

April 26, 2023

Subject: FY 22-23 Sustainable Agricultural Lands Conservation Program Final Guidelines (Round 9)

Reporting Period: April 2023

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Recommended Action

Adopt the Final Fiscal Year 2022-2023 Sustainable Agricultural Lands Conservation Program Guidelines (Round 9).

Summary

The Sustainable Agricultural Lands Conservation Program (SALC) provides grants for agricultural conservation acquisitions, capacity building and project development, and the development of local government plans to protect agricultural lands from conversion to more greenhouse-gas-intensive uses. This will be the ninth round of the program, which has made awards on an annual basis.

Staff seek to maintain consistency within the Guidelines from year to year, and make refinements in response to State priorities and stakeholder input. This year, program changes include: applying investment targets program-wide (previously only applied to Acquisitions), supporting tribes in the development of 501(c)3 organizations to increase the avenues through which they can access the program, reducing the match requirement for easements from 25% to 10% to better provide access to the program in areas of the state where match funding is scarce, and providing 100% funding for planning applications that benefit priority populations.

With Council adoption, program staff will proceed with a project solicitation. Staff will recommend project awards in a separate Council action later this year.

Background

About the SALC Program

The California Strategic Growth Council (SGC) administers the Affordable Housing and Sustainable Communities program (AHSC), established by the Legislature in 2014, “to reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development...” (Pub. Resource Code § 75210).

In July 2014, the Council approved the Department of Conservation (DOC) and the California Natural Resources Agency to help implement the agricultural lands protection component of AHSC, named the Sustainable Agricultural Lands Conservation Program, or SALC.

SALC facilitates the reduction of greenhouse gas (GHG) emissions by protecting agricultural lands at risk of conversion to urban and rural residential development. The program has thus

far accomplished this by investing in three project types: agricultural conservation acquisitions, capacity building and project development, and local government planning grants. Acquisition projects extinguish development rights, thereby avoiding increases in GHG emissions by reducing opportunities for expansive, vehicle-dependent forms of development; planning grants support the implementation of Sustainable Communities Strategies or other local plans that reduce greenhouse gas emissions; and capacity and project development grants help entities build or expand their organizational and financial capacity to develop agricultural conservation acquisition projects.

The Council has awarded \$373.1 million through SALC's eight funding rounds, supporting:

- 166 easement projects and two fee acquisitions covering approximately 194,000 acres of agricultural land;
- 20 capacity grants;
- 30 planning grants;
- Technical assistance for three local governments in FY19/20;
- A technical assistance agreement with University of California Agricultural and Natural Resources (UCANR) to hire academic coordinators to work in Fresno and Riverside Counties;
- A technical assistance agreement with Helianth Partners, LLC to engage and support eligible applicants and their partners in advancing equitable access to agricultural lands by connecting eligible applicants with socially disadvantaged farmers and ranchers and working with them to develop viable projects and submit funding applications for agricultural land conservation acquisition and capacity grants; and
- 23.7 million metric tons of carbon dioxide equivalent to be avoided.

Background on the SALC Guidelines Revision Process

Staff began revising the SALC Guidelines in December 2022. Staff continued to revise the SALC Guidelines to improve equitable access to the program and the program's focus on benefits to priority populations.

Staff released the Draft Round 9 SALC Guidelines for public comment on February 10, 2023. On March 13 and March 15, staff held hybrid virtual and in-person public workshops on proposed changes. A total of 76 people participated in the workshops. The public comment period closed on March 17, 2023. Staff received eight comment letters containing 49 distinct comments, including 27 comments expressing general support for the changes incorporated into the Round 9 Guidelines. Staff reviewed and incorporated revisions to address the remaining comments where appropriate. Attachment B compiles these comments.

Proposed Revisions

Building on changes from Rounds 7 and 8, staff propose the following revisions to improve access to the program and center equity in the program:

- Apply the investment targets established in Round 8 for acquisition grants to planning and capacity grants as well;
- Incorporate lands under control of federally recognized tribes into the definition of disadvantaged communities, as defined by the California Environmental Protection Agency (CalEPA);
- Clarify what constitutes a tribal non-profit; and
- Add protection of groundwater and drinking water sources to the list of possible public health co-benefits provided by the program.
- For planning grants:
 - Provide 100% funding for projects that benefit priority populations; and
 - Increase the number of points available for projects that benefit priority populations; residents of priority populations; beginning or Veteran farmers and ranchers; or a Federally recognized or non-federally recognized California Native American tribe and/or their members.
- For acquisition grants:
 - Increase the maximum grant award from 75% of the easement value to 90% of the easement value;
 - Specify that there is no minimum project size to be eligible for funding
 - Remove ceremonial expenses from the list of ineligible costs and instead specify that costs for publicity-related events are ineligible to reduce this barrier to entry for tribes and more accurately reflect the costs the program cannot fund;
 - In order to support beginning farmers and/or ranchers who have recently purchased property or are leasing property that may not have an existing commercial operation and where the easement may allow for them to start a commercial operation, staff propose removing “and will continue” from the following eligibility criterion: “The property is available and will continue to be used for, and is large enough to sustain, commercial agricultural production.”;
 - For fee acquisition grants where a tribe or tribal non-profit is the applicant or co-applicant on a fee acquisition project, or where a tribe or tribal non-profit will become owner of the conserved land, specifying that the applicant may now receive up to 100% of the fair market value of the property from SALC, and revising certain conditions of funding to better reflect the needs of those applicants; and
 - For projects located within or adjacent to a disadvantaged community or low-income community, staff propose highly encouraging the development and implementation of management plans that, to the extent feasible, reduce potential burdens to disadvantaged and low-income communities, including reductions in air pollution caused by agricultural operations, reductions in agricultural runoff, and/or reduction of degradation to surrounding ecosystems.

- For capacity grants:
 - Remove the staff limitation on eligibility for Tier 1 and Tier 2 funding;
 - Revise the language to clarify that Tier 1 funding is for grants to build organizational capacity while Tier 2 funding is for grants to expand organizational capacity and develop acquisition projects;
 - Include a stipulation that the Department will consult with tribal applicants to identify the most appropriate means for that tribe to demonstrate eligibility;
 - Add language clarifying that non-profit applicants that do not have the conservation of agriculture, rangeland, farmland, or tribal cultural resources among their stated purposes, as is prescribed by statute, or as expressed in the entity's adopted policies are eligible for Tier 1 funding on the condition that they use a portion of their funding, if awarded, to incorporate this language into their stated purposes or adopted policies; and
 - Add language to allow Federally recognized and non-federally recognized California Native American tribes to develop new 501(c)3 organizations, such as tribal land trusts, to meet the goals of SALC.
- Administrative changes to improve clarity include rearranging the appendices and correcting spelling errors.

Next Steps

Upon Council approval of the Round 9 SALC Guidelines, the application solicitation for all program components will go live.

Below is an anticipated timeline for application deadlines and project awards:

- April 26, 2023: Solicitation released
- May 2023: Acquisition pre-proposal and Capacity application workshops
- June 16, 2023: Acquisition pre-proposals due (required)
- June 30, 2023: Planning pre-proposals due (optional)
- July 21, 2023: Capacity applications due
- September 8, 2023: Acquisition and Planning applications due
- December 2023: Round 9 SALC awards adopted by Council

Council Recommendation

Should the Council agree with Staff's recommendation, the following motion language is suggested:

"I move that the Council approve the consent calendar."

Attachments

Attachment A: FY2022-2023 Sustainable Agricultural Lands Conservation Program Guidelines (Round 9)

Attachment B: Public Comments Compilation

