STAFF REPORT: ADOPTION OF FINAL GUIDELINES FOR THE 2014-15 SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

SUMMARY

This report summarizes the Strategic Growth Council's Sustainable Agricultural Lands Program (SALC Program) and the corresponding 2014-15 Guidelines document, and provides an overview of public outreach and comments made on the previous draft and an outline of next steps related to implementation of the SALC Program.

RECOMMENDED ACTION

Approve the Sustainable Agricultural Lands Conservation Program Final Guidelines (Attachment 1). With Council approval, staff may proceed with the solicitation of projects eligible under these guidelines via a competitive process, awarding up to $5 million in Fiscal Year 2014-15 funding.

BACKGROUND

The Budget Act of 2014 appropriates $130 million from the Greenhouse Gas Reduction Fund (GGRF) for the FY 2014-15 budget to the Strategic Growth Council (SGC, or Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

The AHSC Program furthers the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions (GHGs) by creating more compact infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. These types of projects, described in the AB 32 Scoping Plan, will support ongoing climate objectives and contribute substantial co-benefits by:

- Reducing greenhouse gas emissions and vehicles miles traveled (VMT) by improving mobility options and supporting infill development; and
- Protecting agricultural lands from conversion to other developed uses in order to manage growth within discrete boundaries, and supporting conservation practices that reduce GHG emissions and increase soil carbon sequestration.

Pursuant to SB 862, the Council is required to develop and administer the AHSC Program and to leverage the programmatic and administrative expertise of relevant state agencies and departments in implementing the program. The Council is responsible for the overall administration of the AHSC Program and retains primary authority for the governance of this program and approval of funding awards.

At its July 10, 2014 meeting, the Council approved the Department of Housing and Community Development (HCD) to implement the housing, transportation and infrastructure components of this program, and the California Natural Resources Agency (CNRA) or Department of Conservation (DOC) to implement the agricultural lands protection component. CNRA, with support from DOC, is administering this component, now called the Sustainable Agricultural Lands Conservation (SALC) Program.

INTEGRATION BETWEEN THE AHSC AND THE SALC

The two components of the Council's program – AHSC and SALC – are working in tandem to deliver projects that reduce GHGs. By investing in infill development, improved mobility options, and protecting lands strategically along growth boundaries, these components work together to reduce GHGs in the aggregate and over time. The programs are administered through cross-agency cooperation, drawing on a wide variety of expertise in order to create programs that deliver multiple benefits.

SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

The Sustainable Agricultural Lands Conservation (SALC) program supports the protection of California's agricultural lands. Through the permanent protection of farm and range lands via investments in strategic planning and agricultural conservation easements, the program contributes towards the goals to reduce greenhouse gas (GHG) emissions by protecting those lands most at risk of conversion to non-agricultural uses, thereby avoiding increases in GHG emissions that would be attributed to a more intensive development of the land. Additionally, protecting farmland from conversion sequesters carbon and can otherwise reduce California climate risks by helping to ensure food security, providing habitat and corridors for wildlife, and helping with flood mitigation and groundwater recharge.

The approval of final program guidelines for the SALC program are needed in order to begin a competitive solicitation for projects that meet the proposed program requirements and criteria. The SALC program supports the implementation of the Strategic Growth Council (SGC) Affordable Housing and Sustainable Communities program, as described in SB 862, by "preventing the conversion of agricultural lands by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions." The SALC program is administered by the Department of Conservation, on behalf of the Strategic Growth Council, working in close cooperation with the Natural Resources Agency and the Department of Food and Agriculture.

Proposed draft guidelines for the SALC program were released on September 23, 2014 for public comment. A formal public comment period was held through October 31, 2014, and three public workshops were held throughout California in Oroville, Bakersfield, and Watsonville. Staff has carefully considered the comments received in order to prepare the proposed final guidelines presented today for Council approval. Attachment 2 to this report describes where changes to the draft guidelines were made to create the final draft.

Copies of the comment letters have been posted to the SGC website, and a compilation summary of comments received is provided as Attachment 3 to this staff report.

SALC PROGRAM SCOPE IN THE INITIAL YEAR

These guidelines are focused on **two** of three elements of the SALC Program:

1. Sustainable Agricultural Land Strategy Plans – grants to counties, cities, and their partners, to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions that ensure the long term protection of those lands, and

2. Agricultural Conservation Easements – funding to leverage the protection of strategically located, highly productive, and critically threatened agricultural land, via permanent agricultural conservation easements.

Program staff anticipates awarding up to $1 million in funding for element 1, and up to $4 million in element 2. Any un-awarded funding for a specific element may be applied to the other in order to award all available funds.

A third element of the program, which would provide funding to incentivize management practices designed to reduce GHGs, sequester carbon and provide other co-benefits on working agricultural operations, is not included as an eligible project type in the first year of this program. Staff will begin to develop appropriate criteria for this element over the next year. At the time staff is ready to incorporate this third element into the SALC program guidelines, a revised draft will be prepared for a public comment process, and will require future Council approval.

All future rounds of this program are contingent on budget approval and the availability of funding from the Greenhouse Gas Reduction Fund.

GREENHOUSE GAS QUANTIFICATION OF SALC PROJECTS

The California Air Resources Board (ARB) is responsible for providing guidance to estimate GHG emissions reductions from all projects funded by the GGRF. The SALC program will work collaboratively with the ARB to quantify the GHG benefits associated with all projects funded via this program. At the time of this report, the methodology for GHG quantification is still under discussion, but will be in place prior making any GGRF expenditure.

NEXT STEPS

Upon Council approval of the final guidelines, staff will release a request for projects. The following provides anticipated application deadlines and administrative timelines for this first round of funding:

Solicitation for Projects Released, following approval of SALC Final Guidelines by SGC Council	January 21, 2015
Applications Due for Sustainable Agricultural Land Strategy Grants	March 20, 2015
Pre-Proposal Summaries Due for Agricultural Land Conservation Easement Grants	February 6, 2015
Complete Applications Due for Agricultural Land Conservation Easement Grants	April 1, 2015
Technical Committee to review applications and make proposed recommendations for award	April-May 2015
Recommend Projects for Award to SGC Council	June 2015 Council Meeting

STAFF REPORT ATTACHMENTS (*Hyperlink to documents by clicking below*)

Attachment 1: SALC Program Final Guidelines for Council Approval
Attachment 2: SALC Guidelines Change Document
Attachment 3: SALC Comments Compilation

CALIFORNIA
SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

GRANT GUIDELINES & APPLICATIONS

FUNDED BY

THE GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

PROPOSED FINAL DRAFT

January 9, 2015

GUIDELINES FOR APPLICATIONS
SUBJECT TO SOLICITATION

Please direct comments to:

Sustainable Agricultural Lands Conservation Program

AHSC_AG@sgc.ca.gov

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Section 1: Sustainable Agricultural Lands Conservation Program
Introduction and Program Summary

The Sustainable Agricultural Lands Conservation Program (SALCP) supports the State's greenhouse gas (GHG) emission goals by making strategic investments to protect agricultural lands. Protecting critical agricultural lands from conversion to urban or rural residential development, promotes smart growth within existing jurisdictions, ensures open space remains available, and supports a healthy agricultural economy and resulting food security. A healthy and resilient agricultural sector is becoming increasingly important in meeting the challenges occurring and anticipated as a result of climate change.

There are three major elements proposed for the SALCP:

1. Sustainable Agricultural Land Strategy Plans— Short term grants to counties, cities, and partners, to inventory and evaluate which agricultural lands are most highly productive and critically threatened and develop locally appropriate strategies, programs and actions that ensure the long term protection of those lands.
2. Agricultural Conservation Easements—Provide funding to leverage the protection of strategically located, highly productive, and critically threatened agricultural land, via permanent agricultural conservation easements.
3. Financial Incentives for Adoption and Use of Land Management Practices —Leverage USDA and other funding to incentivize management practices designed to reduce GHGs, sequester carbon and provide other co-benefits on working agricultural operations.

These 2014 SALCP Guidelines serve as the Request for Grant Applications (2014 RFGA) . The third element is not included within the 2014 RFGA, but will be addressed in future years.

Program Goals and Objectives

The principal goal of this grant program is to fund plans and conservation acquisitions in order to avoid increases in greenhouse gas emissions associated with agricultural lands, consistent with AB 32: the California Global Warming Solutions Act of 2006.[1] Recent University of California research estimates that land in agricultural and healthy open space use sequesters up to 70 times more carbon than any form of urban development.[2] In future years, the program proposes to add a third program element to incentivize land management practices that lead to additional reductions of GHG on agricultural lands.

Conserving and managing agricultural land contributes towards the goals to reduce GHG emissions by:

- Encouraging focused, compact, transit oriented development within discrete growth boundaries.
- Reducing GHG emissions and increasing soil carbon sequestration through the implementation and use of farm-scale conservation management practices.

The SALCP will complement California's existing farmland conservation efforts, including the Land Conservation (Williamson) Act, the California Farmland Conservancy Program , and the many local and regional agricultural land conservation policies in place throughout the state.

[1] Legislative information and other background resources are available in Appendices A (Glossary) and B (Online Resources) in this document.

[2] See Jackson et al, listed in Appendix C (Additional Resources).

Agricultural Land
For the purposes of this program agricultural land will include both cultivated and non-cultivated (e.g., rangeland and pasture) lands.

GHG Quantification and Reporting
In administering the SALCP, the program is responsible for quantifying and reporting to the ARB on how proposed expenditures will contribute to achieving and maintaining greenhouse gas emission reductions. Although separate investment types, the three elements that make up the design of this program -- planning, easements, and in later years management practices -- work together to further the purposes of AB 32. The eligibility and selection criteria presented in these Guidelines are designed to prioritize projects that demonstrate the greatest potential for protecting lands most at risk of conversion to other purposes. The program intends to estimate the amount of GHG emissions that would be attributed to a more intensive development of the land should its protection for agricultural purposes via this program not occur. With forthcoming guidance by the ARB, the program anticipates continued development and refinement of quantification methodologies over time.

Co-benefits
Beyond avoided increases to GHG emissions, conservation of agricultural land provides the opportunity for a series of co-benefits. Examples of these benefits may include, but not be limited to:

- Water conservation, through on site efficiencies, groundwater recharge, flood control, or recycling of urban wastewater.
- Economic benefits (e.g., retention of local jobs and agricultural revenues, entrepreneurial opportunities, reduction in spending on municipal services for dispersed development).
- Improved air quality resulting from carbon sequestration and reduced vehicle miles traveled.
- Energy conservation, through on farm practices, local markets or local processing of commodities.
- Nutrient cycling that decreases potential for water pollution.
- Ecosystem services (e.g., wildlife habitat, pollination, and natural food web adaptation)
- Open space values.
- Increases in local food production promoting food security and resilience, and a greater understanding of agriculture's importance among both urban and rural Californians.

What is Cap and Trade?

The California Global Warming Solutions Act of 2006, AB 32 (Chapter 488, Statutes of 2006), is a multi-year program to reduce Greenhouse Gas (GHG) emissions in California to 1990 levels by 2020. One key strategy to achieve this goal is a 'cap and trade' market system. The 'cap' creates a limit on carbon dioxide equivalent emissions, while a corresponding number of allowances within the cap can be 'traded'. The allowances are purchased by utilities and businesses at quarterly auctions. Over time, as the cap lowers, businesses that aggressively reduce emissions can trade their surplus allowances to firms that find it more expensive to reduce emissions. The auction proceeds are then used to further the goals of AB 32.

Cap and trade auctions began in November 2012. The majority of auction proceeds are required by the California Public Utilities Commission (PUC) to benefit rate payers of investor owned utilities. The smaller 'state portion' of auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF).

GGRF investments are primarily targeted at clean transportation and sustainable community plans; commensurate with the impact transportation has on GHG emissions. Improvements to energy efficiency and natural resources management also contribute, but at lesser levels than transportation oriented factors.

Source of Funds and Statutory Authority
The Budget Act of 2014 appropriates $130 million from the GGRF during FY 2014-15 to the Strategic Growth Council (Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16. The AHSC Program will support ongoing climate adaptation and mitigation objectives and provide substantial co-benefits by, in part,"[p]reventing the conversion of agricultural lands by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions."

The SALCP was identified by the Council as most appropriately administered by the California Department of Conservation (DOC) in conjunction with the Natural Resources Agency (Agency). The SGC approved the roles of DOC and the Agency at its July 10, 2014 meeting.

The DOC's authority for agricultural land protection derives from various sections of statute:

- Public Resources Code Sections 10200-10277, the California Farmland Conservancy Program
- Public Resources Code Sections 10280-10283, Agricultural Protection Planning Grant Program
- Government Code Section 65570, the Farmland Mapping and Monitoring Program (FMMP)
- Government Code Sections 51190-51294.7, the California Land Conservation Act (Williamson Act or LCA)
- Revenue and Taxation Code Sections 421-430.5, pertaining to valuation of open space land subject to an enforceable restriction
- Public Resources Code Division 9, governing Resource Conservation Districts (RCDs)

SB 732 (Chapter 13, Statutes of 2008) established the Council and added California Government Code Sections 75127 and 75128, which direct the Council to manage and award financial assistance to support the planning and development of communities that achieve sustainability objectives. Government Code Section 75126 states that these funded activities must be consistent with the State's Planning Priorities[3], and Section 75125 states that the Council shall develop Guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

The activities funded under SALCP will primarily rely upon DOC's existing statute to fund agricultural conservation easements and planning grants. The funded activities must also meet the goals of reducing greenhouse gas emissions consistent with AB 32. A series of stakeholder meetings in August 2014 informed Agency and DOC staff in the development of these Guidelines.

These Guidelines address both agricultural conservation easement and planning grant funding. Due to the significant differences between the two elements, they are addressed separately throughout much of the Guidelines document.

Disadvantaged Communities
Senate Bill 535 (Chapter 830, Statutes of 2012) directs State and local agencies to make significant investments that improve California's most vulnerable communities. The statute requires that the GGRF investment plan allocate a minimum of 25 percent of available moneys to projects that provide benefits to disadvantaged communities (DACs) and a minimum of 10 percent to projects located within DACs. The target for DACs investment established under CalEPA's interim guidance for FY 2014-15 is 50 percent for the overall Sustainable Communities and Affordable Housing Program allocated to the Strategic Growth Council (out of $130 million total).

[3] See the Glossary, Appendix A, for these Government Code Section 65041.1 priorities.

Projects will first be evaluated to determine if 50% or more of the project is located in a DAC census tract and will provide direct, meaningful, and assured benefits to a DAC. If the project does not meet the criteria for "located within," projects will be evaluated to detemine if they meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC:

A. Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses; or
B. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a DAC; or
C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications.

CalEPA's interim guidance was used to develop these Guidelines; as a result, the SALCP Guidelines may be modified after final CalEPA guidance is available[4]. In recognizing this guidance and its importance toward assisting disadvantaged communities, SALCP planning grant applications impacting DACs s will be awarded 5 additional points toward their total score.

Grant Application and Administration

The Department of Conservation (DOC) administers the SALCP grant program in conjuction with the Agency, on behalf of the Council.[5] Grant applications will be submitted as a digital version via email, along with one hard copy of the entire application.

SALCP Application Deadlines for FY 2014-15

Sustainable Agricultural Land Strategy Grants: March 20, 2015

Agricultural Land Conservation Easement Grants:

Pre-proposal summaries—February 6, 2015
Complete Applications—April 1, 2015

For fiscal year 2014, awards will be made at the same time for both the planning grants and conservation easement grants. However, planning grants and conservation easement grants each have a specific application process. Please refer to the text box for specific timelines for each program element, and in later sections of these Guidelines for explanatory material. Land management practices will not be eligibile for funding under this round. Should the program continue in future years, these grant Guidelines will be updated to incorporate specific criteria for investments in management practices.

The mailing address for applications is:

California Department of Conservation
Sustainable Agricultural Lands Conservation Program
801 K Street, MS 18-01
Sacramento, CA 95814

SALCP forms and sample documents are available at:
http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

For more information about the grant administration process see Section 5.

[4] CalEPA's November 2014 final interim guidance for appropriations anticipates releasing the full funding guidance in mid-2015.
[5] These entities in whole or in part may be referred to later in this Guidelines document as the State.

Section 2: Sustainable Agricultural Land Strategy Grants

In the initial years of the SALCP, funds will be awarded to support collaborations of local entities that develop a shared vision of agricultural conservation in their communities. Counties, cities, and partners will identify the criteria to evaluate or identify their most important or critically threatened agricultural lands, and strategies that can guide protection of these lands into the future. In conjunction with housing and transportation investments being made in cities, this effort supports a balanced approach to sustainable communities in California.

Sustainable Agricultural Land Strategy Plans will vary by community depending on the unique agricultural characteristics and conversion pressures in any given county and/or city. Therefore, these Guidelines do not provide a specific definition or description of a Sustainable Agricultural Land Strategy Plan. However, examples of what may be considered are provided below. These Guidelines do not define "critically threatened agricultural lands." Instead, through the development of a Sustainable Agricultural Land Strategy Plan, each county and/or city, in collaboration with other organizations, agencies, and the community, will be able to define and identify those agricultural lands within their communities that they consider to be "critically threatened."

Eligible Applicants
Counties and/or cities as the lead applicant(s) in collaboration with other partners.

Application Funding
Up to $1,000,000 in FY 2014-15 is allocated to grants for Sustainable Agricultural Land Strategy planning efforts. Individual grants are limited to $100,000 each. It is anticipated that applications for this program element will be accepted during FY 2014-15 and FY 2015-16 (contingent on availability of future funding). Funds not awarded under this SALCP element may be used to increase available funding for award in another SALCP element.

There must be a minimum ten percent (10%) local match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.

Eligible Projects
Sustainable Agricultural Land Strategy Plans might include, but not be limited to:

- Development of the criteria used to define the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Delineation of agricultural lands with the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Community consensus-building to develop a strategy for agricultural land preservation.
- Development and adoption of a Sustainable Agricultural Land Strategy, which may include an agricultural land mitigation program or a county or city agricultural element, conservation element, or other similar policy documents.
- Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition.[6]

[6] Applicable for jurisdictions that have adopted a Sustainable Agricultural Strategy or agricultural land mitigation program.

- Planning for critical agricultural infrastructure needs; such as processing facilities, local marketing opportunities, water quality or quantity improvements, or waste handling, to support sustainability in existing rural and agricultural communities.
- Development of innovation incentives for GHG reduction in local communities through financial or technical tools.

Ineligible Projects
Proposals that will not be funded under this program include, but are not limited to, proposals that:

- Do not meet the intent of the SALCP.
- Do not contain adequate documentation and applicable materials.
- Do not clearly state objectives and deliverables.
- Are not received by the application deadline.

General Information Regarding Sustainable Agricultural Land Strategies

Agriculture is one of California's most important industries, but because of geographic and enconomic factors, the nature of agricultural land resources varies widely from region to region. Sustainable Agricultural Land Strategies must account for and should represent the values of local communities. These examples elaborate on the list of eligible projects listed above.

1. The development of criteria to define, or the delineation of, agricultural lands with the greatest local priorities for conservation. This may include but not be limited to lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl, those that also exhibit special environmental significance, or those that may result in enhanced carbon sequestration depending on the cropping and management of the protected lands:

    - Identify criteria that will be used to establish local priorities for agricultural land conservation.
    - Map and inventory of all agriculturally zoned lands within the county as of the current year. County-level maps of agricultural land developed by DOC's Farmland Mapping and Monitoring Program, general plan maps, or other available local and state maps and resources may be used.
    - Identify lands that are already permanently protected. These include agricultural conservation easements, habitat conservation easements, and other permanently protected lands. Sustainable Agricultural Land Strategy Plans should consider the connections between these lands and others identified in the Plan.[7]
    - Develop tables and maps showing the location of lands enrolled in the Williamson Act, lands zoned for agricultural use, and related information; and post on the county's Internet Web site.

2. Community consensus-building activities to develop a strategy for agricultural land preservation:

    - Provide general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close farmer affiliations.

[7] Refer to the following databases: California Protected Area Database and California Conservation Easement Database (both located at http://www.calands.org/) ; the National Conservation Easement Database (http://nced.conservationregistry.org/) and the California Conservation Easements Registry (http://easements.resources.ca.gov/). Your county's local land trust or conservancy may also be found at the http://www.calandtrusts.org/land-trusts/.

- Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) toward the development of a Sustainable Agricultural Land Strategy. These meetings should consider the compatibility between the existing plans and policies of the county, cities, and LAFCO including adopted Spheres of Influence (SOIs), and municipal service boundaries, in development of the Sustainable Agricultural Land Strategy.
- Develop a process to resolve compatibility issues among the various plans.
- Use existing agricultural land inventories/maps, existing policies and ordinances, and the process(es) to resolve compatibility, to inform development of a Sustainable Agricultural Land Strategy.
- Develop urban/rural or public/private partnerships to preserve and protect agricultural land as part of an infill development strategy.
- Post the complete Strategy and a summary to the county's Internet Web site.

3. Development and adoption of a Sustainable Agricultural Land Strategy which may include an agricultural land mitigation program:

    - Describe the goals, strategies, policies and ordinances to retain agriculturally zoned land, where practical, and mitigate the loss of agriculturally zoned lands to nonagricultural uses or nonagricultural zones.
    - Adopt a resolution determining that the existing county goals, policies, ordinances, inventory and maps comprise an agricultural land mitigation program which supports agricultural land rentention and mitigation for agricultural land when converted to non-agricultural uses.
    - Develop and post the Sustainable Agricultural Land Strategy including all relevant maps, goals, related policies and ordinances, on the county's Internet Web site.
    - Conduct nexus studies for agricultural land preservation and mitigation ordinances.
    - Update County General Plans to include agricultural conservation policies, and implementation measures such as an agricultural land mitigation program, including ordinances.

4. Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition:[8]

    - For jurisdictions which have enacted Sustainable Agricultural Land strategies, identify landowners interested in permanent agricultural conservation easements.
    - Conduct due diligence (appraisals, surveys, title review, etc) to prepare potential projects for applications to various funding sources.

5. Planning for critical agricultural infrastructure needs to support sustainability in existing rural and agricultural communities:

    - Conduct an inventory of support businesses, processing facilities, water infrastructure, and markets serving local growers. Identify threats to local production due to potential facility closures or other factors; and opportunities to take advantage of changes in the marketplace that could improve local farming sustainability as well as decrease GHG emissions.

[8] For jurisdictions that have adopted a resolution for a Sustainable Agricultural Land Strategy as stated in Goal 3.

- Develop plans to achieve improvements in conjuction with local agricultural organizations and businesses, particularly those that would result in GHG reduction from more efficient facilities operation.

6. Development of innovation incentives for GHG reduction in local communities through financial or technical tools:

    - Collect data documenting on-farm agricultural management practices targeted to reduce GHG emissions and enhance biological carbon sequestration, and their results.
    - Develop regional technical assistance expertise to improve GHG and carbon sequestration performance on farms.
    - Conduct planning or studies towards development of agricultural carbon markets, the valuation of agricultural lands, or the county tax base as these relate to implementation of agricultural GHG reduction measures or other farmland conservation tools.

Eligibility and Selection Criteria for Sustainable Agricultural Land Strategy Grants

Priority Considerations

Consistent with the goals of the SALCP, the following areas have been identified as priorities in awarding grants:

- The proposal enhances, aligns, or consolidates elements of a county or regional plan toward long-term conservation of agricultural lands.
- The proposal demonstrates collaboration with various levels of government (including federal, state, regional, local and special districts); internal coordination amongst applicant departments; and collaboration with diverse external stakeholder groups such as agricultural businesses, agricultural water providers/purveyors, non-governmental organizations (NGOs) and community members towards conserving agricultural land or increasing carbon sequestration on agricultural land.
- The proposal creates best practices to serve as models for communities across the state or region.
- The proposal is leveraged with additional resources.
- The proposal includes development of an agricultural land mitigation program.

More detailed information on eligibility and selection criteria is located on pages 10 and 11.

Grant Application Review Process

1. Applicants submit a complete grant proposal to the Department of Conservation (DOC) by the deadline.
2. Proposals are reviewed for completeness and eligibility. (Incomplete or ineligible proposals may not be evaluated or considered for funding at the sole discretion of the State.)
3. Grant Committee (Committee) reviews proposals using selection criteria and makes recommendations for awards. The Strategy Grants Committee will consist of staff with planning and agricultural expertise from DOC, the Resources Agency, the California Department of Food and Agriculture, and outside subject matter experts.
4. The Committee recommends the final projects for award to the SGC for Council approval.
5. The Council determines final project awards.

All information submitted in the application package will be used by grant reviewers for evaluation and should demonstrate how effectively the proposal will meet SALCP goals and objectives. Proposals will be reviewed by DOC and Agency staff for completeness and eligibility, followed by technical review and scoring by the Grant Committee. Each area is awarded points on a sliding scale from zero to the listed number.

In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Sustainable Farmland Strategy Grants Scoring Criteria	
Need for the Proposed Plan or Strategy	40 points
Integration of Entities and Existing Resources	25 points
Community Involvement and Participation	20 points
Disadvantaged Community Impacts	5 points
Organizational Capacity (10 points)	10 points
Total Available Points	100 points

Sustainable Agricultural Land Strategy Grants Eligibility Criteria
• The proposal will reduce GHG emissions, including through carbon sequestrarion consistent with California's Global Warming Solutions Act of 2006 and any applicable regional plan. • The county or city (lead applicant) can document farmland conversion issues within the jurisdiction. • Those counties currently participating in the Williamson Act Program will continue implementing the program as a part of their sustainable agricultural land strategy. • The proposal demonstrates collaboration between County government, other levels of local government, and external stakeholder groups such as agricultural businesses, agricultural water providers/purveyors, NGOs, and community members. • The proposal seeks to align local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development. • The proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc). • The proposal contains clear, reportable objectives, measures of progress, and deliverables. • The proposal provides specific detail on the types of data that will be used to evaluate agricultural resources, evaluation criteria, data gaps, and how the final product will be used in connection with the existing planning structure within the county. • The proposal includes a minimum ten percent (10%) match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. • The proposed project can be completed within a 2 year time-frame. (State Administrative Manual).

Sustainable Agricultural Land Strategy Grants Selection Criteria
• The degree to which the proposal documents a linkage between local policies and plans with potential reductions in GHG emissions consistent with California's Global Warming Solutions Act of 2006. • The degree to which a need for the proposal is documented based on farmland conversion rates, age of planning documents, or other factors. • The degree to which the proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, Williamson Act enrollment, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc). • The degree to which the proposal identifies potential barriers to implementation, such as inconsistencies in plans and polices, and provides strategies for aligning local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development. • The degree to which the proposal demonstrates a collaborative approach to addressing agricultural land conservation. • The specificity with which the proposal identified the types of data that will be used to evaluate agricultural resources, the local policies and ordinances it seeks to align, and the methods that will be used to resolve compatibility issues between these policies and ordinances, if any. • The degree to which the proposal documents the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions. • The specificity and reasonableness of the timeline, reportable measures of progress, and deliverables. • The degree to which the proposal can leverage cash and in-kind match funds. • The degree to which the proposal documents that the project lead and its partners have the capacity to successfully execute proposed work on time and within budget, using recent examples from similar projects. • Proposals that are located in or provide benefits to Disadvantaged Communities, as defined by CalEPA, will receive 5 points toward the total maximum score of 100 points.

The Sustainable Agricultural Land Strategy Application

The grant application package for this program component is composed of a Cover Sheet and three sections: Application Questions, Work Plan, and Supporting Documents. Please see the DOC web site[9] for forms and supporting material.

Application Questions

This narrative section addresses the need for the proposal, and the plans for collaboration, integration, and organizational capacity.

Need for the Proposed Plan or Strategy

1. Describe why a sustainable farmland plan or strategy is needed for the area covered by this application. Provide supporting information in the form of agricultural land resource conversion studies or other data.
2. Describe the existing state of agricultural land use planning policies within the area, including Williamson Act status. Discuss any documents in need of update or replacement, or policy gaps that would be informed by the results of this proposal.
3. Describe how the proposed plan will serve areas that are especially vulnerable to development pressures or climate change impacts.
4. Describe the anticipated effects of climate change (e.g., physical, ecological, or economic forces) that are likely to impact the community represented by the application and its agricultural land resources.
5. Describe any aspects of the proposal that provide the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions.

Integration of Entities and Existing Resources

1. Describe how the proposed plan will provide linkages between existing local policies and plans to reduce GHG emissions.
2. Describe what agricultural and land resource factors will be evaluated as part of this proposal, including opportunities for integrating agricultural land conservation efforts with other protected land strategies.
3. Describe the local policies and ordinances the plan will seek to align. What methods will be used to resolve compatibility issues between these policies and ordinances?
4. Describe what is planned to foster interagency relationships among levels of local government in the development of agricultural resource plans or strategies.
5. Describe how the proposed plan will be consistent with the State's planning priorities. Describe how the proposal will consider integrating currently permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easement, flood corridor easements, or parks).

Community Impact and Participation

1. Identify the specific community, citizen, and/or agricultural organizations that will participate in and those which will be consulted regarding the development of the plan or strategy.
2. What steps are planned to ensure continued involvement of these organizations in the implementation of the plan or strategy?

[9] http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

DISADVANTAGED COMMUNITY IMPACTS

Answers to questions 3 and 4 do not affect eligibility but may affect selection based on final application scores. A total of 5 points within the final score will be attributed to Disadvantaged Community impacts and benefits.

3. Is the majority (50% or more) of the proposed project area located within one or more Disadvantaged Community (DAC), as defined by CalEPA for the Affordable Housing and Sustainable Communities Program? Please use the CalEnviroScreen tool to make this determination, located at the following address: http://oehha.ca.gov/ej/ces2.html
4. If the answer to question 3 is no, will the project meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC?
   -- Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses, or
   --Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a DAC, or
   --Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications.

Organizational Capacity

1. Describe the applicant's experience in developing plans or working on similar projects.
2. Does the applicant have the professional staff qualified to develop the plan? If not, how will this expertise be acquired? Please describe the qualifications and plan, if any, to acquire the expertise.
3. What partnerships does the applicant have in place to implement the plan or strategy?
4. Citing the Work Plan Budget, what resources does the proposal leverage beyond the minimum match requirements?

Work Plan

Applicants must provide a detailed work plan (3 pages maximum) that specifies what steps will be taken to develop the agricultural land strategy or plan, including establishing benchmarks with target completion dates and a cost estimate. The project cost estimate and schedule should be of sufficient detail to allow assessment of the progress of the work plan at regular intervals. This plan will be a component of the Grant Agreement should the project be selected for funding.

The work plan should clearly address:

- The goals and objectives including implementation (e.g., strategy, timeline, committed resources, partner support)
- The plan deliverables
- The target completion dates
- Work Plan Summary -- A tabular summary (example on next page) indicating the specific benchmarks of the work plan must be included. The estimated cost for each benchmark and when these benchmarks will be completed are to be specified in this summary. Total estimated costs should equal grant amount requested plus other funders' contributions.

Project Title		
High Level Activities/Milestones (with Deliverables)	**Responsible Parties (City, County, Consultant, etc.)**	**Timetable in Months (Ex. Month 1-5, Month 4-10, etc.)**
Task 1 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 2 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 3 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		

Budget and Match Contributions

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations.

While it is a goal of SALCP to leverage the limited amount of available funds with match contributions, the minimum match requirement under the program, will be ten percent (10%). At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. Match funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations). Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Eligible Costs

For Sustainable Agricultural Land Strategy Grants, the direct costs, including staff and benefits to implement the work, during the performance period specified in the Grant Agreement will be eligible for reimbursement. All eligible costs must be supported by appropriate documentation. Costs incurred outside of the performance period, Indirect/Overhead Costs, food or beverages (e.g. as part of meetings, workshops, training, or events), and costs for CEQA document preparation are not eligible for reimbursement.

Indirect/Overhead Costs are defined as: expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. These costs are not usually identified specifically with a grant, Grant Agreement, plan or activity, but are necessary for the general operation of the organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to the work program; functions such as personnel, business services, information technology, and salaries of supervisors and managers; and overhead

such as rent, utilities, supplies, etc. Indirect costs cannot be included in the Budget and Work Plan and will not be funded.

Travel

Reimbursement of travel is not permitted unless expressly provided in the approved budget. Travel by private or Grantee-owned automobile, necessary for the performance of projects are subject to the State of California travel and per diem rates and allowable cost requirements. Please refer to this website to obtain the most up to date per diem rates and eligible mileage reimbursement rate: (http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx).

What to Submit: Supporting Documentation

The Sustainable Agricultural Land Strategy Grant application is composed of three main sections: Questions, Work Plan, and Supporting Documents. Materials should be presented unbound in the order indicated below. Clearly number and label each item and number all pages in sequencial order.

Please do not submit additional materials that have not been specifically requested (i.e., press clippings or brochures) as they will not be considered during the evaluation.

Submit one (1) unbound printed original and one digital version of items 1-8 below.

1. Application Form Cover Sheet
2. Application Questions – no more than eight (8) numbered pages, on 8 ½" x 11 paper, using twelve-point easy-to-read font
3. Work Plan -- no more than three (3) numbered pages, on 8 ½ " x 11" paper, using twelve-point easy-to-read font
4. Work Plan Summary (timeline with benchmarks)
5. Budget
6. Area Map – A map of the area covered by the proposed plan (the geographical purview of the plan). Maps or images must fit into an 8 ½" x 11" folder.
7. Signed Authorizing Resolution from the Board of Supervisors or City Council
   - A sample resolution indicating the format and content of an authorizing resolution is available on the SALCP web site.
   - The resolution may be submitted subsequent to the application, if the board meeting schedule prevents the applicant from obtaining a signed resolution before the filing deadline. Submit the draft resolution with the application package and indicate the board meeting date when the resolution will be adopted.
8. Disadvantaged Communities (DACs) – if applicable, provide printouts or other evidence of DAC status.
9. Support/Collaboration Letters – provide copies of letters from entities within the plan service area and from the local community demonstrating support and/or willingness to participate in development of the strategic farmland plan.

Additional Components

Relevant Portions of County General Plan

Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation may be attached to the application. Provide the adoption date(s) of these policies along with internet links to them, or the applicant may provide the documents on other digital media.

Section 3: Agricultural Conservation Easement Grants

Under the 2013 Cap-and-Trade Auction Proceeds Investment Plan[10], the purchase of agricultural conservation easements (ACEs) on strategic agricultural land was designated as one way to ensure sustainable communities by strengthening the land use planning process and supporting agricultural viability.

The motivation to improve agricultural practices in concert with AB 32 goals—including energy, water, and farm nutrient investments--may be more attractive to landowners with the security and financial assistance that permanent conservation easements convey. Preventing subdivision and sprawl conversion of agricultural land may reduce vehicle miles traveled and related greenhouse gas emissions.

Eligible Applicants

Per California Public Resources Code §10212, applicants may include cities, counties, nonprofit organizations, RCDs, regional park or open-space districts or regional park or open-space authorities that have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Nonprofit organizations must hold a tax exemption as defined under Section 501(c)3 of the Internal Revenue Code, and further qualify under Internal Revenue Code Sections 170(b)(1)(A)(vi) or 170(h)(3) as provided by PRC §10221.

In most circumstances, the applicant will become the holder of the agricultural conservation easement in perpetuity. This responsibility makes 'joint proposals' in the traditional sense problematic. However, match funding from additional partners greatly contribute to the overall strength of an easement proposal.

Application Funding

Up to $4,000,000 is allocated in FY 2014-15 to grants for agricultural conservation easement acquisition. Easement grants do not have a maximum dollar figure; proposals will be rated relative to one another to maximize conservation outcomes with available funding. The critical nature of the property, proportion of match funding, and degree to which the proposal satisfies the selection criteria will be taken into consideration to optimize agricultural conservation easement acquisitions in furtherance of the SALCP goals and objectives.

In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. While the SALCP standard match will be 50 percent (50%), compelling applications which include a lesser match may also be considered. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined.

Eligible applicants are not limited in the number of proposals they can submit, however, because the agricultural conservation easement grant application process entails a significant amount of work, applicants are strongly encouraged to contact DOC staff to discuss the characteristics of proposed projects prior to completing the application.

Applications for ACEs will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year. Due to timing

[10] http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final_investment_plan.pdf

constraints associated with approval of the SALCP Guidelines, the application cycles of funding partners, and State fiscal year end deadlines, there will be a single review of applications in FY 2014-15. Please see page 4 and the SALCP web site for additional information.

Eligible Projects

Applications for conservation easements on cultivated and noncultivated land (including rangeland and pasture) will be considered for funding under this program. Each of these agricultural uses may provide opportunities for GHG reduction and co-benefits that complement Sustainable Community efforts. ACE projects located on rangeland and pasture that are selected for funding based on GHG reduction potential and related attributes may be restricted to noncultivated use. This restriction would be based on factors including the availability of willing sellers, match funding, and eligible applicants. Consistent with PRC Section 10252.5[11], the primary use of the noncultivated land must be agricultural, and the ACE may not substantially prevent agricultural uses on the property.

Agricultural conservation easement applications are eligible to be considered for grant funding if the following criteria are met (PRC §10251):

- The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. The land is also in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production.
- The applicable city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan as they relate to the location within the county or city where the easement acquisition is proposed.
- The grant proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the grant proposal. (Properties within a city's Sphere of Influence must acquire resolutions of approval from both the County and City).
- Without conservation, the land proposed for protection is likely to be converted to non-agricultural use in the foreseeable future.
- The project demonstrates the contribution that the ACE will make toward meeting AB 32 goals.

Ineligible Projects

Projects are considered ineligible if they fail to meet any of the eligibility criteria described above, or if any of the following apply:

- The local government applicant has acquired, or proposes to acquire, the proposed ACE through the use of eminent domain, unless requested by the owner of the land (PRC §10232).
- The proposed ACE would restrict agricultural husbandry practices (as defined in PRC §10218) on the land (PRC §10238). In instances where the ACE project was selected and received match funding based on its noncultivated status, the land must continue to be primarily agricultural in nature, and the ACE may not substantially prevent agricultural uses (e.g, livestock grazing) on the property.
- The applicant or seller of the ACE do not agree to restrict the use of the land in perpetuity (Civil Code §815.2(b)).
- The proposed ACE is part of a local government's condition placed upon the issuance of an entitlement for use of a specific property (PRC §10243).
- Clear title to the proposed ACE cannot be conveyed (PRC §10264(b)).
- Once entered into a Grant Agreement, the easement acquisition cannot be completed within a two-year timeframe. The two-year timeframe reflects State Contracting Manual requirements.

[11] SB 1142 (Wiggins, Chapter 323, Statute of 2009)

- The purchase price of the proposed ACE exceeds the appraised fair market value (PRC §10260(a)).
- The ACE appraisal is determined to be unacceptable (PRC §10260). Please see the section on appraisals on the next page.

Examples of contributions toward AB 32 goals include, but are not limited to:

- Decreased number of parcels or development rights
- Decreased vehicle miles traveled
- Locations that would support the establishment of greenbelts or urban separators
- Carbon sequestration potential
- Participation in land management or energy efficiency programs that contribute to overall improved efficiency in the agricultural operation

More detailed information regarding the eligibility and selection criteria is included on pages 24 through 26.

Initial Screening–Pre-proposals

Due to the complex nature of conservation easement transactions, eligible applicants are strongly encouraged to provide DOC with structured summaries of proposed easement projects. A Pre-proposal worksheet for this purpose has been developed and is available on the DOC website.

By providing preliminary title reports and basic information about the potential project, DOC grant managers can assist the applicant in determining whether the property has title complexities or other issues that should be addressed prior to devoting work to completing a full project proposal.

Eligible applicants are encouraged to contact DOC to discuss the characteristics of potential easement properties, along with any program questions, early in the application process. The deadline for pre-proposal submission for FY 2014-15 projects is February 6, 2015. In subsequent years, pre-proposals and full proposals will be accepted on a continuous basis. Applications will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year.

General Information Regarding Agricultual Conservation Easement Requirements

Placing an agricultural conservation easement on land is a complicated transaction. It represents a multi-generational commitment on the part of the farm family and an equivalent commitment by the easement holder to steward the easement in perpetuity. These factors differentiate the application and due diligence process for an ACE from most grant funding opportunities.

PROPERTY VALUATION

Appraisals

A current ACE appraisal will be required for determining the fair market value of the ACE. The appraisal may be submitted with the grant application, or should the application be approved for funding, within 3 (three) months of the start date of the grant agreement. Applications that are not accompanied by a current appraisal must contain estimates for the anticipated cost of the ACE and material to support the valuation estimate. DOC reserves the right to require that a current ACE appraisal accompany the grant application if, in its sole discretion, it determines that insufficient data is available to support an estimate. If the project is approved, and the appraisal contains an ACE value that is higher than the grant agreement budget, the difference will need to be covered by a landowner bargain sale (donation) or by other match funders. Any savings that result from valuations that are lower than the budget estimate will be proportioned to the participating funders.

For ACE valuations, the grant applicant selects and retains an independent, certified appraiser to appraise the project property. The appraiser must use the "before and after" method of valuation, calculating the difference between the fair market value and the restricted value as provided in PRC §10260. The "before and after" method evaluates the property's market value under two scenarios: one as the current market value without restriction, and second as the diminished value as though encumbered by an agricultural conservation easement. The DOC has developed a resource for appraisers and applicants, entitled Overview and Preparation of Agricultural Conservation Easements, which is available on the DOC website.

Applicants are encouraged to thoroughly discuss the restrictions and permitted uses of the proposed ACE with the appraiser early in the appraisal process[12]. Major issues such as reserved home sites or other areas that will not be utilized exclusively for agriculture must be confirmed prior to the appraisal, and be identified in the appraisal, as they will likely affect ACE valuation. Subsequent changes to the proposed ACE's restrictions or permitted uses may necessitate an update to the appraisal.

In no situation shall the ACE purchase price be greater than the appraised fair market value of the agricultural conservation easement, as provided in PRC §10260.

The appraisal is subject to review and approval by DOC and the Department of Conservation's designee; typically easement appraisals are reviewed by the Department of General Services Real Estate Services Division. The grant may fund appraisal costs incurred prior to execution of the Grant Agreement only if the project is approved for funding and if reimbursement for appraisal costs is sought in the grant application. The program will only fund one appraisal per ACE.

If a significant amount of time (6 months or more) transpires between the effective date of the appraisal and the submission of the grant application, applicants may be required to obtain a letter of certification from the appraiser,

[12] Applicants should advise appraisers and landowners that appraisals may be subject to disclosure under the Public Records Act of 1968 (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with §6250).

stating that the easement value has not changed since the appraisal was conducted. Grant recipients may be required to obtain an updated appraisal if the effective date is not within 12 months of the escrow closing date.

Use-Based IRS Deductions
If a landowner seeks tax benefits from the Internal Revenue Service in return for charitable donation of an easement or portion thereof, the timing and requirements of the easement appraisal are critical. See a tax attorney or accountant for more information. A "special use valuation" and qualified IRS deduction may affect easement valuation.

EASEMENT DOCUMENTS AND TITLE CONSIDERATIONS

Model Agricultural Conservation Easement
Please note that DOC has developed model ACE language that may be updated periodically. The model easement and related documents are available on the DOC website.

The model easement ensures that all important terms and conditions are described and serves to streamline the approval process. The model easement will be used as a starting point and will be customized as needed to reflect individual property characteristics. Grant applicants should use the model easement when discussing ACE restrictions with landowners and appraisers.

Discussion of the terms and conditions for the proposed ACE with the landowners early in the process will significantly expedite easement negotiation and review, and ensure an accurate appraisal.

Due Diligence / Clear Title
Separated minerals rights, leases, judgments, ownership anomalies, outstanding property interests, etc., may inhibit the conveyance of clear title. Applicants are expected to exercise due diligence to discover and disclose such potential issues prior to submittal of the application. Within the application, applicants are expected to disclose any title concerns and include a plan for their resolution, should they be awarded grant funding. Disbursement of funds for the purchase of an ACE is contingent upon DOC determination that title concerns have been resolved, thus allowing funds to be placed into escrow.

Mortgage and Lien Subordination
As part of the easement acquisition process, any liens or other financial encumbrances on the property are required to be subordinated to the terms of the easement. Subordination documents are subject to review and approval by DOC.

It is possible that the lender may charge a fee to provide the subordination. Applicants are encouraged to consult lenders early regarding subordination practices. Subordination fees may be eligible for reimbursement if requested in the grant application.

ADDITIONAL REQUIREMENTS AND CONSIDERATIONS

Match Contributions
In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. While the SALCP standard match will be 50 percent (50%), compelling applications which include a lesser match may also be considered. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined. The match may be provided directly by the applicant, or from other funding sources (e.g.,

other grant funds, state or local government contributions[13], or donations of easement value by the landowner of the subject property). Up to 50 percent of stewardship endowment contributions may be applied toward the match requirement.[14]

The SALCP will also provide funds toward associated costs for easement acquisition, such as appraisal reimbursement, staff and consults, and real estate document charges. Please see the budget section for more information. Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Stewardship Fund

The total cost of the ACE acquisition includes funds dedicated solely for the long-term stewardship of that ACE. For agricultural conservation easements, stewardship typically includes the cost of annual monitoring and evaluation of easement threats. A portion of these funds is typically provided by the landowner as part of the match contribution.

Within the Grant Agreement, grantees will certify their ability to effectively manage, account for, and annually report on those stewardship funds conveyed through the Grant Agreement. In the Budget Itemization, grant applicants should include a stewardship amount that has been calculated to include a principle amount that, when managed and invested, is reasonably anticipated to cover the annual stewardship costs of the property in perpetuity. The stewardship fund amount will be subject to review and approval by DOC, and may be different from the original budgeted amount concurrent with any changes to final easement configuration or property valuation.

ACE Monitoring

Regular monitoring of properties under easement is necessary to ensure compliance with the terms of the easement. DOC requires an annual report from the holder of the easement, certifying that the conditions of the easement are being upheld. The monitoring component of the application, not to exceed three pages, describes how the proposed ACE will be monitored following its recordation. The components of the monitoring plan are discussed in more detail later in the Guidelines.

Additional Conservation Values

In order to maintain agricultural viability and protect the flexibility required to maintain permanent agriculture, the legislature prohibited restrictions on agricultural husbandry practices within DOC-funded easements (PRC §10238). ACEs funded by DOC also specify that any subsequent easements layered over the ACE may not restrict agricultural husbandry practices or otherwise conflict with DOC-funded easements, in order to maintain maximum agricultural viability.

In 2009, the Legislature clarified that on noncultivated rangeland and pasture, DOC may participate in funding ACEs with restrictions that would require the land to be maintained in an uncultivated state. This legislation, SB 1142 (Wiggins, Chapter 323, Statutes of 2009), describes the circumstances under which such restrictions can apply, including that the primary use of the land is agricultural, that the ACE may not substantially prevent agricultural uses on the property, and that any nonagricultural qualities that will be protected by the ACE are inherent to the easement property. Husbandry practices on any cultivated lands within these ACEs may not be restricted.

Some portions of properties may provide an opportunity to protect additional nonagricultural resource values such as riparian habitat. These areas may be considered for purchase of nonagricultural conservation easements which

[13] State or local government contributions may include, but are not limited to, general fund monies and fees collected as a result of agricultural land mitigation or other open-space mitigation programs. These contributions may be used provided that they do not violate PRC § 10243, nor place limits on agricultural land use.

[14] PRC § 10233(a).

protect resources in addition to the agricultural values. Applicants may specify if portions of a proposed easement meet this criteria and the other funders that may participate in protection of the overall property.

Potential Publicity

Applicants are encouraged to inform landowners that a successful grant application may result in publicity. During the application evaluation and easement negotiation phases, documents associated with each project will be treated as confidential in accord with the requirements of the California Public Records Act.

Because public funds are used to secure easements under this program—or any similar government program—the landowner's name and the amount of the grant are public records that may be publicly disclosed after completion of the ACE in accordance with the Public Records Act.

Eligibility and Selection Criteria for Agricultural Conservation Easements

Eligibility for funding under this program is based on the California Farmland Conservancy Program statute. Selection criteria are also based on DOC statute, with additional factors pertinent to funding under the SALCP. These criteria are found on the following two pages.

While multiple applications may meet the basic eligibility criteria, each property is different, and each potential ACE will have strengths and weaknesses. Some proposals may be more appropriate for funding based on how well they meet the selection criteria relative to applications received at the same time.

Projects will be evaluated and selected based on their overall characteristics, taking into consideration the goals and objectives for the SALCP, and the extent to which the proposed project satisfies the selection criteria. In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Grant Application Review Process

Pre-proposals and Applications received by DOC will be assigned a grant manager, who will provide confirmation that the material has been received. The grant manager will work with applicants to review eligibility and obtain any additional information necessary to enable a complete review of the ACE property's characteristics. Particularly due to title complexities, applicants are strongly advised to contact DOC early in the process to discuss potential issues related to a proposed project. Use of the pre-proposal form will assist potential applicants and DOC by identifying properties that require additional due diligence work to ensure that the title is clean, after which they may be competitive for funding.

The grant manager will contact the applicant in order to schedule a site visit of the property. This may occur at the pre-proposal or full application stage, depending on the level of complexity of the project. Grant applicants will make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner.

After grant managers visit the site and clarify any outstanding questions, project summaries and briefings to the staff and management review team will be undertaken. All eligible proposals will be reviewed utilizing the factors above. Project evaluation will be qualitative relative to the pool of applications. The proposals determined to meet all the eligibility criteria, provide the most conservation value and are most consistent with the selection criteria will be brought forward to the Council for to be recommended for funding.

Agricultural Conservation Easement Eligibility Criteria *Description and Code Citations*[15]
• The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. It is in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production. (PRC 10251 (a)) • The city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan, as they relate to the area of the county or city where the easement is proposed. (PRC 10251 (b), 10244) • Without conservation, the land proposed for protection is likely to be converted to nonagricultural use in the foreseeable future. (PRC 10251 (c)) • The project will demonstrate that it will achieve a reduction in GHG emissions. • The proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the proposal. (PRC 10255 (b)) • The local government applicant has not acquired, or proposed to acquire, the agricultural conservation easement through the use of eminent domain, unless requested by the owner of the land. (PRC 10232) • The proposed agricultural conservation easement would not restrict agricultural husbandry practices (as defined in PRC 10218) on the land. (PRC 10238). In instances where the proposed project is on noncultivated land, the land must continue to be primarily agricultural in nature, and the agricultural conservation easement may not substantially prevent agricultural uses on the property. See additional discussion on page 22. • The applicant and seller of the agricultural conservation easement agree to restrict the use of the land in perpetuity. (PRC 10237) • The proposed easement is not part of a local government's condition placed upon the issuance of an entitlement for use of a specific property. (PRC 10243) • Clear title to the agricultural conservation easement can be conveyed. (PRC 10264 (b)) • The total purchase price of the easement does not exceed its appraised fair market value. (PRC 10260 (a)) • The easement appraisal complies with DOC's published "Overview and Preparation of Agricultural Conservation Easement Appraisals". The appraisal will be reviewed by DOC and the California Department of General Services. (PRC 10260) • The ACE acquisition can be completed within 2 year time-frame. (State Administrative Manual)

[15] Public Resources Code (PRC) for the California Farmland Conservancy Program.

Agricultural Conservation Easement Selection Criteria ***Grant applications will be evaluated based on the overall value of the project, on the extent to which they satisfy the following characteristics:***
- The project will avoid increases in vehicle miles traveled that would result from the development potential of the property (e.g., minimum zoning, number of legal parcels, proximity to urban areas). - The project will contribute to carbon sequestration and decrease greenhouse gas emissions. - The property's size is typical of agricultural operations in the vicinity, and is surrounded by other parcels with sizes and land uses likely to support long-term commercial agricultural production. - The size of the parcel or parcels comprising the property are above their current minimum zoning. - The property is in active agricultural production, including cultivated and noncultivated agriculture (e.g., rangeland and pasture). - The property is adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or other fee-title protection). - The agricultural conservation easement would act as a community separator or green-belt, or is located near a city Sphere of Influence. - The property has adequate water availability and water quality for agricultural purposes, and has no known agricultural constraints due to soil or water contamination. - The property is not encumbered with third party mineral interests. - The nature and extent of structural improvements are in proportion to the agricultural operation. - Protection of the property will enhance the opportunity for protecting neighboring agricultural properties or will be a part of a larger, comprehensive permanent protection plan. - The cultivated portion of the property is not within a flood zone and not on highly erodible land as designated by the Natural Resources Conservation Service. - The property provides additional conservation values (e.g., open space, view shed, habitat, riparian corridor). - The proposal shows wide support as evidenced by the level of match funding contributions. - The proposal demonstrates an innovative approach to agricultural land conservation with a potential for wide application in the state. - The price of the proposed acquisition is cost-effective in comparison to the fair market value. - The applicant is eligible to hold agricultural conservation easements and has the technical and fiscal capacity to secure and steward the easement.

Response Time

During each review cycle, SALCP agricultural easement project recommendations will be provided to the Council for discussion and approval at the next regularly scheduled Council meeting. While DOC seeks to provide tentative funding decisions within 90 days of receipt of a complete application, the timing of Council meetings and the complexity of some applications may necessitate additional review time.

If the application remains incomplete at one of the periodic review dates, it will be held for the next review cycle. Please note that extended timing may become an issue if appraisals have been completed but other aspects of the application are incomplete. Early consultation with DOC staff regarding proposed applications is strongly encouraged to achieve the most efficient review process possible.

Approved Agricultural Conservation Easement Projects

Upon receiving tentative approval by the Council, each ACE proposal will be formalized with a Grant Agreement between the applicant and the Department of Conservation. Grant Agreements are based on a standard State format and have a maximum duration of two years from the time of Grant Agreement signature to completion of the easement acquisition. In most instances, the grant manager assigned at the proposal stage will also manage the Grant Agreement.

The Agricultural Conservation Easement Application

This section provides additional information regarding the components of the Grant Application form. Application Form Components:

Agricultural Conservation Easement Applications	
Required Components:	**Additional Components and Certifications:** ***These supporting documents are required if applicable****
o Easement Grant Application Checklist o Easement Grant Application Cover Sheet o Executive Summary (1 page maximum) o Budget o Easement Project Summary Sheet o Detailed Characteristics of the Proposed Easement (6 pages maximum) o Documentation of Public Notice o Preliminary Title Report and Assessor's Parcel Map o Appraisal o Landowner Letter of Support o Conflict of Interest Certification o Easement Monitoring Plan (3 page maximum)	o Relevant Portions of the County General Plan o Documentation of Organizational Eligibility (documents differ for nonprofit and governmental applicants) o Letters of Support from Partners o Accreditation documents o Location Map showing parcel boundaries, nearest Sphere of Influence, and Protected Lands o Implementation Schedule (approved proposals will require this as part of the Grant Agreement process) ***Applicant will provide current documents and/or certify that documents on file with DOC are current.**

REQUIRED COMPONENTS

Easement Grant Application Checklist and Cover Sheet

These pages provide the applicant's contact information and a checklist to ensure all components of the application are attached.

Executive Summary

This section, not to exceed one page, should provide a brief but thorough description of the proposed project and its scope (agricultural land quality, location, size, and type of agricultural use). It should explain the potential or actual development pressure impacting the surrounding area, and the contributions the easement might make toward meeting AB 32 goals and objectives. Please also include any information regarding the landowner's need to meet any critical deadlines for concluding the transaction.

Budget

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations. Associated staff costs directly related to the easement acquisition may be eligible for reimbursement if the costs:

- Are approved as part of the application.
- Were incurred after the submission of a complete application and no more than 180 days before the execution of the Grant Agreement.
- Occur during the time period of the written Grant Agreement.
- Include rates comparable to those of similar expertise in the applicable professions.

Subcontractors identified by the applicant should be listed in the proposed budget, along with the subcontractors' rates. After the grant application is approved, addition or identification of subcontractors requires documentation of a competitive bid process. The bid process and reasonableness of any changes are subject to DOC review. Please see Section 5 for more information regarding grant administration. Eligible and ineligible costs toward project completion are shown on the following page.

Easement Acquisition Summary Sheet

The easement acquisition summary sheet describes the property and its characteristics within a standardized tabular format. Information regarding the ownership structure, number of legal parcels, water sources, mineral rights, and the existing and proposed infrastructure of the property (home sites, farm labor housing, etc) is entered on the form.

Easement Project Characteristics

This section is used to explain attributes of the proposed ACE project, the applicant's capabilities, and local government policies and actions that are relevant to the goals of AB 32. It is formatted as a sequenced series of questions. This section should not exceed six pages.

Eligible Costs include, but are not necessarily limited to:	Ineligible Costs include, but are not necessarily limited to:
• Easement purchase price. Please see page 20 for more information regarding appraisals. • Reasonable costs associated with the acquisition, including but not limited to applicant staff time for easement negotiations, technical and legal consulting, appraisal, preliminary title report, baseline conditions report, escrow fees, and title insurance fees. Payment of these costs are subject to DOC review and shall not exceed 10 percent of the value of the easement for which the costs were incurred (PRC §10231). • Stewardship Funds	• Indirect overhead costs • Ceremonial expenses (including food and beverages) • Expenses for publicity • Bonus payments of any kind • Interest expenses • Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise. • Services, materials, or equipment obtained under any other state program. • Real estate brokerage fees and/or expenses.

Documentation of Public Notice and Local Government Resolution of Support

Before an application for an easement acquisition grant can be approved, the applicant must provide public notice to parties reasonably likely to be interested in the property (PRC §10254). This includes written notice to adjacent property owners, a more generalized public notice, and notice to the local government indicating the applicant's intent to apply for a grant to acquire an agricultural conservation easement. Applicants need to follow one of two tracks shown in the flowchart on page 32 in order to satisfy statutory public and local government noticing requirements. The track that is chosen – Option A or Option B – will determine the order and timing of the documentation requirements for the Grant Application.

The two most common forms of public notification are a notice provided in a newspaper of general circulation in the area, or documented public notice made prior to local governmental meetings where resolutions of support are passed. Please note that the names of landowners whose property is being considered for an ACE are not released to the public as part of this process. The applicant is the contact listed in these notifications.

The timing of public and neighboring landowner notice is important. Written notice to adjacent landowners must occur no less than 30 days prior to the expected date of the local government's consideration of the resolution of support. Notice to the county or city shall occur no less than 30 days before the applicant submits a grant application (PRC §10254). Because of the importance of notification timelines, applicants are encouraged to work with DOC staff to ensure that the process is completed in the correct order.

The governing body of the county or city in which the property is located must certify that the proposed easement meets the eligibility criteria set forth in PRC §10251, and that the easement proposal has been approved by the governing body (PRC §10255(b)). A sample resolution of support is available on the DOC web site. Resolutions for ACEs funded under this program should substantially conform to the sample form.

If the property lies within the Sphere of Influence of an incorporated city, both the city and county must pass resolutions of support (PRC §10255(c)).

The resolution(s) of support must be provided before grant disbursement.

Agricultural Conservation Easement Public Notice Requirements and Public Resources Code Citations				
Local government notice	30 days	prior to	Application	PRC §10254(b)
Public notice		prior to	Funding Decision	PRC §10254
Neighboring landowner notice	30 days	prior to	Resolution of support	PRC §10254(a)
Resolution of support		prior to	Grant disbursement	PRC §10255(b)

OPTION A	OPTION B
Neighboring Landowner Notification (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ☑ Request for resolution provides local government notice ☑ BOS agenda provides public notice ⇩ **Grant Application Submission** (at least 30 days after local government notice) ⇩ **DOC/Council Funding Decision** (at least 30 days after public notice) ⇩ **Disbursement of Funds**	**Local Government Notice** ☑ Letter to Planning Director (at least 30 days prior to) ⇩ **Grant Application Submission** ⇩ **Public Notice** ☑ Newspaper published notice OR ☑ BOS agenda provides public notice (at any point prior to funding decision) ⇩ **DOC/Council Funding Decision** ⇩ **Neighboring Landowner Notification** (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ⇩ **Disbursement of Funds**

Preliminary Title Report, Assessor's Parcel Map(s), and Appraisal
These required documents are critical in evaluating the suitability of a property for an agricultural conservation easement. Resolution of outstanding title issues in order to obtain clear title can be time consuming for the applicant and the landowner. Similarly, an accurate appraisal ensures both the landowner and DOC that fair market value will be paid for the easement.

Landowner Letter of Support
The applicant must provide a letter from the landowner(s) stating their support for proceeding with the easement. The landowner states their intent to work with the applicant to secure the easement.

Conflict of Interest Certification
Nonprofit applicants must provide certification that no conflict of interest or appearance of conflict of interest exists for any members of their Board of Directors or Staff as it relates to the proposed ACE. In evaluation of potential conflicts of interest, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.[16] DOC-CFCP provides sample conflict of interest certification forms on its web site.

Easement Monitoring Plan
Because conservation easements are perpetual in nature, monitoring is important to ensure compliance with the terms of the easement. The applicant, who will become the easement holder, must submit a plan that describes how the ACE will be monitored following its recordation. The plan, up to three pages in length, must address all of the following:

- The plan for compiling a baseline conditions report. This report must be provided to DOC at the close of escrow and is the basis for future condition comparisons.
- The process and frequency of monitoring.
- Who will be responsible for monitoring on behalf of the applicant.
- How monitoring documents will be archived.
- How the Stewardship Fund budget reflects the costs of monitoring, necessary enforcement, and management plan for maintaining the fund in perpetuity.

ADDITIONAL COMPONENTS AND CERTIFICATIONS

Relevant Portions of County General Plan
Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation is required under PRC §10251(b).
To meet the requirements, applicants may attach the current version of these documents or state on the Easement Grant Application Checklist the adoption date(s) of these policies along with internet links to them.

Documentation of Organizational Eligibility
DOC requires documentation of Internal Revenue Service 501(c)3 status for nonprofit applicants, along with the organization's Articles of Incorporation and By Laws documenting the principal charitable or public purposes of the

[16] Available at http://www.landtrustalliance.org/training/publications/topics#governance

nonprofit organization, a statement describing the organization's goals and purposes, the beneficiaries of its programs, and a statement describing the organization's commitment to conservation of agricultural land resources. Applicants who have previously submitted these documents to DOC may certify that the existing documents remain current, or submit updated documents with the application.

Letters of Support from Partners

While optional unless requested by DOC, applicants frequently submit letters of support from local officials, agricultural groups, conservation organizations, or other entities with an interest in conserving farmland through agricultural conservation easements.

Accreditation Documents

Applicants may submit documentation of fiscal and professional expertise to demonstrate their technical capacity to hold permanent agricultural conservation easements. This may take the form of Land Trust Alliance Accreditation or similar certifications.

Project Location Map

In addition to the required assessor's parcel map(s), applicants may submit maps depicting the proposed easement parcel boundaries relative to Important Farmland data, nearest Sphere of Influence, priority planning areas, and other protected lands in the vicinity. DOC will evaluate proposals with publicly accessible GIS data, therefore, if the applicant can document additional conserved lands or resource values that support the proposal they are encouraged to provide supplemental maps.

Please note that detailed maps regarding property infrastructure, such as home sites, farm buildings, farm labor housing, and future building envelopes, must be developed for inclusion in the easement exhibits and baseline conditions report for any application selected for funding under this program.

Implementation Schedule

This section is used to explain the timeline and anticipated completion date for the easement acquisition, as well as any issues on which the timing will hinge, including the timeframe of a willing seller to complete a transaction. Please use the Easement Project Implementation Schedule provided in the Application Form, and attach any necessary explanation, not to exceed one page.

While the Easement Project Implementation Schedule is optional for the application phase, it will be required for the Grant Agreement should the project be selected for funding. State contracting requirements limit Grant Agreements to a maximum of two years.

Section 4: Land Management Incentives

Planning for and protecting California's valuable farmland resources are important steps toward meeting greenhouse gas reduction goals. How these lands are managed provides an additional opportunity to leverage those investments with incentives for proven management practices that can increase carbon sequestration and an array of co-benefits. The SALCP long-term plan is to use a portion of the GGRF funds allocated for the program for this purpose.

This effort, planned to be phased in as the strategy grant phase of the SALCP winds down, will take advantage of existing delivery systems for on-farm conservation practices. The USDA Natural Resources Conservation Service (NRCS), local Resource Conservation Districts (RCDs), and similar local entities have known and trusted relationships with landowners. By providing targeted funds to practices that build upon NRCS' Environmental Quality Incentive Program (EQIP)[17], California's SALCP will efficiently focus conservation investments on practices with the greatest potential to further GHG reductions, increase carbon sequestration, and other co-benefits.

NRCS scientists have been actively evaluating land management practices and their potential to produce these benefits. A portal to access data and tools has been developed:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/

In particular, NRCS provides a list and description of management practices:

http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982

Applicability to Other Components of the Program
The management practices outlined by NRCS may be relevant to applications for Sustainable Agricultural Land Strategy or Agricultural Conservation Easement grants. Applicants who can document that their proposal involves lands or landowners who actively participate in these practices and who have committed to long-term conservation may be more successful than those that lack such information.

Metrics, Markets, and Co-benefits
Working with NRCS will provide an opportunity to collect and evaluate data regarding management practice participation, the GHG reduction value of these practices, and other metrics that support ongoing GGRF investments. Over time, there may be potential for landowners to benefit from long-term agreements to use these practices supported by privately-administered carbon markets, or other markets established to provide co-benefits.

Working Toward Implementation
Over the next two years, the Department of Conservation will work with NRCS, the Agency, and the Council to develop an implementation plan for the Land Management Incentives component of the SALCP. Information will be provided as it becomes available. Please contact the Department of Conservation with your thoughts and suggestions.

[17] http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/eqip/?cid=stelprdb1242633

Section 5: Grant Administration

These grant administration Guidelines apply to both program components unless noted. They are for general information and are subject to change.

OVERVIEW OF THE PROCESS AFTER GRANTS ARE AWARDED

Steps in Executing the Grant Agreement

1. State sends grant agreement and materials to grantee.
2. Grantee must submit all supporting materials and a signed agreement within twelve (12) months of the announcement or risk forfeiting the grant award.
3. Grantee signs and returns all required copies back to the State (a fully executed copy will be returned to the Grantee).

Steps Upon Signature of the Grant Agreement

1. Grantee participates in an orientation meeting (via phone) with the grant manager prior to commencing work.
2. Grantee commences work and submits requests for reimbursements, as applicable.
3. Grantee submits quarterly progress reports for review via electronic file and signed original document.
4. Grantee may be asked to attend a future Strategic Growth Council meeting to discuss the merits of the grant project.
5. Grantee must submit a final report upon completion of the award agreement in order to receive its final payment. The State may withhold ten percent (10%) of planning grant project costs or the associated costs (for agricultural conservation easements), to ensure that final reports and documentation have been received.

FUNDING AND ACCOUNTING

Payment of Grant Funds

Funds cannot be disbursed until there is a fully executed Grant Agreement between the Department of Conservation and the Grantee. Only those actual and direct project-related costs incurred during the approved term of the Grant Agreement and as specified in the Grant Agreement budget will be eligible for payment. All costs must be supported by appropriate invoices, purchase orders, canceled warrants/checks, and other approved documents.

For Sustainable Agricultural Land Strategy Grants, work done prior to a fully executed Grant Agreement will not be funded.

- Payments will be made on a reimbursement basis (i.e. the grantee pays for services or staff then is reimbursed).
- Ten percent (10%) of the amounts submitted for reimbursement will be withheld and issued as a final payment upon work program completion, at the sole discretion of the Department of Conservation.
- Advanced payments are not allowed.

Funds for the purchase of agricultural conservation easements will be deposited into an escrow account established with a title insurance company licensed by the California Department of Real Estate for disbursement of funds and recordation of the easement. All other match funds being used to complete the easement purchase must be deposited into the escrow account concurrent with funds from this program. At close of escrow the title insurance

company must be able to insure title to the interest being recorded. Associated costs for purchase of an easement (direct acquisition funds as identified in the Grant Agreement) will be paid on a reimbursement basis, after escrow has closed and all final documents have been received.

Accounting of Grant Funds
It is essential that complete and accurate records be maintained. Grant recipients must maintain an accounting and record keeping system that reflects sound fiscal controls and safeguards. The accounting information must be sufficient so that the total cost of each aspect of the project cost can be readily determined and records are readily available upon demand. Grant recipients must retain all grant transaction records for a period of three years after final payment is made by the State. (Note: This does not limit requirements for permanent record keeping of all conservation easement, baseline reports, and monitoring-related documents.)

Accounting of Stewardship Funds—Agricultural Conservation Easements
Each recipient of a grant for purchase of a conservation easement will be required to certify that, as the stewardship fund holder, it uses accepted accounting practices as promulgated by either the Financial Accounting Standards Board or any successor entity for nonprofit organizations, or the Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in statute for local government financial affairs.

Auditing of Fund Expenditures
All expenditures of public funds under this program are subject to audit by the State of California. All grant recipients shall maintain books, records, documents and other evidence sufficient to properly reflect the amount, receipt, and disposition of all project funds (including State funds, interest earned, and matching funds by the grant recipient) and the total cost of the project.

ORGANIZATIONAL CONSIDERATIONS

Subcontractors and Purchasing
Grant recipients (grantees) may make use of their own staff and such subcontractor(s) as are mutually acceptable to the grantee and the Department of Conservation (Department). Grantees are expected to adhere to the jurisdiction's or organization's internal contracting and purchasing guidelines. Documentation of the grantee's contracting or purchasing guidelines, processes, and project-specific approvals may be requested in the event of audit by the State of California. All subcontractors are governed by and must adhere to all provisions of the Grant Agreement.

Workplace Certifications and Insurance
Pursuant to the requirements of Government Code §8355, grantees must sign a certification that a drug-free workplace will be provided.

Grantees must obtain and keep Worker's Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department in force for the term of the Grant Agreement. The insurance specifications are included within the standard Grant Agreement template and posted on the Department web site. These policies shall cover any acts or omissions of the grantee or its employees engaged in the provision of service specified in the Grant Agreement.

Grantees shall name the State of California, its officers, agents, employees and servants as additional insured parties for all insurance required, and are responsible for guaranteeing that a copy of each Certificate of Insurance is submitted to the Department within thirty (30) days of Grant Agreement signature.

Materials and Publicity
Any publicity surrounding a grant or agricultural conservation easement funded under this program should be discussed with the Department in advance. The landowners of properties placed under an agricultural conservation easement should understand that their names may become public as the result of publicity events, news articles, or requests for public records. Coordination between the grantee, the Department, and other funders on any publicity is greatly appreciated.

Successful applicants for Sustainable Agricultural Land Strategy Grants will be informed of requirements regarding publicity during their orientation meeting with the grant manager.

Loss of Funding (Not a complete list)
The following are examples of actions that may result in a Grantee's loss of funding:

- Grantee fails to obtain a Grant Agreement.
- Grantee withdraws from the grant program.
- Grantee fails to complete the funded work.
- Grantee fails to complete work in a manner that meets the requirements agreed upon.
- Grantee fails to submit all documentation within the time periods specified in the grant agreement.
- Grantee changes scope of work program without approval of the Department.
- Grantee changes the subcontractor or partner(s) identified in the work plan or application without approval from the Department.

APPENDIX A – GLOSSARY

The terms used in these grant Guidelines are defined as follows:

AB 32 (Chapter 488, 2006): Assembly Bill 32, or the California Global Warming Solutions Act of 2006, establishes a comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases. It codifies in the Health and Safety Code declarations about the serious threats posed by global warming and the intent of the Legislature to ensure coordination among state agencies and all affected stakeholders in the development of regulations to implement this law.

Affordable Housing and Sustainable Communities (AHSC) Program: The AHSC Program furthers the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. These projects, described in the AB 32 Scoping Plan, support climate objectives and co-benefits by reducing vehicle miles traveled and associated greenhouse gas and other emissions, or by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions.

Agricultural Conservation Easements (ACE): a voluntary, legally recorded deed restriction in perpetuity as defined in Section 815.1 of the Civil Code. The ACE removes development pressure, prohibits practices that would damage or interfere with the agricultural use of the property, and prevents the restriction of agricultural husbandry practices. The ACE remains in effect even when land changes ownership and maintains the land in private ownership and on the tax rolls. The ACE must be held by a qualified Section 501(c)(3) California non-profit organization, or a local government, both which must state one of its primary purposes is the protection of agricultural use.

Applicant: An eligible organization requesting funding from this program to be administered by the State. Eligible applicants for the Strategic Agricultural Land Strategy Grants are cities and counties. Partners to the Strategic Agricultural Land Strategy Grants may include nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority. Eligible Applicants for the Agricultural Conservation Easement Grants include local governments, nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority that have the conservation of farmland among its stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Baseline Conditions Report: A comprehensive document that describes the condition of a property placed under conservation easement. The Baseline Conditions Report (BCR) is compiled by the easement holder, and is referred to during future monitoring of the easement to determine whether the terms and conditions of the easement are being upheld.

Co-Benefits: The ancillary or additional benefits of policies that are implemented with a primary goal, such as climate change mitigation – acknowledging that most policies designed to reduce greenhouse gas emissions also have other, often at least equally important, benefits (e.g., energy savings, economic benefits, air quality benefits, public health benefits). Also referred to as “multiple benefits.” (U.S. Environmental Protection Agency)

Conservation easement: An interest in land, less than fee simple, which represents the right to prevent the development or improvement of the land, as specified in Section 815.1 of the California Civil Code. For the purposes

of SALCP, the easement is held to prevent any use that may diminish or impair purposes other than agricultural production.

Disadvantaged Community: Communities that rank among the highest in combined burdens and vulnerabilities from pollution, other environmental factors and population characteristics. Funding for grants, investments, cleanup efforts, and enforcement actions are targeted to the state's most disadvantaged communities. The CalEPA and the Office of Environmental Health Hazard Assessment (OEHHA) developed the CalEnviroScreen tool to analyze multiple environmental and socioeconomic factors to create scores for each ZIP code in the state. The 2014 release of CalEnviroScreen 2.0 is based on census tract data.

Fund or Funds: monies authorized from the California Budget Act of 2014 from the Greenhouse Gas Reduction Fund (GGRF) to the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

Grant Administrator: an employee of the State who manages grants, also called a Grant Manager.

Grant Agreement: a contractual arrangement between the State and grantee specifying the payment of funds by the State for the execution of the work program by the grantee.

Grant Performance Period: the beginning and ending dates of the Grant Agreement. Eligible costs incurred during this period may be funded from the grant. No work plan should exceed 24 months, as outlined in State Contracting Manual Guidelines.

Grantee: an applicant that has a signed agreement for grant funding with the State.

Greenhouse Gases: include, but are not limited to, carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Infrastructure: specific to the SALCP, infrastructure refers to the resources upon which an agricultural business relies. This includes but is not limited to seed and fertilizer suppliers, veterinary services, water and energy distribution, transportation, drying or processing facilities, and storage or marketing facilities.

Joint Proposal: an application submitted for the Sustainable Agricultural Land Strategy Grants by one lead eligible applicant with one or more eligible applicant (co-applicant). A single Budget and Work Plan must be submitted by the lead applicant. Budget and Work Plan must describe the funds that will be distributed to lead and co-applicants and identify general activities for which they are used.

Land Trust: A private nonprofit organization that holds a tax exemption as defined under Section 501(c)(3) of the Internal Revenue Code, and further qualifies as an organization under Section 170(b)(1)(A)(vi) or 170(h)(3) of the Internal Revenue Code. For purposes of SALCP, land trusts eligible to hold agricultural conservation easements must have among their purposes the conservation of agricultural lands.

Local Agency Formation Commission (LAFCO): The Cortese-Knox Local Government Reorganization Act (Government Code Section 56000, et seq.) established Local Agency Formation Commissions in each county, empowering them to review, approve or deny proposals for boundary changes and incorporations for cities, counties, and special districts. Among the purposes of a LAFCO are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). One of the primary planning tasks is the establishment of "spheres of influence" for the various governmental bodies within their jurisdiction.

Natural Resources: the materials and functions that comprise the natural wealth of an area's ecosystems, including, but not limited to the plants, animals, minerals, air, water, and soil. Among these functions are watershed catchment, wildlife migration and habitation, forestry, grazing, and crop production. Of particular importance for complex, large scale natural resources functions are lands that flood, lands that are farmed, lands dedicated to open space, lands designated for mineral extraction, greenbelts, parks and trails, and lands valued for their aesthetics.

Partner(s): non-profits, resource conservation districts, or other stakeholders with an interest in conserving agricultural land that are included or play a role in the Applicant's proposed scope of work.

Regional Plan: either of the following: 1) A long-range transportation plan developed pursuant to Section 134(g) of Title 23 of the United States Code and any applicable state requirements, OR 2) A regional blueprint plan, which is a regional plan that implements statutory requirements intended to foster comprehensive planning as defined in Section 65041.1 of, Chapter 2.5 (commencing with Section 65080) of Division 1 of title 7 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

Specific Plan: a tool for local government implementation of all or part of an area covered by a general plan. A specific plan can combine policy statements with development regulations. It is often used to address the development requirements for projects such as urban infill developments or planned communities. Its emphasis is on standards and development criteria for projects within the area of the specific plan. A specific plan may be adopted either by resolution or by ordinance. Specific plans must be consistent with all facets of the General Plan (§65450, et seq.).

Sphere of Influence (SOI): The SOI is a plan for the probable physical boundaries and service area of a local government agency (Government Code Section 56076). One of the primary planning tasks of each county's LAFCO is the establishment of SOIs for the governmental bodies within their jurisdictions.

State: for purposes of this program, State is a general term including the Strategic Growth Council, Department of Conservation, and the Natural Resources Agency or its representatives.

State Planning Priorities: as defined under Government Code Section 65041.1:

> The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

(a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

(b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.

(c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:
(1) Uses land efficiently.
(2) Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).
(3) Is located in an area appropriately planned for growth.
(4) Is served by adequate transportation and other essential utilities and services.
(5) Minimizes ongoing costs to taxpayers.
(Amended (as added by Stats. 2002, Ch. 1016) by Stats. 2002, Ch. 1109, Sec. 1. Effective January 1, 2003.)

Stewardship Fund: Funds dedicated solely for the long-term stewardship of conservation easements. These funds are set aside by the easement holder at the recordation of a conservation easement and dedicated to ensure funding the cost of annual monitoring and evaluation of easement threats.

Subcontractor: an entity contracting with the applicant that will participate in the proposed work program submitted by the applicant. Subcontractors must be included in the work plan and budget form. The lead applicant submits invoices on behalf of the subcontractor. The State pays the lead applicant, who then pays the subcontractor.

APPENDIX B –Online Resources

Legislation	
AB32: California Global Warming Solutions Act of 2006 http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf	**State Planning Priorities** (Government Code 65041.1) http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=65041.1
SB 375: Regional greenhouse gas emission reduction targets http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375	**SB 226: CEQA Streamlining Opportunities** http://leginfo.ca.gov/pub/11-12/bill/sen/sb_0201-0250/sb_226_bill_20111004_chaptered.html
SB 732: Strategic Growth Council Statute http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0701-0750/sb_732_bill_20080930_chaptered.pdf	**Senate Bill 535 (De León, Chapter 830, Statutes of 2012)** Investments to Benefit Disadvantaged Communities http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535&search_keywords=

State Planning Documents	
Air Quality and Climate	
State Implementation Plans Air Resources Board http://www.arb.ca.gov/planning/sip/sip.htm	**California Climate Adaption Planning Guide** Natural Resources Agency http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/
AB 32 Scoping Plan Air Resources Board http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm	**Climate Adaptation Strategy** Natural Resources Agency http://www.climatechange.ca.gov/adaptation/index.html
SB 375 Implementation Air Resources Board http://www.arb.ca.gov/cc/sb375/sb375.htm	**Long Term Energy Efficiency Strategic Plan** California Public Utilities Commission http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/eesp
Cap-and-Trade Auction Proceeds Investment Plan CalEPA/GO/Legislature http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm	**Vision for clean air: A framework for air quality and climate planning** Air Resources Board http://www.arb.ca.gov/planning/vision/vision.htm

Datasets and Databases including Geographical Information System Layers	
Farmland Mapping and Monitoring Program Department of Conservation http://www.consrv.ca.gov/DLRP/fmmp/Pages/index.aspx	**Healthy Communities Data and Indicators Project** Department of Public Health http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx
National Conservation Easement Database U.S. Endowment for Forestry and Communities http://nced.conservationregistry.org/	**Natural Community Conservation Plan Map** Department of Fish and Wildlife http://www.dfg.ca.gov/habcon/nccp/status.html **Riparian Habitat Conservation Program** https://www.wcb.ca.gov/Programs/Riparian
California Protected Area Database Strategic Growth Council http://www.calands.org/data	**Geoportal Public Access** Department of Technology http://portal.gis.ca.gov/geoportal/catalog/main/home.page
California Conservation Easement Database Strategic Growth Council http://www.calands.org/cced	**GHG Emmission Inventory –Query Tool for 2000-2012** CAL EPA http://www.arb.ca.gov/app/ghg/2000_2012/ghg_sector.php

Land Conservation and Technical Assistance Programs	
California Council of Land Trusts http://www.calandtrusts.org/	**California Resource Conservation Districts** Department of Conservation http://www.conservation.ca.gov/dlrp/RCD/Pages/Index.aspx
California Farmland Conservancy Program Department of Conservation http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx	**California State Conservancies** Natural Resources Agency http://resources.ca.gov/offices/
Habitat Conservation Planning Programs Department of Fish and Wildlife https://www.wildlife.ca.gov/Explore/Organization/HCPB	**Environmenal Quality Incentive Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/

Agriculture	
California Climate Change Portal Department of Food and Agriculture http://www.cdfa.ca.gov/environmentalstewardship/climate.html Climate Change Consortium for Specialty Crops: Impacts and Strategies for Resilience (http://www.cdfa.ca.gov/environmentalstewardship/pdfs/ccc-report.pdf)	**California Farm Bureau Federation** http://www.cfbf.com/CFBF/About_Us/CFBF/AboutUs/Default.aspx?hkey=d9842fb4-f5b1-4be5-8893-a3fdd28e5a96
California Climate and Agriculture Network http://calclimateag.org/	**Land Conservation Act (Williamson Act)** Department of Conservation http://www.consrv.ca.gov/dlrp/lca/Pages/Index.aspx
Farmland Studies and Reports American Farmland Trust http://farmland.org/resources/reports/default.asp	**Agricultural Conservation Easement Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/acep/

Land Use	
California Environmental Quality Act (CEQA) Guidelines Office of Planning & Research http://opr.ca.gov/s_ceqaguidelines.php	**Land Use, General Plans, and Disadvantaged Communities Technical Advisory** Office of Planning & Research http://opr.ca.gov/docs/SB244_Technical_Advisory.pdf
Guidelines for Classification and Designation of Mineral Lands Department of Conservation http://www.conservation.ca.gov/smgb/Guidelines/Documents/ClassDesig.pdf	**Planners Guide to Specific Plans** Office of Planning & Research http://opr.ca.gov/docs/specific_plans.pdf
General Plan Guidelines Office of Planning & Research http://ceres.ca.gov/planning/genplan/gpg.pdf	**Transit Oriented Development (TOD) Resources** Department of Housing & Community Development http://www.hcd.ca.gov/hpd/tod.pdf
LAFCOs, General Plans, and City Annexations Office of Planning & Research http://opr.ca.gov/docs/LAFCOs_GeneralPlans_City_Annexations.pdf	**California Strategic Growth Council Strategic Plan** Strategic Growth Council http://sgc.ca.gov/docs/workplan/strategicplan-01-24-12.pdf
Important Farmland Maps Department of Conservation http://www.consrv.ca.gov/dlrp/fmmp/Pages/Index.aspx	**Oil and Gas Resources** Department of Conservation http://www.consrv.ca.gov/dog/Pages/Index.aspx

Water	
California Water Plan Department of Water Resources http://www.waterplan.water.ca.gov/cwpu2013/ae/index.cfm	**California State Coastal Conservancy Strategic Plan** Coastal Conservancy http://scc.ca.gov/files/2013/03/SCC-Strategic-Plan-2013-18.pdf
Safe Drinking Water State Revolving Fund Public Health http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx	**Regional Board Water Quality Control Plans (Basin Plans)** State Water Resources Control Board http://www.waterboards.ca.gov/plans_policies/

Guidance and Indicators	
Climate	
Climate Change and Climate Action Planning Technical Advisories Office of Planning and Research http://opr.ca.gov/s_ceqaandclimatechange.php	**Ecosystem Services and Forestry** US Forest Service http://www.fs.fed.us/ecosystemservices/carbon.shtml
Indicators of Climate Change in California Office of Environmental Health Hazard Assessment http://www.oehha.ca.gov/multimedia/epic/pdf/ClimateChangeIndicatorsReport2013.pdf	

Resource Websites and Tools	
ARB Cool California: Local government assistance website Air Resources Board http://www.coolcalifornia.org/article/climate-action-planning	**California Local Energy Assurance Planning Tool (CaLEAP)** CalEPA https://caleap.icfwebservices.com/
GHG and Carbon Sequestration Ranking Tool-NRCS United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982	**SEEC GHG Inventory and Forecast Tools Update** Air Resources Board/OPR http://californiaseec.org/resources-guidance/resources-guidance-collection/#b_start=0
CalEnviroScreen 2.0 Office of Environmental Health Hazard Assessment http://oehha.ca.gov/ej/ces2.html	**Environmental Goals and Policy Report** Governor's Office /Office of Planning and Research http://opr.ca.gov/s_egpr.php
CERES Planning and Natural Resource Information Natural Resources Agency http://ceres.ca.gov/	

Appendix C – Additional Resources

Below are additional technical reports regarding greenhouse gas and carbon sequestration quantification in agricultural and forest settings. More information will be added in future releases of these Guidelines.

Goines, B. and M. Nechodom. 2009. National Forest Carbon Inventory Scenarios for the Pacific Southwest Region (California), Report to Regional Forester and PSW Station Director, CA: Albany: U.S. Department of Agriculture, Forest Service Region 5 Climate Change Interdisciplinary Team.

Jackson, Louise, et al. 2012. Adaptation Strategies for Agricultural Sustainability in Yolo County, California. California Energy Commission. Publication number: CEC-500-2012-032. 189pp.

Koteen, L. E., D. D. Baldocchi, and J. Harte. 2011. Invasion of non-native grasses causes a drop in soil carbon storage in California grasslands. Environmental Research Letters 6. 044001.

Kroeger, T., et al. 2010. An Economic Analysis of the Benefits of Habitat Conservation on California Rangelands. Defenders of Wildlife. 93pp.

PIER. 2003. California Energy Commission Contractor/Consultant Report. Attachment IV – Carbon Sequestration in California's Terrestrial Ecosystems and Geological Formations. 48pp.

Ryals, R. and W. Silver. 2013. Effects of organic matter amendments on net primary productivity and greenhouse gas emissions in annual grasslands. Ecological Applications, 23(1), 2013, pp. 46 – 59.

Silver, W., R. Ryals, and V. Eviner. 2010. Soil Carbon Pools in California's Annual Grassland Ecosystems. Rangeland Ecol Manage 63:128-136.

Silver, W., M. DeLonge, and J. Owen. 2013. Climate Change Mitigation Potential of California's Rangeland Ecosystems. DESPM, University of California, Berkeley. 30pp.

USDA. Technical Bulletin 1930.2011.USDA Agriculture and Forestry Greenhouse Gas Inventory: 1990-2008.115pp.

Sustainable Agricultural Lands Conservation Program
Guidelines Revisions from Draft to Proposed Final

General Revisions and Introductory Material:

- Clarified GHG reduction language throughout the document as it pertains to GHG quantification and ARB reporting requirements.
- Clarified the definition for agricultural land under the SALCP, as including both cultivated and non-cultivated lands.
- Expanded the co-benefits descriptions of agricultural land (e.g., improved air quality, recycling of urban wastewater, additional economic benefits, local food production, additional ecosystem services).
- Identified additional DOC statutory authority to protect agricultural land and provide grants to do so.
- Established deadlines for Strategy Grant and Agricultural Conservation Easement (ACE) Grant applications for FY 14-15.

Sustainable Agricultural Land Strategy Grant Element Revisions:

- Clarified that counties and/or cities are the lead applicants for Strategy Grants.
- Emphasized that local governments will determine their unique critically threatened agricultural lands in collaboration with partners.
- Added examples of potential components for Strategy Grants (e.g., planning for critical agricultural infrastructure needs to include local marketing opportunities, water quality/quantity improvements).
- Specified that those counties currently participating in the Williamson Act should continue to participate in order to be eligible.
- Expanded upon the work plan requirements.

Agricultural Conservation Easement Grant Element Revisions:

- Clarified that non-cultivated and cultivated land may qualify for ACE grants (i.e., rangeland and pasture will be considered for ACE grant funding), and that non-cultivated agricultural land may provide opportunities for GHG reduction and co-benefits complementary to the SALCP.
- Identified additional DOC statute (PRC Section 10252.5) to allow non-cultivated agricultural land to be eligible for ACE grant funding as long as the property is in active agricultural production and primarily agricultural in nature.
- Removed the 2-mile Sphere of Influence (SOI) eligibility requirement.
- Retains as a goal the 50% match funding requirement for ACE acquisitions, but allows flexibility for a lower match on compelling projects.
- Added a pre-proposal review phase to assist potential applicants with improving their project.
- Added flexibility for appraisal submittal timing requirements (i.e., the appraisal may be submitted after the grant agreement is awarded as opposed to with application, under specified limitations).

Land Management Incentives Element Revisions:

- Added clarifying language that planning for Land Management Incentives projects could occur under the Strategy Grant element.

Sustainable Agricultural Lands Conservation Program

Draft Guidelines Comment Compilation

Comment Facts:

- Workshops were held in Oroville, Bakersfield, and Watsonville.
- 22 comment letters were submitted including several comments on the actual guidelines.
- Seven comment emails were submitted.
- A total of 188 individual comments were given in the letters, emails, and public workshops.
- Organizations that submitted comments included three resources conservation districts, 13 land trusts/conservancies, one state conservancy, three open space districts, two local governments, the coalition of rural counties, one local farm bureau, one NRCS local office, one developer/builder, one capital venture firm, several sustainable agricultural for-profit and non-profit groups, the California State Association of Counties, and the California Building Industry Association. Refer to separate list of reviewers.

General Comments- 33 comments

Overall, the SALC program has been well-received including acknowledgement that this is the first program in the nation to address GHGs using agricultural land and practices.

Twelve comments were to increase funding (e.g., 10%) citing that the program will be oversubscribed. Some of these comments requested funding to be increased specifically for the agricultural conservation easement component and another to fund the Land Management Incentives component now. The one developer/builder that submitted comments, who has also applied for the Affordable Housing Grants, recommended that SGC increase funds to the ACE component over the Affordable Housing.

Six comments requested expanding the co-benefit of agricultural lands definition to include the following economic, environmental and social co-benefits:

- Retention of local jobs and agricultural revenues in the community.
- Reduction in spending on municipal services for new, dispersed development.
- Recycling of urban waste water.
- Maintenance of and increases in CA food production.
- Increases of local food production that promote food security and resilience.
- Economic benefits of and entrepreneurial opportunities in local food systems.
- Improved air and water quality.
- Wildlife habitat, pollination, and natural food web adaptation to eco systems.

Two comments requested revision of the guidelines to explicitly incorporate and integrate on all levels the SALC Program to the larger Affordable Housing and Sustainable Communities Program for more input.

Strategy Grants Component- 55 comments

The Strategy Grants Component can be divided into four related categories: eligibility, criteria, points, and definitions.

Eligibility related- Of the 55 comments received on the Strategy Grants component, 15 comments were eligibility-related. Eight of the 16 comments included requests that RCDs or special districts be eligible as lead applicants to the Strategy Grants. Additional suggestions for lead applicant included:

- Local Agency Formation Commission's (LAFCOs)
- Metropolitan Planning Organization's (MPOs)
- Non Profits (i.e., land trusts)
- Joint Powers Authority (JPA)
- Regional planning partners

Additional eligibility-related comments suggested changes to the description of projects including:

- Using stronger language on pp. 6 and 10 (i.e., "Funds used from the GHG Fund must be used to reduce GHF emissions.").
- Funding completion of the RUCS model Open Source including identification, acquisition and inputting of the local/regional data; trainings, and updating the associated database.
- Establishing a requirement that proposals identify objectives and specific strategies that will reduce future GHG emission and that proposal identify specific land intended for conservation. The proposal should also describe anticipated development that will be avoided.
- Requiring proposals to include agricultural water in the planning process in order to make the other goals feasible.
- Adding a city's conservation plan as eligible to the list on page 9.

Criteria related- 13 comments were criteria-related, four of these comments suggested that specific mandatory components be included in proposals. The components are:

- Identification of potential barriers to implementation- incompatibility between applicant's agricultural land conservation plans, local policies and ordinances; and strategies to alleviate these issues.
- Require a Resolution of Support from LAFCO for proposed projects.
- Require applicants to outline and conduct a work plan that:
    - Identifies the most valuable agricultural land that is sufficiently at risk of conversion to urban which would result in GHG savings.
    - Analyzes the risks to the identified specific to growth pressures, deficient water supplies shortcomings in the existing planning and policy regime.
    - Establishes performance-based, measurable goals for conservation (forestalling development) and protection (long-term or permanent) of the target land.
    - Designs strategies based on risk analysis that will achieve the goals.

Points related- ten comments were points related. Eight of the eleven comments requested a change to the Disadvantaged Community (DAC) scoring which included either:

- Eliminate use of the CalEnviroScreen, or
- Eliminate DAC points entirely, or
- Decrease points assigned to DAC

Other points-related comments were to give priority to projects that:

- Consolidated existing plans.
- Included a farmland mitigation program. Additionally, one comment seeks clarification as to whether a project that falls under an existing mitigation program (e.g., The Placer Legacy Program) would be considered an eligible project.
- Resulted in permanent or long-term emission reductions.
- Used feasibility studies, data acquisition and modeling.

Williamson Act related comments-

Five comments were received related to the requirement for the county and/or city to participate in the Williamson Act for the Strategy Grant component.

- One comment requested that the Williamson Act requirement be removed from the Strategy Grant component. Counties without WA need this type of program the most. The reviewer indicates that the inability of a county to continue to absorb the entire cost of the Williamson Act program does not necessarily mean that the county is any less interested in addressing agricultural conservation on a local level (RCRC comment).
- Another two comments strongly supported the requirement for participation in the Williamson Act. Participation in the Williamson Act demonstrates a county's commitment to agricultural conservation. Additionally, this comment suggests a two-tier approach to the Open Space Subvention program linking subvention incentives to the adoption of measurable agricultural land conservation strategies in participating counties; or alternatively leveraging SALCP funding to encourage continue participation in the Williamson Act which would help to avoid increased transportation emissions generated by urban/suburban sprawl.
- Another comment requested the Strategy grants projects be given extra points for those local governments that maintained Williamson Act within their jurisdiction.
- One comment requested ability to work on revising the Williamson Act under the Strategy Grants (e.g., tiered approach by Butte County).

Definition related comments- the remaining comments in this component requested that the following terminology be defined or that the provided definition be expanded:

- Critically threatened agriculture; local entities should also expand upon the definition specific to their jurisdiction.
- Agriculture infrastructure definition should include dependable water systems, commercial transportation and marketing access, active Right to Farm policies; zoning and building assurances to adapt agricultural businesses over time with new buildings, technologies, family housing; and agricultural technical services.

- Agriculture viability.
- Sustainable Agricultural Land Strategy Plan defined as "land use policies, land management practices, and other mechanisms a city, county, or region will use to prevent the conversion of agricultural land to non-agricultural uses and reduce its GHG emissions associated with urban conversion and urban/suburban sprawl development into adjacent agricultural lands".

Agricultural Conservation Easement Component-56 comments

The Agricultural Conservation Easement Component comments can be divided into two related categories: criteria and other.

Criteria related- Of the 56 comments received on the Agricultural Conservation Easement Component, 24 comments were criteria-related. Nine of the 24 comments requested that the 2 mile-SOI requirement be revised or eliminated, citing the following reasons:

- The 2 mile radius requirement is too restrictive.
- An ACE located beyond 2 miles of an SOI can also provide the benefits of reduced urban sprawl, reducing VMT's, and other added co-benefits.
- A point system could be used instead, assigning more points to projects falling within the 2 mile radius.

Additionally, several comments asked for a definition of a Sphere of Influence (SOI). There is a definition provided in the Glossary of the Guidelines. You may wish to consider expanding or clarifying the definition as the Government Code (The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) already defines an SOI (Government Code § 56076) and provides guidance to cities and LAFCOs for the establishment and/or amendment to such boundaries (Government Code §§ 56425-56430).

Of the 24 criteria-related comments submitted, another seven requested that rangeland be eligible for funding, citing the multiple co-benefits associated with conserving rangeland, for example, groundwater recharge, carbon sequestration, and wildlife habitat.

Several of these comments requested that the no-agricultural-husbandry limitation (statute) be removed as a criteria citing that rangeland ACEs should be allowed to restrict or prohibit the conversion of rangeland to other types of agriculture. This would allow for matching funding (e.g., from the WCB) and would decrease GHG emissions into the atmosphere by not allowing tilling. Another comment supported the no-restriction to agricultural husbandry practices.

Seven criteria-related comments requested decreasing the 50% match requirement for the following reasons:

- A 50 % match is more stringent than requirements for other grants and would eliminate the flexibility for creativity. For example, an application that does not have the required match but has higher conservation values could be approved if flexibility was built into the Program.
- A reduced match percentage would result in ACE grants that meet the intent of the Program when sources of match are limited or unavailable.

- A 50% match would result in smaller farms being conserved. Recommended matches included a range of 10-25%.

Two comments requested clarification regarding any restrictions on the type of match funding and where the match funding could come from.

With follow-up on the 50% match funding requirement, many reviewers did not know they could comment on this requirement.

Four comments requested a decrease in the 40-acre minimum size requirement; one to decrease to 20 acres at the urban edge, and another (San Diego) to decrease the minimum to five acres.

- 20 acres for key parcels at the urban edge and consider these parcels equal to or better than 40+ acre parcels as long as they are adjacent to the other permanently protected lands.
- San Diego suggests smaller parcels be considered for ACE's as many of their farms are on 1-9 acre parcels. The county's PACE program has secured 413 acres of ACE's. The county is hoping for SALCP funding to continue the PACE program. The 40 acre minimum requirement will drastically reduce the number of applications they can submit. Additionally, parcels located within 2 miles of SOI's are going to be much smaller than 40 acres further reducing the number of San Diego County applications.

Two comments requested a definition or clarification as to what is meant by "large enough to sustain, commercial agricultural production." See page 17 of the Guidelines.

Other Requirements comments-Three comments requested that appraisals only be required *after* the grant agreement is underway as opposed to requiring the appraisal with the application, citing the following reasons:

- The appraisal is a great expense ranging from $5 to 10K, and the possibility of needing two appraisals in the event the first one is too old (more than one year) for state requirements, creates additional financial strain on the land owner and grantee.
- If the landowner is providing a donation of value to the ACE towards the match and claiming the donation with the IRS, they will have to pay for a second appraisal, which would increase the total upfront appraisal costs to the landowner.
- The conservation easement transaction process has been around for long enough for professionals to gauge a close approximation of the value of a conservation easement, state reviewers have this expertise, and know regional values for fee-title and conservation easements.

Two additional comments requested that DGS not be required to review the appraisals; that internal review be completed instead.

Two requested that the ACE projects require land management practices currently on their farm or will have them in the future (e.g., hedgerows, EQIP type practices).

Williamson Act related comments- one comment was received requesting that ACE projects with parcels currently under WA be given additional points.

Land Management Incentive Component-31 comments

The Land Management Incentive Component comments fell into three related categories: timing for implementation, lead applicants, and recommended practices and models.

Timing for Implementation- Of the 31 comments received on the Land Management Incentive Component, six comments recommended that this component should commence more quickly. Rationale was that the benefits of agricultural lands for GHG reduction must reflect that lands must be healthy to maximize benefits. The suggestions included:

- Discussing ideas about how to implement with Natural Resources (specifically with J. Alves)
- Starting a pilot program this year
- Fully funding and implementing the program immediately

Lead Applicants- Five comments were submitted for the RCDs to act as a lead applicant in this component. Additional entities suggested as lead applicants included UC Cooperative Extension, UC Davis, non-profits and those demonstrating experience.

Recommended Practices, Projects, and Models- USDA, NRCS, and the UC Cooperative Extension were identified in several comments as needing to be incorporated more to provide input or as a resource especially in the Land Management Incentive component but also in the Strategy Grant component.

Six additional comments were on NRCS- EQIP or CIG practices- three were to adjust the NRCS EQIP practices specifically to California issues if relied on as a model. Four of the comments were requesting reliance on the Land Management Incentives to incorporate these NRCS practices.

The remaining recommended practices, projects and model related comments included:

- Strategy project for land management activities including allowance of pre-proposals.
- Inclusion of BioChar/BioMass processes/systems activities, including Bio Mass contracts and cooperatives.
- Capacity building for resource conservation districts; best practices model similar to the Watershed Coordinator program [administered by DOC-DLRP].
- Installation of hedgerows.
- Inclusion of all agricultural land, not just the land under ACE or other protections. SALCP goals can be realized from all agricultural land based on management practices and continued use in agriculture. A critical mass of economically viable farm and ranch operations is needed.
- Establishment of ecosystem services markets as an implementation mechanism.