

August 31, 2022

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

**Reporting Period:** July 2022 – August 2022

**Staff Lead:** Saharnaz Mirzazad, Deputy Director  
Shanna Atherton-Bauer, Program Manager (DOC)

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## Recommended

Approve the staff recommendation to increase by 15% (\$121,500) the Sustainable Agricultural Lands Conservation Program award made in FY 20-21 (Round 7) to The Land Trust of Santa Cruz County to accommodate the awardee’s purchase of a conservation easement on the Tynan 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 7 program guidelines, dated April 2021, 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.

### Tynan Ranch

In FY 20-21, SGC awarded \$760,000 to The Land Trust of Santa Cruz County (“Land Trust”) to purchase an agricultural conservation easement, plus \$50,000 for associated costs, on the 178-acre Tynan Ranch. The Land Trust requests a 15% (\$121,500) increase for the project because the appraised value of the easement came in \$190,000 higher than estimated in the grant application.

SGC made the original award to the Land Trust for the Tynan Ranch based on an estimated easement value of \$760,000, with SALC contributing 100%, plus \$50,000 in associated costs, for a total grant award of \$810,000. The current appraised value of the easement is \$950,000. Increasing the SALC award by 15% would allow SALC to contribute \$881,500 (\$760,000 + \$121,500) towards the acquisition cost of the easement. The Land Trust or Landowners will cover the balance of \$68,500.

The SALC guidelines require all appraisals be reviewed and approved by The Department of General Services (“DGS”). The project is currently scheduled to close September 2022. The appraisal is under

review by DGS, and SALC staff anticipate the review to be complete by August 29. The Land Trust and the Department are putting a request for additional funding on a parallel track to DGS review to support a September 2022 closing. Staff recommends that the Council grant the requested award increase and provide an additional \$121,500 for the project, bringing total SALC funding for the acquisition to \$881,500 plus the \$50,000 allocation for associated costs for a total grant of \$931,500. Funding for the increase would come from existing non-allocated program funds.

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

### **Council Recommendation**

Approve the staff recommendation to increase by 15% (or \$121,500) the Sustainable Agricultural Lands Conservation Program award made in FY 20-21 (Round 7) to the Land Trust in order to accommodate its purchase of a conservation easement on the Tynan Ranch.

### **Attachments**

Attachment A: Project Summary Sheet