

Date: June 28, 2022

Subject: Sustainable Agricultural Lands Conservation Program
Project Award Increase – Dixon Ranch

Reporting Period: April 2022 – June 2022

Staff Lead: Shanna Atherton-Bauer, Program Manager (DOC)
Saharnaz Mirzazad, Deputy Director of Community Investment & Planning

Recommended

Approve the staff recommendation to increase by 15% the Sustainable Agricultural Lands Conservation Program award made in FY 18-19 (Round 5) to The Land Conservancy of San Luis Obispo County to accommodate the awardee’s purchase of a conservation easement on the Dixon Ranch.

Summary

About the Sustainable Agricultural Lands Conservation Program

The Sustainable Agricultural Lands Conservation Program (SALC) provides grants to fund agricultural conservation easements and local government plans to protect agricultural lands from conversion to more greenhouse-gas-intensive uses.

Background on the Award Increase Process

The Round 5 program guidelines, dated December 20, 2018, allow the California Strategic Growth Council (SGC) to award additional funding to a project in the case that the appraised value of a project turns out to be higher than the value estimated by the awardee in their original application. Applicants estimate the value of the easement at the time of application phase and the appraisal takes place after award. In some cases, market fluctuations or lack of comparable easement sales in the area can result in an appraised property value that is higher than the estimated value, leaving the SALC awardee without enough funding to complete the easement project. To address this discrepancy, grantees may request an increase in the amount of their SALC award of up to 5% with approval of SALC program staff, and up to 15% with approval of the Council.

SALC program staff request Council approval of award adjustments for the project described below.

Dixon Ranch

In FY 18-19, SGC awarded \$600,000 to The Land Conservancy of San Luis Obispo County (“Conservancy”) to purchase an agricultural conservation easement, plus \$50,000 for associated costs, on the 200-acre Dixon Ranch. The Conservancy requests a 15% (\$97,500)

increase for the project because the appraised value of the easement came in \$120,000 higher than estimated in the grant application.

SGC made the original award to the Conservancy for the Dixon Ranch based on an estimated easement value of \$900,000, with SALC contributing 75% (\$600,000), plus \$50,000 in associated costs, for a total grant award of \$650,000. The current appraised value of the easement is \$1,020,000. Increasing the SALC award by 15% would allow SALC to contribute \$697,500 (\$600,000 + \$97,500) towards the acquisition cost of the easement. The Conservancy will cover the balance of \$322,500 with \$100,000 of funding from the City of San Luis Obispo and through private donations.

Staff recommends that the Council grant the requested award increase and provide an additional \$97,500 for the project, bringing total SALC funding for the acquisition to \$697,500 plus the \$50,000 allocation for associated costs for a total grant of \$747,500. Funding for the increase would come from existing non-allocated program funds.

See the attached project summary sheet for information about the Dixon Ranch project.

Council Actions

Approve the staff recommendation to increase by 15% (or \$97,500) the Sustainable Agricultural Lands Conservation Program award made in FY 18-19 (Round 5) to the Conservancy in order to accommodate its purchase of a conservation easement on the Dixon Ranch.

Attachments:

Attachment A: Project Summary Sheet

