

*December 17, 2020*

**Subject:** FY 19-20 Sustainable Agricultural Lands Conservation Program

**Reporting Period:** March – December 2020

**Staff Lead:** Virginia Jameson, Department of Conservation

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## **Recommended Action**

Approve awards totaling \$52,046,171 in Fiscal Year 2019-20 funds through Round 6 of the Sustainable Agricultural Land Conservations Program to support the 20 agricultural conservation easements, two fee-title acquisitions, and 10 planning grants recommended by Staff in this report.

## **Summary**

The Sustainable Agricultural Lands Conservation Program (SALC), which SGC administers collaboratively with the Department of Conservation (DOC), provides grants to fund agricultural conservation easements and local government plans to protect agricultural lands from conversion to more greenhouse-gas-intensive uses. This is the sixth round of the program, which has made awards on an annual basis.

Staff received 53 applications for acquisition funding and 10 applications for planning grants. Of the \$72,251,959.70 available,<sup>1</sup> Staff recommend funding 20 easement projects, two fee-title acquisition projects, and 10 planning grants for a total of \$52,046,171. The easement projects represent 19 counties as far north as Shasta and as far south as Imperial and comprise approximately 14,028 acres. The fee title projects, on the Central Coast and Santa Clara Valley, comprise 2,825 acres. Completed, this suite of easements and fee title acquisitions would avoid an estimated 4,661,913 metric tons of Carbon Dioxide Equivalent (MTCO<sub>2</sub>EQ). The recommended planning grant applications also span the state from San Diego to the Sacramento Valley.

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<sup>1</sup> \$38,104,600 million from the Fiscal Year 2019-20 Greenhouse Gas Reduction Fund auction proceeds and \$34,147,359.70 carried over from prior rounds of the SALC Program.

Given the large amount of carry-over funds from previous rounds and the high potential for projects resulting from current planning grants, staff recommend reserving \$20,205,788.70 to carry forward to SALC's seventh round. This amount will augment the program's continuing appropriation and ensure consistent and robust funding in the face of economic uncertainty related to the COVID-19 pandemic. In addition, these funds can be invested in alignment with the goals of both the SALC and Affordable Housing and Sustainable Communities Program (AHSC) to strategically support implementation of Executive Order (EO) N-82-20 on biodiversity and natural climate solutions.

Staff intend to release SALC Round 7 draft guidelines for public comment in February 2021 and bring final draft guidelines to the Council for consideration in April 2021. Topics for consideration in these updated draft guidelines include opportunities and mechanisms to advance racial equity as well as the goals of EO-N-82-20.

## Background

Senate Bill 862, Chapter 36, Statutes of 2014, establishes AHSC to be administered by the California Strategic Growth Council (SGC), "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 Housing and Community Development to help implement the housing, transportation, and infrastructure components of AHSC, and the Department of Conservation 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.

The SALC Program facilitates the reduction of GHG emissions by protecting agricultural lands at risk of conversion to urban and rural residential development. The program accomplishes this by investing in two project types: agricultural conservation acquisitions – including easements and fee-title purchases – 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 (GHG) emissions.

The SALC Program's quantification methodology estimates avoided GHG emissions per project based on vehicle miles traveled avoided when properties are protected from development, as well as emissions avoided from forgone construction and building energy from heating.

### ***Planning Grants***

SALC's Round 6 pool of planning grant applications represents a successful effort to increase participation in this part of the program. By investing in technical assistance efforts both through SGC's BOOST program and a contract with third-party technical assistance provider, Cultivate LLC, SGC and DOC worked with potential applicants to establish partnerships, refine project ideas, and assist with application development. Beginning in 2019, DOC staff and Cultivate LLC conducted extensive outreach, which helped result in six planning grant applications in Round 5 and 10 in Round 6. Cultivate LLC worked with the counties of Ventura, San Diego, and San Bernardino to prepare Round 6 SALC planning grant applications, all of which are recommended for funding. This renewed interest in the planning grant program component is important because long-term planning is vital to meeting the State's goals for long-term protection and management of agricultural lands. SGC and DOC will continue to provide technical assistance to support the development of SALC planning grant applications in the program's seventh Round.

Staff recommend funding all 10 of the planning grants, for a total of approximately \$2.37 million.

**Table 1: Planning Grants Recommended for Funding**

<b>Applicant</b>	<b>Project Number</b>	<b>County</b>	<b>Recommended Award Amount</b>
Alameda LAFCO	Collaborative stakeholder process to identify conservation and development areas	Alameda	\$250,000
City of Salinas	Integrated agricultural and general plan framework	Monterey	\$250,000
Contra Costa County	Agricultural carbon sequestration feasibility study	Contra Costa	\$250,000



Applicant	Project Number	County	Recommended Award Amount
Monterey County	Agricultural land protection component of climate action plan	Monterey	\$175,000
Sacramento COG	Regional strategy for agricultural economic viability	El Dorado, Sacramento, Sutter, Placer, Yolo, Yuba	\$250,000
San Bernardino LAFCO	Analysis for planning and agricultural preservation	San Bernardino	\$220,475
San Diego LAFCO	Strategy to promote, protect, and enhance agriculture	San Diego	\$250,000
Santa Clara County	Plan Bay Area - regional agricultural plan	Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano	\$225,500
Ventura County	Development of an agricultural conservation program	Ventura	\$250,000
Yolo County	Agricultural conservation priority plan	Yolo	\$250,000
<b>Total Recommended for Planning Grant Awards</b>			<b>\$2,370,975</b>

Each project is consistent with the SALC guidelines and the AHSC legislative direction that funded activities support the implementation of a Sustainable Community Strategy or other transportation plan aimed at reducing emissions from vehicles. Each supports the protection of agricultural resources, infill development, and the sustainable use of natural resources. For example, the Sacramento Area Council of Governments (SACOG) Coordinated Rural Opportunities Plan (CROP) will create a regional strategy to address economic and infrastructure investment challenges affecting agriculture. SACOG will inventory previous agricultural research, plans, and programs through its six-county region, identify general themes

and geographies where existing strategies are not working or where none exist. Finally, the plan will create an implementation framework that identifies and coordinates the infrastructure investments needed to support the continued viability of agriculture in the region.

### ***Fee Acquisitions***

SALC's Round 6 program guidelines made fee acquisitions an eligible project type for the first time. Rather than purchasing only the development rights on a property, also known as a conservation easement, the applicant purchases the property outright. To ensure parity between fee and easement projects under SALC, the program funds only the amount equivalent to what it would pay for an easement, i.e., 75 percent of the value of the conservation easement (a 25 percent match is required for projects that do not benefit priority populations). Fee purchases open additional possibilities for conservation strategies, such as making it possible for an applicant to buy a property that may otherwise be sold for development and sell or lease it to a party that will continue to farm it. The program received two fee acquisition applications, both of which Staff recommend for funding.

**Table 2: Fee Acquisition Projects Recommended for Funding**

<b>Applicant /Co-Applicant</b>	<b>Project Number</b>	<b>County</b>	<b>Total Acres</b>	<b>Recommended Award Amount</b>
Land Trust of Santa Cruz County	SALC19_PP23_SBT	Monterey/San Benito	2,765	\$4,050,000
Santa Clara Valley Open Space Authority	SALC19_PP40_SCL	Santa Clara	60	\$1,815,000
<b>Subtotal</b>			<b>2,825</b>	<b>\$5,856,000</b>

### ***Conservation Easements***

Round 6 is the SALC Program's most competitive yet for conservation easements, with 51 applications received as compared to 38 in Round 5. Staff reviewed the project applications for eligibility and readiness, and then awarded points based on SALC guidelines selection criteria that evaluate the project's agricultural, economic, and ecological co-benefits. Based on these criteria, staff determined that one project did not meet eligibility requirements and 10 did not meet SALC Program goals.

Of the 20 projects recommended for funding, seven (3,779 acres) are irrigated farmland, eight (7,225 acres) are rangeland, and five (3,025 acres) are mixed-use agriculture. The

recommended projects are located in 19 counties ranging from Plumas in the north to Imperial in the south.

Examples of projects selected for funding this round include:

### **PP37 – Shasta**

PP37 is a 1,509-acre cattle and apiary ranch located within Redding's Sphere of Influence. The owners have a strong relationship with the local federally listed tribe, the Redding Rancheria, and the tribe can access the property for their cultural needs. The landowners partnered with UC Berkeley's Grizzly Corps program which provides recent college graduates work experience and training in farm and forest practices for regenerative agriculture and forest/fire resilience.

### **PP29 – San Benito County**

PP29 is a 541-acre cattle ranch located adjacent to the City of San Juan Bautista. The property includes annual grassland, coast live oak woodland, wetland, and riparian habitats and provides a wildlife corridor between the Santa Cruz Mountains and the Gabilan and Diablo ranges. Grazing on the property reduces the risk of high intensity wildfires immediately adjacent to the city.

### **PP36 – Ventura County**

PP36 is a 752-acre cattle ranch and avocado orchard located adjacent to the City of Ventura. The landowner employs high-intensity, short duration grazing seasonally to promote native perennial grass growth. Grazing on the property reduces the risk of high intensity wildfires immediately adjacent to the city. The landowner provides youth with hands-on environmental education opportunities through partnerships with the Ventura and Oxnard school districts, as well as through the Boys and Girls Club.

The suite of easements recommended for funding (see Table 3 on the following page) will protect 14,028 acres of farm and rangeland and help to avoid 4,396,187 metric tons of CO<sub>2</sub> equivalent.

**Table 3: Easement Projects Recommended for Funding**

Applicant /Co-Applicant	Project Number	County	Total Acres	Recommended Award Amount
California Farmland Trust	SALC19_PP14_FRE	Fresno	304	\$3,010,002
Trust for Public Land/Rivers and Lands Conservancy	SALC19_PP57a_IMP	Imperial	1,888	\$4,710,000
Trust for Public Land/Rivers and Lands Conservancy	SALC19_PP57d_IMP	Imperial	618	\$3,390,000
California Rangeland Trust	SALC19_PP41_MAD	Madera	2,747	\$2,110,250
Marin Agricultural Land Trust	SALC19_PP42_MAR	Marin	602	\$2,543,250
California Farmland Trust	SALC19_PP2_MER	Merced	474	\$3,960,500
Ag Land Trust	SALC19_PP1_MNT	Monterey	425	\$2,425,000
Ag Land Trust	SALC19_PP15_MNT	Monterey	60	\$460,000
Bear Yuba Land Trust	SALC19_PP44_NEV	Nevada	144	\$366,500
California Rangeland Trust	SALC19_PP58_SAC	Sacramento	591	\$2,643,576
Trust for Public Land/Land Trust of Santa Cruz County	SALC19_PP29_SBT	San Benito	541	\$1,860,000
San Luis Obispo Land Conservancy	SALC19_PP50_SLO	San Luis Obispo	388	\$875,000
Land Trust for Santa Barbara County	SALC19_PP30_SBA	Santa Barbara	955	\$2,460,000
Shasta Land Trust	SALC19_PP31_SHA	Shasta	190	\$1,101,330
Shasta Land Trust	SALC19_PP32_SHA	Shasta	310	\$2,224,225
Shasta Land Trust	SALC19_PP34_SHA	Shasta	702	\$1,239,188
Shasta Land Trust	SALC19_PP37_SHA	Shasta	1,509	\$3,124,875
Sonoma Land Trust	SALC19_PP61_SON	Sonoma	703	\$2,800,000
Trust for Public Land/California Rangeland Trust	SALC19_PP36_VEN	Ventura	752	\$1,805,500
City of Davis/Yolo Land Trust	SALC19_PP16_YOL	Yolo	124	\$701,000
<b>Subtotal</b>			<b>14,028</b>	<b>\$43,810,196</b>

## Program Achievements to Date

In prior rounds, SGC has awarded a total of \$180.9 million through SALC, protecting 100,934 acres through:

- 103 easement projects
- 14 planning grants
- Technical assistance for three local governments in 2019 and 2020

The amount awarded includes the total funds appropriated in Rounds 1-5 as well as any rollover funds that became available when projects withdrew or came in under budget. If the Council approves Staff's Round 6 recommendations for Round 6, SALC's total awards will reach

\$230,646,171 and the total acres protected by SALC-funded projects would reach approximately 117,922.

## Council Recommendation

Approve awards totaling \$52,046,171 in Fiscal Year 2019-20 funds through Round 6 of the Sustainable Agricultural Land Conservations Program to support the 20 agricultural easements, two fee-title acquisitions, and 10 planning grants recommended by Staff in this report.

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

**“I move that the Council approve awards totaling \$52,046,171 in Fiscal Year 2019-20 funds through Round 6 of the Sustainable Agricultural Land Conservations Program to support the 20 agricultural easements, two fee-title acquisitions, and 10 planning grants recommended by Staff.”**

## Attachments

Attachment 1: Project Summary Sheets

Attachment 2: Statewide Project Map

Attachment 3: List of all Project Applications Received