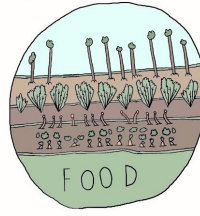


FarmLand Commons: 501(c)(25) Nonprofit Land Holdings Entity

nonprofits create, incubate,
and manage the commons



3 to 35 501(c)(25) Nonprofits come together



FarmLand Commons

501(c)(25) incorporated with
Bylaws and local majority board and with each
nonprofit having an equal role.

Brief overview of the 501(c)(25) Farmland Commons

- Co-created by at least 3 nonprofits to hold land
- Land is protected against development and made permanently available for agricultural and community uses through the bylaws, lease, and other foundational documents and deed encumbrances
- Focuses on active food production, education, community engagement, business enterprise activities, housing, and ecosystem stewardship
- Farm and education buildings and infrastructure and home could be owned by Farmland Commons, Leaseholder, or some variation



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501(c)(25) NONPROFIT LAND HOLDING STRUCTURE

To hold land (legal ownership of land, farm, community real estate) in common (limited scope land holding nonprofit) and in community while working within the current legal structures that exist and that we all live within, the IRS designated nonprofit 501(c)(25) structures) land holding affiliate entities provides the best option. A 501(c)(25) is formed when a minimum of three or a maximum of thirty-five 501(c)(3) nonprofits come together to form this land holding entity. The board is formed by members of the parent 501(c)(3) nonprofits, and they can appoint others to be on the board. The board of directors is composed of the people best positioned to support the land and the enterprises connected to it.

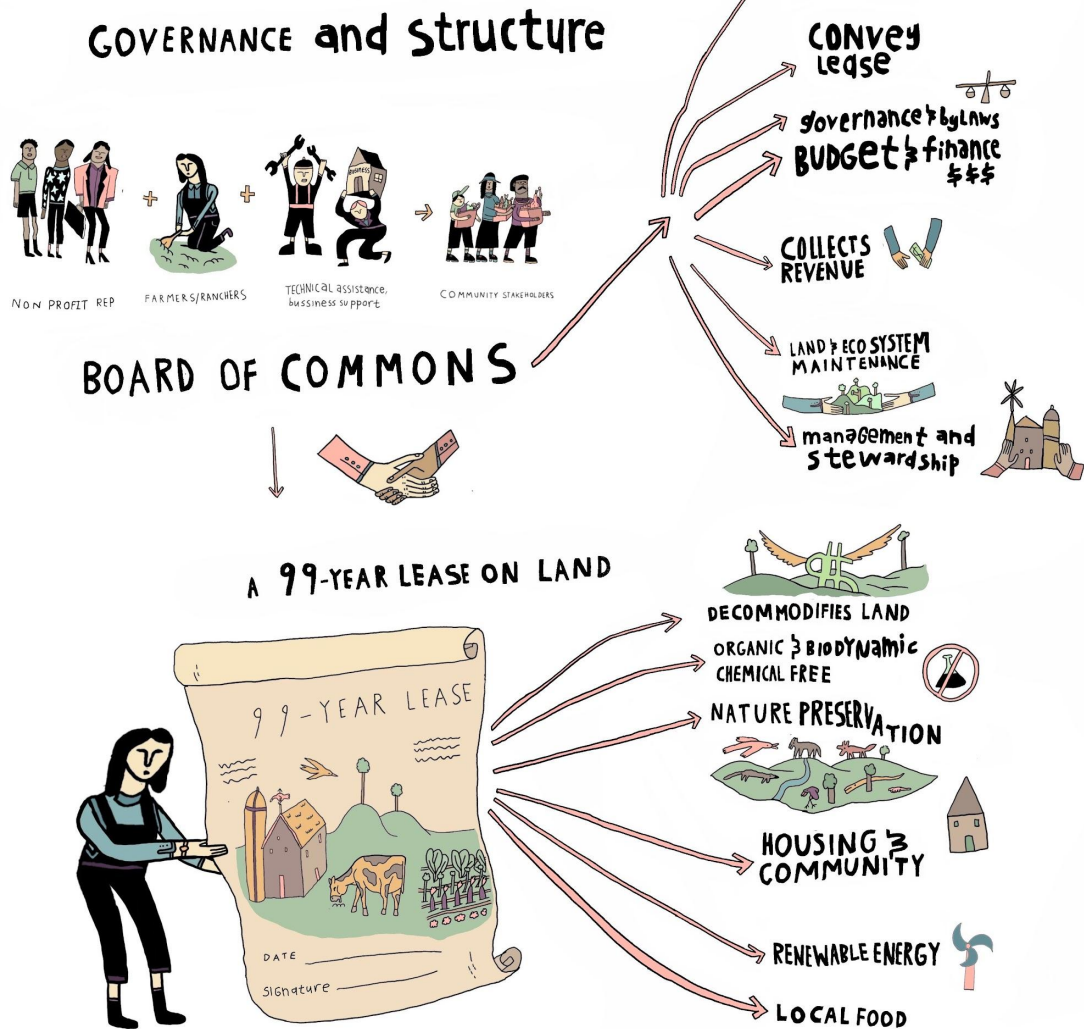
The 501(c)(25) is a limited scope entity that exists only to hold title to real estate, manage and steward real estate, and convey lease out for use of real estate. The board manages and determines the terms of the lease, and we always advocate for affordable, equity building 99-year lease tenure. The board also decides and strategizes on what other land projects to collaborate with. The board takes in lease revenue and can pursue operational and capital charitable, tax-deductible philanthropic funding through 501(c)(3) member organizations. The board manages the real estate holding responsibilities of taxes, insurance, permits, and approvals, and capital improvements and long-term management. They also create and manage their own budget focused on reinvestment in land and infrastructure and covering carrying costs, with annual net proceeds flowing to the 501(c)(3) member organizations, and ensures property holding costs and nonprofit operations are covered.

Nesting these multiple entities, partnerships, and relationships in the land-holding entity brings about commoning, resilience, and a durable framework to support the individual real estate, the farm, the school, and other business enterprises, the local community, and the national network.



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FarmLand commons:

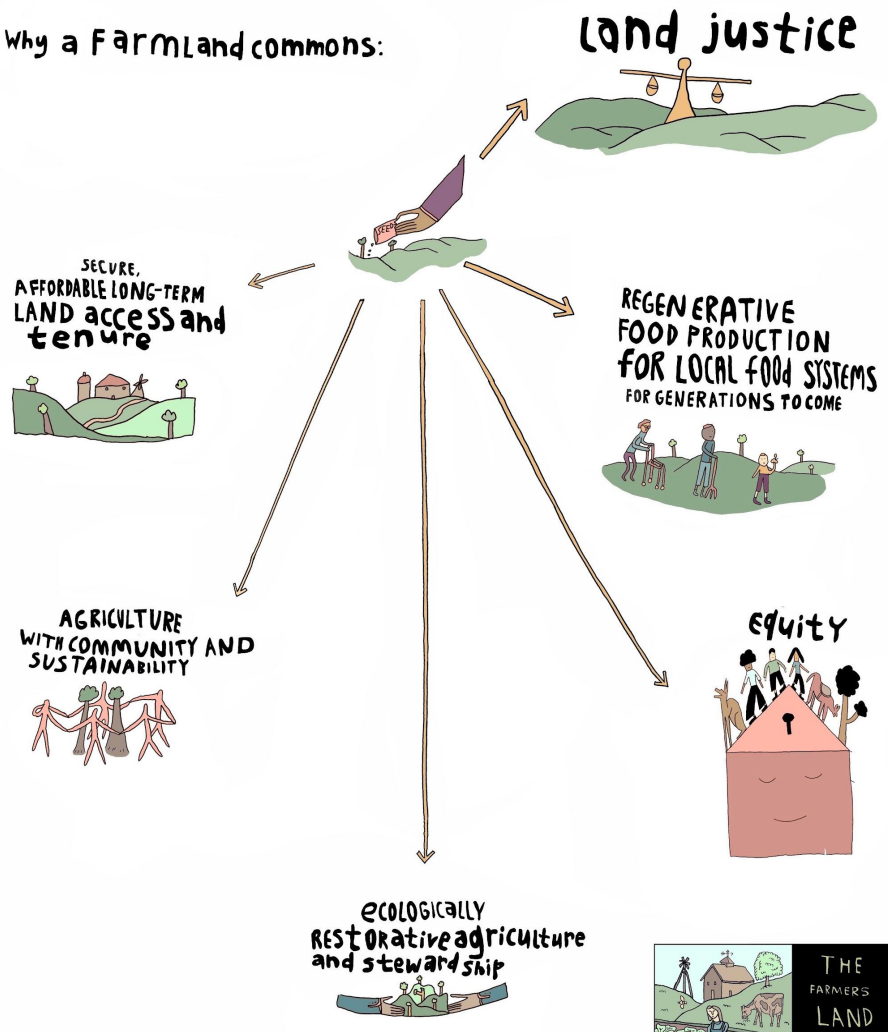


This structure and the associated documents and agreements combined with relationships, intentions, trust, and aligned work create and support the land, enterprises, community, and long-term vision, intent, and viability. The scope of the board includes drafting and agreeing on details of the lease and management agreements.



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Why a Farmland commons:



A Commons networked ecosystem catalyzes benefits of

- Sharing, learning, and being part of a network of connections
- Bringing awareness, value, and collectively ensuring:
 - Multi-generational investments in soil health, land stewardship, and organic agriculture as the foundation for generations
 - Long-term lease tenure and equity interest to support ecological restorative biological agriculture, food production, and enterprise
 - Land legacy of shared stewardship of soils, ecology and community



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A COMMONS MODEL

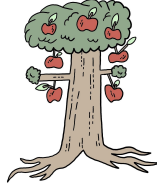
Ownership is held and governed by multiple nonprofit organizations, a 501c25 (connected to three or more 501c3s and allows for adding and removing of 501c3 entities annually) land holding entity. The Commons is the land holder and landlord and is responsible for ensuring sound management and stewardship of real estate and for maintaining relationships and agreements with leaseholder(s) who actively operate activities on the real estate. The Commons are limited in scope to just holding real estate, and activities are done by leaseholder(s) that hold a long-term lease (ideally 99-year term) and who sit on the Commons board. A leaseholder could be any type of legal entity and can build equity through a ground lease structure where they own buildings, infrastructure, and investments made to the real estate. Commons build success by:

- Holding value in and working toward growing in scale to hold ownership of several real estate assets, over time, and working within a region
- Aligning on values of regenerative ecological stewardship practices, farm standards, land-based education, or other foundational values
- Collaborating with and creating balance between local, regional, and national
- Centering on local community level control, vision, and operations that includes the majority of the board being made up of individuals and organizations that are local to the land being held in common
- Aligned passion and/or resource driven professional experience in the following roles to be represented on the Commons board: legal, financial, agriculture, programmatic, and nonprofit

A Commons is structured for land ownership (holding title), access, tenure, and equity (through lease conveyance). This goes beyond conservation easements, that while focused on protecting the natural resources, do not address ownership, access and tenure, or equity. A Commons, as landowner, and the leaseholder, as operator, are subject to and must adhere to all zoning, permitting, and planning regulations that exist. Building, enterprise, and operation permits and approvals and property taxes and property insurance requirements also exist as they normally do.



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RESOURCES

A wealth of information on Nonprofit land ownership, Land Trusts and Commons can be found in the documents and organizations linked below

[Purpose Economy](#) provides a great overview of and resources on [Stewardship and Ownership](#).

[Farm Commons](#) provides many resources, [guidance and template documents here](#) on the legal side of farm business operations, structures and ownership.

[Land For Good](#) offers many resources [here](#) on farmland transfer including what is involved in transferring land, guides, and stories of others who have successfully transferred land.

[Lincoln Institute of Land Policy](#) is an academic and policy focused think tank that develops useful resource and research publications.

[Grounded Solutions](#) provides many resources on [Community Land Trusts here](#), including a [Start-up Guide](#) and a [Technical Guide](#).

[American Farmland Trust's National Agricultural Land Network](#) provides policy and education-focused resources for conventional land trust and agriculture audiences.

A Land Trust is a legal structure codified in [IRS code 170h](#)



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