

December 17, 2024

Subject: Technical Amendment to SALC Guidelines Rounds 9 and 10
Reporting Period: December 2024
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Recommended Action

Adopt the Technical Amendment to Sustainable Agricultural Lands Conservation Program Guidelines, Rounds 9 and 10, creating an allowance for reimbursement of appraisal costs where they may currently be ineligible for reimbursement in instances where the grantee is a tribe or an organization whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers and the project would benefit one of these groups.

Summary

SGC's Racial Equity Action Plan (2021), approved by the Council, establishes SGC's vision for racial equity as "All people in California live in healthy, thriving, and resilient communities regardless of race." The REAP outlines actions SGC will take to achieve racial equity in its organization, operations, programs, and policies. It directs SGC staff to develop requirements for racial equity priority topics in each of its programs. This technical amendment would revise the SALC Guidelines governing the ninth and tenth rounds of the SALC program to better align with the REAP initiatives. Further, the Governor's Executive Orders B-10-11 and N-15-19, both seek to affirm the state's dedication to respecting tribal sovereignty.

In accordance with the Racial Equity Action Plan (REAP) and the Governor's Executive Orders B-10-11 and N-15-19, staff continually seek to better support grantees and projects where there are demonstrated benefits to tribes, priority populations, and socially disadvantaged farmers and ranchers. It has been the policy of SALC to not allow for reimbursement of appraisal costs where the appraisal is not used to set the valuation of a closed easement or fee title purchase. This policy was implemented to avoid potential private benefit, as required by statute. Recent grantee feedback has made staff aware of the risk that the potential burden of appraisal costs poses to tribes and organizations that serve priority populations and/or socially disadvantaged farmers or ranchers.

In order to reduce financial hardship and barriers to completion of work, staff propose an allowance for reimbursement of appraisal costs where they may currently be ineligible for reimbursement in instances where the grantee is a tribe or an organization whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers and the project would benefit one of these groups), and appraisals are commissioned by those organizations in good faith to move project work forward. This will create more flexibility for the program to



better support grantees and projects that benefit tribes and organizations that serve priority populations and/or socially disadvantaged farmers or ranchers while remaining in conformance with state statutes.

With Council adoption, program staff will proceed with project implementation and grant management of SALC Round 9 and Round 10 projects under these amended terms. These changes would be carried over to future rounds where the Notice of Funding Availability announces funding opportunities.

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 \$488.8 million through SALC’s nine funding rounds, supporting 200 easement projects and seven fee acquisitions covering approximately 263,000 acres of agricultural land, as well as 39 capacity grants, and 38 planning grants. Of these awarded funds, SALC has completed 105 acquisition projects totaling 157,321 acres and has an additional 64 acquisition projects totaling 83,792 acres in process.

Background on the Technical Amendment Process

In administering Round 9 capacity and acquisition grants with tribal grantees and organizations whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers, staff have found that the cost of appraisals are a burden to grantees who do not have financial capacity to cover the cost of an appraisal that is determined to not be eligible for



reimbursement due to rejection by the Department of General Services or where the acquisition falls through, through no fault of the grantee.

It is the intent of SALC, in accordance with the REAP, to remove barriers that may prevent tribes and -organizations whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers from moving forward within our program. In addition, concerns with lack of flexibility and financial assistance may prevent tribes and organizations whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers from applying to SALC in the first place, further limiting access and the likelihood of increasing equity within the program.

Proposed Revisions

Round 9

- Update Section 2: Capacity and Project Development, eligible costs related to appraisals to align with current policy and to match the updates that were made in Round 10.
- Add language to allow for appraisal reimbursement for tribes, tribal non-profits, and organizations whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers in cases where the project benefits a tribe, priority population and/or socially disadvantaged farmer or rancher and the appraisal was commissioned in good faith to move a project forward but the appraisal cost may not otherwise be eligible for reimbursement under current guidelines.
 - Page 17 under Direct Cost: *This restriction may be waived at the discretion of the Department where the grantee is either a tribe, tribal non-profit, or organization whose purpose is to serve priority populations and/or socially disadvantaged farmers and/or ranchers; the project benefits a tribe, priority population, and/or socially disadvantaged farmer or rancher; and the appraisal was commissioned and completed in good faith to move the project forward.*
 - Page 38: *This restriction may be waived at the discretion of the Department where the grantee is either a tribe, tribal non-profit, or organization that serves priority populations and/or socially disadvantaged farmers or ranchers; the project benefits a tribe, priority population, and/or socially disadvantaged farmer or rancher; and the appraisal was commissioned and completed in good faith.*

Round 10

- Add language to allow for appraisal reimbursement for tribes, tribal non-profits, and organizations whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers in cases where the project benefits a tribe, priority population and/or socially disadvantaged farmer or rancher and the appraisal was commissioned in good faith to move a project forward but the appraisal cost may not otherwise be eligible for reimbursement under current guidelines.



- Page 17 under Direct Cost: *This restriction may be waived at the discretion of the Department where the grantee is either a tribe, tribal non-profit, or organization whose purpose is to serve priority populations and/or socially disadvantaged farmers and/or ranchers; the project benefits a tribe, priority population, and/or socially disadvantaged farmer or rancher; and the appraisal was commissioned and completed in good faith to move the project forward.*
- Page 40: *This restriction may be waived at the discretion of the Department where the grantee is either a tribe, tribal non-profit, or organization that serves priority populations and/or socially disadvantaged farmers or ranchers; the project benefits a tribe, priority population, and/or socially disadvantaged farmer or rancher; and the appraisal was commissioned and completed in good faith.*

Next Steps

Upon Council approval of the technical amendment to SALC Round 9 and Round 10 Guidelines, staff will prepare and publish the updated guidelines to the SALC website.

Council Recommendation

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

"I move that the Council approve staff recommendations to amend the Sustainable Agricultural Lands Conservation Program Round 9 and 10 Guidelines to provide an allowance for reimbursement of appraisal costs where they may currently be ineligible for reimbursement in instances where the grantee is a tribe or an organization whose purpose is to serve priority populations and/or socially disadvantaged farmers and ranchers and the project would benefit one of these groups.)"

Attachments

Attachment A: Amended Round 9 Guidelines

Attachment B: Amended Round 10 Guidelines