

December 15, 2022

Subject: Sustainable Agricultural Lands Conservation Program Round 8 Award Recommendations

Reporting Period: April 2022 – December 2022

Staff Lead: Shanna Atherton-Bauer, SALC Program Manager, DOC

Recommended Action

Approve the staff recommendation to 1) amend the SALC Round 8 Guidelines to increase the Capacity Award cap from \$3 million to \$4.4 million and 2) award \$74,200,117 in Greenhouse Gas Reduction Funds to support the identified 25 agricultural easements, 20 capacity grants, and three planning grants in this report through Round 8 of the Sustainable Agricultural Lands Conservation Program.

Summary

The Sustainable Agricultural Lands Conservation Program (SALC) provides grants to fund agricultural conservation easement and fee title acquisitions, agricultural conservation acquisition capacity and project development grants, and local government plans to protect agricultural lands from conversion to more greenhouse-gas-intensive uses. This is the eighth round of the program. The program makes awards on an annual basis.

Staff received 29 applications for acquisition funding, 26 applications for capacity grants, and three applications for planning grants from local governments. Of the \$105 million available (including \$84,113,000 million from the Fiscal year 2021-2022 Greenhouse Gas Reduction Fund auction proceeds and \$20,894,061.71 carried over from prior rounds) staff recommend funding 25 easement projects, 20 capacity grants, and three planning grants for a total of \$74,220,117. The recommended easement projects are in 17 counties as far north as Siskiyou County and as far south as Santa Barbara County and comprise approximately 54,030 acres. When completed, this suite of easements will avoid an estimated 619,227 metric tons of CO₂ equivalent. The recommended capacity grants span 33 counties as far north as Del Norte and Siskiyou County, and as far south as San Diego and Imperial County. The recommended planning grant applications include projects by one county, one Local Agency Formation Commission, and one tribe.

The \$30,786,994 million remaining following award of Round 8 grants will be brought back to council to fund future rounds and additional opportunities to fund projects that further the housing and conservation goals in Chapter 36 (S.B. 862, Statutes of 2014). Reasons include increases in demand for funding each year over previous years, additional anticipated increases in demand resulting from capacity and project development grants, fluctuations in the auction proceeds that fund the Greenhouse Gas Reduction Fund, and the importance of the SALC program in meeting the goals of the Natural and Working Lands Climate Smart Strategy.

Background

About the Sustainable Agricultural Lands Conservation Program

Chapter 36 (S.B. 862, Statutes of 2014) establishes the Affordable Housing and Sustainable Communities program (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, Resources 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 croplands and rangelands at risk of conversion to urban and rural residential development. The program accomplishes this by investing in three project types: agricultural conservation acquisition (including easements and fee-title purchases), agricultural conservation acquisition capacity and project development grants, 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; in the future however, development rights may be banked for transfers to urban areas under a “transfer of development rights” program. Capacity and project development grants fund the development of agricultural conservation easement and fee acquisition projects and/or cover associated costs to help close acquisition projects where the cost of the acquisition is covered by an alternate source of funding. Planning grants support the implementation of Sustainable Communities Strategies or other local plans that reduce greenhouse gas emissions. The 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.

Conservation Easements

This year, SALC staff assessed acquisition projects at the mandatory pre-proposal stage and, with guidance from SGC Key Staff, determined that one of the 32 projects submitted for consideration was not eligible and two required additional information to determine eligibility. Upon review at the application stage, the two projects requiring additional information were also determined to be ineligible.

Staff received 27 application submissions in September 2022, including one project funded in Round 3 that requires additional funding to complete the transaction. Staff reviewed the applications for readiness, and then awarded points based on SALC guidelines selection criteria. The selection criteria reflect a project’s agricultural use, support for infill, other program goals, equity, and other co-benefits.



Staff found that two of the projects submitted as an application did not meet the program’s readiness criteria.

Of the 25 projects recommended for funding, nine projects consisted of 1,314 acres of irrigated farmland, nine projects consisted of 47,931 acres of rangeland, and seven projects consisted of 4,785 acres of mixed-use agriculture. These projects are disbursed across 17 counties ranging from Siskiyou in the north to Santa Barbara in the south.

The suite of easements recommended for funding will protect 54,030 acres of farm and rangeland. The estimated emissions avoided is 619,227 metric tons of CO₂ equivalent.

Easement Projects Recommended for Funding

Applicant / Co-Applicant	Project Number	County	Total Acres	Recommended Award Amount
Sonoma County Agricultural Preservation and Open Space	SALC21_PP01_SON	Sonoma	348	\$810,000
Solano Land Trust	SALC21_PP02_SOL	Solano	217	\$2,966,250
California Rangeland Trust	SALC21_PP03_SBA	Santa Barbara	1,012	\$1,312,500
California Rangeland Trust	SALC21_PP04_CAL	Calaveras	3,004	\$2,538,000
Sutter Buttes Regional Land Trust	SALC21_PP05_SUT	Sutter	136	\$493,723
Northern California Regional Land Trust	SALC21_PP06_BUT	Butte	255	\$3,008,098
Northern California Regional Land Trust	SALC21_PP07_BUT	Butte	1,170	\$2,157,374
Santa Clara Valley Open Space Authority	SALC21_PP08_SCL	Santa Clara	79	\$1,245,000
California Farmland Trust	SALC21_PP09_MER	Merced	67	\$561,975
California Rangeland Trust	SALC21_PP10_MER	Merced	1,307	\$1,260,000
City of Davis	SALC21_PP12_YOL	Yolo	120	\$915,000
California Farmland Trust	SALC21_PP14_FRE	Fresno	58	\$753,240
The Land Conservancy of San Luis Obispo	SALC21_PP15_SLO	San Luis Obispo	27,512	\$5,060,000

The Land Conservancy of San Luis Obispo	SALC21_PP16_SLO	San Luis Obispo	891	\$2,670,000
Bear Yuba Land Trust	SALC21_PP17_NEV	Nevada	107	\$1,025,000
Ag Land Trust	SALC21_PP18_MNT	Monterey	200	\$1,700,000
Ag Land Trust	SALC21_PP19_MNT	Monterey	260	\$2,375,000
Ag Land Trust	SALC21_PP20_MNT	Monterey	139	\$1,175,000
Siskiyou Land Trust	SALC21_PP21_SIS	Siskiyou	1,045	\$1,828,450
Shasta Land Trust	SALC21_PP23_SHA	Shasta	138	\$723,905
Shasta Land Trust	SALC21_PP24_SHA	Shasta	2,403	\$15,351,270
Shasta Land Trust	SALC21_PP25_SHA	Shasta	122	\$372,357
Northcoast Regional Land Trust	SALC21_PP26_HUM	Humboldt	3,079	\$6,093,100
Sierra Foothill Conservancy	SALC21_PP27_MER	Merced / Mariposa	10,361	\$8,680,193
California Rangeland Trust	SALC21_PP32_MNT	Monterey	9,418*	\$3,322,500
		Totals	54,030	\$68,397,935

*SALC21_PP32_MNT received SALC Round 3 funding and re-applied for additional funding to complete the transaction. The acres and GHG’s avoided for this project are not being reported in this staff report to avoid double counting the project’s number from Round 3.

Acquisition Investment Targets

The Round 8 SALC Guidelines establish a 20% investment target for acquisition projects that:

- Provide secure land tenure to a beginning or Veteran farmer or rancher, a farmer or rancher who is a member of a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission, or to a farmer or rancher that is a resident of a priority population, or
- Provide meaningful benefits to a priority population, as defined in these Guidelines.

The Guidelines also establish a 5% investment target for acquisition grants where a farmer or rancher is a member of a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission or a tribal non-profit with 501(c)3 status is either the applicant or a co-applicant on the project.



Three projects recommended for award this round support beginning farmers' and ranchers' ownership of agricultural land, three projects support a Veteran's ownership of agricultural land, eight projects support access to or ownership of agricultural land by landowners/lessees that self-identified as living in low-income households or a disadvantaged/low-income community, and two projects support a combination of the above.

In addition, five of the projects that support ownership of land by a beginning or Veteran farmer or rancher, or a farmer or rancher that is a resident of a priority population, also provide meaningful benefits to priority populations as defined by California Air Resources Board. The benefits provided by these projects include providing agricultural education opportunities for students that live in disadvantaged communities and protection of water quality for disadvantaged communities. Combined, these five projects represent \$33,035,177 in program investments, or 31.4% of the available funding for acquisitions.

SALC received no acquisition projects from California Native American tribes or tribal non-profits this round. While SALC did not meet its 5% funding target for acquisition projects this round, SALC did receive one planning application and two capacity applications from tribes or tribal non-profits and is recommending the planning grant and one capacity grant for funding. The recommended planning grant is highlighted above. The recommended capacity grant will support development of projects for future rounds of SALC funding.

Agricultural Conservation Capacity and Project Development Grants

This year, a new component of the SALC guidelines was introduced to increase the pace and scale of agricultural conservation throughout the state. Up to \$3 million is available for the capacity and project development grants to build organizational and financial capacity to develop agricultural conservation acquisition projects; assist eligible applicants in developing agricultural conservation easement and fee acquisition projects in preparation for submitting such projects for acquisition funding in future rounds; and, provide funds to cover associated costs to help close agricultural conservation acquisition projects where the cost of acquisition is covered by an alternate source of funding.

There are two available fundings tiers:

1. Tier 1: Grants of up to \$100,000. These grants are available to applicants for which this would be their first capacity grant with the Department, or who have 0-2 paid staff.
2. Tier 2: Grants of up to \$250,000. These grants are available to applicants who have 3 or more paid staff or organizations who have previously received a capacity grant from the Department.

In its first round of funding, 26 applications were submitted, of which, three were deemed ineligible. Of the 23 eligible applications, four applications were for Tier 1 funding, and 19 applications were for Tier 2 funding.

Staff recommend simultaneously amending the Round 8 Guidelines to increase the cap on capacity awards by \$1.4 million to \$4.4 million and funding 20 grants to support the State's goal of increasing the pace and scale of conservation to support the state's Natural and Working Lands Climate Strategy. These recommended projects total \$4,372,182 and span 33 counties across the state.

Capacity Projects Recommended for Funding

Applicant	County	Tier	Recommended Award Amount
American Farmland Trust	Stanislaus, Merced, Madera, Fresno, Tulare, San Bernardino, Riverside, Imperial, and San Diego	2	\$250,000
Sierra Foothill Conservancy	Mariposa, Madera, Fresno	2	\$250,000
Land Trust of Santa Cruz County	Santa Cruz, Monterey	2	\$250,000
American River Conservancy	El Dorado	2	\$250,000
Siskiyou Land Trust	Siskiyou	2	\$250,000
Shasta Land Trust	Shasta	2	\$250,000
Mother Lode Land Trust	El Dorado, Amador, Calaveras, Tuolumne, Alpine	2	\$250,000
Tule Basin Land and Water Conservation Trust	Tulare	1	\$99,844
San Benito Ag Land Trust	San Benito	2	\$231,500
Land Trust for Santa Barbara County	Santa Barbara	2	\$250,000
Placer Land Trust	Placer	2	\$250,000
Mendocino Land Trust	Mendocino	2	\$250,000
California Open Lands	Butte	1	\$99,994
		Totals	\$2,931,338

Capacity Projects Recommended if Budget Modification Approved

Applicant	County	Tier	Recommended Award Amount
Sacramento Valley Conservancy	Sacramento	2	\$250,000

Solano Land Trust	Solano	2	\$250,000
San Joaquin River Parkway and Conservation Trust	Fresno, Madera, Merced	2	\$175,644
Northcoast Regional Land Trust	Humboldt, Del Norte, Trinity	2	\$250,000
Land Trust of Santa Clara Valley	Santa Clara	1	\$100,000
California Farmland Trust	Contra Costa, Madera, Merced, Sacramento, San Joaquin, Stanislaus, Fresno	2	\$250,000
The Land Conservancy of San Luis Obispo	San Luis Obispo	2	\$165,200
		Totals	\$1,440,844

Planning Grants

Staff recommend funding all three planning grant applications received in this round, for an award amount totaling \$1,450,000. Each of the recommended projects is consistent with SALC guidelines and the AHSC legislative mandate in that they 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.

Hoopa Valley Tribe Agriculture Conservation & Resiliency Plan

This year’s project highlight focuses on SALC’s core policy goals of avoiding conversion of agricultural land; promoting infill and compact development; enhancing co-benefits; facilitating locally-led development patterns; and supporting engagement between local governments, landowners, and disadvantaged communities. The Hoopa Planning Department proposes to use SALC funds to develop an Agricultural Conservation & Resiliency Plan and a General Plan for the Hoopa Valley Tribe.

One of the biggest agricultural land conversion threats in planning is the demand for land for housing. In the Hoopa Valley, there are approximately 15 applicants on the list for agricultural leases.

As part of the grant, the Hoopa Valley Tribe will actively engage with Tribal Government (Council) and its entities, Tribal and community members at large, agricultural producers, local schools, cultural groups, local Resource Conservation District (RCD) groups, and other stakeholders to review plans, policies, and programs affecting forest lands natural lands, wetlands, watersheds, wildlife habitat, and developed and undeveloped lands. They will then merge these plans into one cohesive general plan that identifies and addresses the needs of the community and ensure that both housing and agricultural needs can be sustainably met. The agricultural focus will reflect both conventional valley floor ag uses as well as traditional cultural gathering in the forest lands that are home to the tribe’s first foods, medicines, and other cultural resources.



This application represents the first tribally-led SALC planning project to date.

Planning Grants Recommended for Funding

Applicant	Project Number	County	Recommended Award Amount
San Diego LAFCO	SALC21_PG01	San Diego	\$450,000
Hoopa Tribe	SALC21_PG02	Humboldt	\$500,000
County of Tulare	SALC21_PG03	Tulare	\$500,000
		Totals	\$1,450,000

Program Achievements to Date

In prior rounds, SGC has awarded \$298.9 million through SALC, supporting:

- 142 easement projects
- 2 fee acquisition projects
- 27 planning grants

The amount awarded includes the total appropriated in Rounds 1-7 as well as any funds that became available when projects withdrew or came in under budget. If the Council approves staff’s recommendations for Round 8, the total acreage protected or in the process of being protected through SALC grants would be approximately 194,500 acres.

Next Steps

Staff intends to release draft guidelines for Round 9 for public comment in February 2023 and publish final guidelines in April. Staff do not intend to make significant changes to the guidelines in Round 9. Anticipated revisions would support the program’s continuing efforts to address equity.

Council Recommendation

Approve the staff recommendation to simultaneously 1) amend the SALC Round 8 Guidelines to increase the Capacity Award cap from \$3 million to \$4.4 million and 2) award \$74,220,117 in Greenhouse Gas Reduction Funds to support the identified 25 agricultural easements, 20 capacity grants, and three planning grants in this report through Round 8 of the Sustainable Agricultural Lands Conservation Program.

Attachments

Attachment 1: Project Summary Sheets



Attachment 2: Statewide Project Map

Attachment 3: List of all Project Applications Received

