

Aug. 27, 2025

Subject: Technical Amendment to Sustainable Agricultural Lands Conservation (SALC) Program Guidelines

Reporting Period: Aug. 2025

Staff Lead: Amar Cid, Deputy Director of Community Investment & Planning,
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Recommended Action

Adopt the Technical Amendment to the SALC Program Guidelines incorporating requirements from the most recent California Climate Investments (CCI) Guidelines for Administering Agencies in advance of the next funding solicitation along with additional revisions as listed in this staff report.

Summary

SALC Program staff prepared the last round of SALC Guidelines with the intent that those Guidelines would govern multiple rounds of SALC funding given that, after ten years, the program components have stabilized and the need for major revisions to the Guidelines has decreased. CCI requires that all programs receiving cap-and-trade funds follow the Funding Guidelines for Agencies that Administer CCI Funding Guidelines. CCI released the most recent version of the CCI Funding Guidelines in December 2024, after adoption of the most current SALC Guidelines in October 2024. In advance of the appropriation of fiscal year 2024-2025 cap-and-trade auction proceeds to SALC, staff have reviewed the SALC program Guidelines against the December 2024 CCI Funding Guidelines and identified two requirements that need to be incorporated into the program prior to the next funding cycle.

In addition to the revisions required by the CCI Funding Guidelines update, SALC staff propose to incorporate a reporting requirement consistent with direction from the California Natural Resources Agency (CNRA) to support 30x30.

Finally, SALC staff propose to transition from an annual award cycle to a rolling pre-proposal and semi-annual application and award cycle to reduce peaks in staff workload and increase the timeliness of project awards. This shift is already allowed in the SALC Guidelines; however, staff propose revising the structure of the acquisition pre-proposal and application materials, as well as how the pre-proposal and application materials are presented in the Guidelines, to facilitate this transition.

Background

About the SALC Program

The SGC administers the Affordable Housing and Sustainable Communities program (AHSC), established by the Legislature in 2014, “to reduce greenhouse gas (GHG) 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 DOC and the CNRA to help implement the agricultural lands protection component of AHSC, named the Sustainable Agricultural Lands Conservation Program, or SALC.

SALC facilitates the reduction of 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 GHG emissions; and capacity and project development grants help entities build or expand their organizational and financial capacity to develop agricultural conservation acquisition projects.

SGC 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 120 acquisition projects totaling 169,882 acres and has an additional 47 acquisition projects totaling 69,532 acres in process.

Background on the Technical Amendment Process

CCI Guidelines Requirements

SALC staff prepared the last round of SALC Guidelines with the intent that those Guidelines would govern multiple rounds of SALC funding given that, after ten years, the program components have stabilized and the need for major revisions to the Guidelines has decreased.

Following publication of those Guidelines, CCI released a new version of the CCI Guidelines, which includes a requirement to update programs consistent with those guidelines prior to the program’s next funding solicitation. In preparation for the appropriation of fiscal year 2024-2025 cap-and-trade auction proceeds to SALC, SALC staff reviewed the CCI Guidelines and identified two requirements within those Guidelines that the program is not currently implementing; the requirement that administering agencies must consider and avoid potential substantial burdens or harms to priority populations in program design and project selection and the requirement to apply six workforce standards across applicable projects.

Given that these requirements are not at the program's discretion, Staff propose incorporating these amendments into the SALC Guidelines via a technical amendment rather than a full guidelines update.

As part of this amendment, staff also propose incorporating an allowance for advance pay as recommended in the CCI Guidelines and consistent with SGC policy to maximize benefits to disadvantaged communities.

30x30 Reporting

Separate from the CCI Guidelines, the CNRA is working to improve reporting on projects that meet the State's 30x30 goals. As part of this effort, SALC staff propose to incorporate a requirement that all acquisition grantees provide spatial data related to their project to the California Conservation Easements Database and/or the California Protected Areas Database once the project is complete. This requirement would include an exemption request to address confidentiality and data sovereignty.

Pre-Proposal and Application Documents

Staff propose removing the pre-proposal and application documents associated with the program from the SALC Guidelines appendices and shifting to posting them exclusively on the website to allow the program to make changes to these documents outside the Guidelines approval process as necessary to support program goals and objectives. SALC staff propose making this change in this amendment as staff are considering transitioning from an annual award cycle to a rolling pre-proposal and semi-annual application award cycle. This transition would necessitate changes to the existing pre-proposal and application materials. SALC Staff also propose striking the lists of pre-proposal and application requirements from the body of SALC Guidelines for all components and relying on the list of required components included in the pre-proposal and application forms. All documents will continue to be posted to the SALC website.

Clarifications

As part of the Round 9 and 10 Technical Amendment approved in December 2024, SGC approved an update to the Appraisal section of the Guidelines. SALC staff propose restructuring paragraphs 1-3 of this section in the current technical amendment to improve the clarity of this section as relates to those revisions. No policy changes are proposed as part of these changes.

Proposed Revisions

- Incorporate the requirement that administering agencies must consider and avoid potential substantial burdens or harms to priority populations in program design and project selection consistent with the most recent CCI Guidelines. Staff have incorporated relevant language on pages 4, 34, and 53.

- Incorporate a requirement to apply six workforce standards across applicable projects consistent with the most recent CCI Guidelines. The relevant language has been incorporated on page 6 of the SALC Guidelines.
- Incorporate an advance pay allowance 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; and the project benefits a Tribe, priority population and/or socially disadvantaged farmer or rancher. Staff have incorporated relevant language on pages 3, 8-9, 21, 29, 51-52, and 57.
- Incorporate a requirement (with allowance for exemption) that acquisition grantees provide spatial data for easements and fee acquisitions to the California Conservation Easement Database and/or California Protected Areas Database following project close to support 30x30 reporting. Staff have incorporated relevant language on page 46 and in the SALC Acquisitions Grant Agreement Template.
- Remove the list of pre-proposal and application components from Sections 2, 3, and 4 to rely on the pre-proposal and application forms for the required components.
- Post documents related to pre-proposal and application materials exclusively online.
- Restructure paragraphs 1-3 of the Appraisals subsection to increase clarity (pages 42 and 43).

Next Steps

Upon Council approval of the technical amendment to SALC 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 Guidelines to incorporate requirements from the most recent California Climate Investments Guidelines for Administering Agencies in advance of the next funding solicitation and additional revisions as listed in the staff report."

Attachments

Attachment A: Amended SALC Guidelines

Attachment B: Appendix C – Easement Grant Agreement

Attachment C: Appendix D – Fee Acquisition Grant Agreement