup>59</sup> Gorsuch, W. (2009). BC's Farming and Food Future Local Government Toolkit for Sustainable Food Production The Land Conservancy of British Columbia. Prepared for The Land Conservancy of BC and FarmFolk/City Folk. http://www.farmfolkcityfolk.ca/PDFs & Docs/CFPdocs/toolkit final.pdf

8. Contribute to bringing underutilized private farmland into production through a publicly funded land-linking program that connects farmers seeking land to landowners with available land. Make public funds available to provide support services to both parties to establish successful access arrangement. Banque de Terre in Quebec provides a model of a municipally supported land–linking program that could be initiated in the CRD.<sup>70</sup>

# **12. Conclusion and Key Findings**

Farmland and food production play an important ecological, social and economic role on the Saanich peninsula and there is a need for continued local government policy development to ensure the continuity of a healthy agricultural sector and to support community food initiatives. One of the most important findings was the positive response we received towards implementing a local government farmland trust and acquisition fund on the Saanich peninsula and from other municipalities in the CRD. With respect to our exploration of models and mechanisms available to local government we found that there is a diversity of tools that are already in practice, such as acquisition of farmland through community amenity contributions, that could be expanded as well as tools used in other sectors such as housing and parkland management that may be transferrable to a local government farmland trust. A diversified strategy incorporating local government policy and financing options and partnering with non-governmental sectors is an opportune approach for a regional farmland trust. The following are a summary of key findings:

- There is general support for a local government farmland trust policy direction: We
  received a positive response from a diversity of stakeholders to advancing a local
  government approach to a farmland trust and to the public financing of farmland
  acquisition and management.
- 2. A regional (CRD) approach to a farmland trust and acquisition fund was favoured over implementation at the municipal level. However, municipal leadership and support is critical to implementation. A phased approach in which the trust and acquisition fund is initiated within the municipality of Saanich and/or North Saanich and then expanded to incorporate other municipalities in the CRD is an option we heard support for.
- There was a preference for a trust and fund specific to farmland as opposed to an approach that would broaden an existing fund (e.g. parklands acquisition fund) to be inclusive of agricultural lands.
- 4. The acquisition of land can occur through a diversified strategy, including expanding food activities on already owned public lands, using policy tools such as community amenity contributions and density bonusing, and through the creation of a farm trust and acquisition fund to raise public revenue for the acquisition of key lands.

<sup>&</sup>lt;sup>70</sup> Banque de Terre. (2015). Banque de Terre: Des Paysages au Paysans. http://www.banquedeterres.ca/

- 5. A strong diversified funding strategy is required. Potential means of raising public funds include cash-in-lieu amenity contributions, development cost charges, and property taxes. Local government funds can be used to leverage matching funds from other levels of government, the private sector, and the non-profit sector. Donations of land, public fundraising campaigns, and emerging financing models (e.g. community investment funds) should be considered in tandem.
- 6. Adopt a 'no net loss of farmland' approach. We clearly heard concern for utilizing any strategy that would encourage or support land coming out of the ALR. We strongly advise against advancing any strategy founded on the removal of ALR lands in exchange for cash contributions to an agricultural fund.
- 7. A clear governance structure and development of strategic plan is a key to success. A governance structure and strategic direction for trust operations will need to be established, there must be built in oversight mechanisms with community representation and advisory for the fund expenditures, land acquisition, and management of land placed in trust.
- Partnerships with non-governmental organizations for the management of farming and food activities (day-to-day land use) on the publicly held land was recommended.
- 9. Build on proven models: we heard of a diversity of local government models, tools, and mechanisms transferrable to a farmland trust. Two models that we heard particularly strong support for were the CRD's Parklands Acquisition Fund and the CRD's affordable housing strategy which is operationalized through the Regional Housing Trust Fund, Housing Secretariat and Capital Regional Housing Corporation. These models have established governance structures, legislative frameworks, financing and asset acquisition models that can be used to inform the development of a farmland trust and acquisition fund.
- 10. Trust mandate inclusive of diverse land uses/food activities desired: we heard support for a diversity of land uses including long term leases to commercial agricultural operations, non-commercial community food activities, training and incubator farm programs, and mixed use 'agricultural parks' that will meet a broad set of public services and community needs.
- 11. Explore partnerships with First Nations: the Saanich peninsula is the traditional territory of the Tsawout, Tsartlip, Pacquachin, Tseycum, and Malahat First Nations and it is essential that First Nations' government and community representatives be engaged to explore opportunities for ongoing partnership in the stewardship of food lands on the Saanich Peninsula.
- 12. Start with existing public lands to establish a trust framework and develop operations: Examine and build from existing public farmland models in the region (Newman Farm,

Haliburton Farm, Welland Orchard). Develop land use of recently acquired public agricultural lands (Sandown Raceway Panama Flats). Identify existing public lands with potential for farming or food activities and develop models to bring these lands into production. Build from these initiatives to develop a unified framework for a local government farmland trust model which can then be expanded to future land acquisitions.

 Strike a joint government-key stakeholder task force to develop a strategic direction and to identify and initiate needed policies to establish a local government farmland trust and acquisition fund.



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