CALIFORNIA
SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM

DRAFT PROGRAM GUIDELINES

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STATE OF CALIFORNIA
STRATEGIC GROWTH COUNCIL

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GUIDELINES FOR APPLICATIONS
SUBJECT TO SOLICITATION

Please direct comments to:

Sustainable Agricultural Lands Conservation Program

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Section 1: Sustainable Agricultural Lands Conservation Program
Introduction and Program Summary

The Sustainable Agricultural Lands Conservation Program (SALCP) supports the State's greenhouse gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to land uses with more GHG-intensive purposes. Protecting critical agricultural lands from conversion to urban or rural residential development promotes smart growth within existing jurisdictions, ensures open space remains available, and supports a healthy agricultural economy and resulting food security. A healthy and resilient agricultural sector is becoming increasingly important in meeting the challenges occurring and anticipated as a result of climate change.

These **2015-16 SALCP Guidelines** serve as the Request for Grant Applications (2015-16 RFGA), which cover the following investment types:

1. **Agricultural Land Conservation Strategies and Outcomes**– Grants to counties, cities, and partners to design and implement a local or regional agricultural land conservation strategy that results in an outcome that reduces GHG emissions through the long-term protection of agricultural lands by promoting regional growth within discrete boundaries.

2. **Agricultural Conservation Easements** – Grants to protect important agricultural lands under threat of conversion via permanent agricultural conservation easements.

Program Goals and Objectives

The principal goal of the SALC Program is to avoid increases in the greenhouse gas emissions associated with the conversion of California's irreplaceable agricultural resources land to urban and rural residential development. The rationale for these investments, and the justification under AB 32, is that by minimizing the conversion of farmland to urban land uses, it will prevent greenhouse gas emissions. The SALCP serves to protect the broad agricultural land and soil resource base from sprawl development, and in doing so, avoids increasing GHG emissions associated with increased automobile emissions from sprawl development.

The SALCP complements other aspects of the Strategic Growth Council's Affordable Housing and Sustainable Communities Program, which focus on investments in infill development and improved mobility options. By protecting agricultural lands concurrent with keeping growth within discrete boundaries, the programs work together to reduce GHG's in the aggregate and over time. The SALCP also complements California's existing farmland conservation efforts, including the Land Conservation (Williamson) Act, the California Farmland Conservancy Program, and the many local and regional agricultural land conservation policies in place throughout the state.

The 2015-16 SALCP Guidelines serves as the Request for Grant Applications for two components to strategically protect agricultural lands from sprawl development: (1) grants to cities and counties for agricultural land conservation strategies and outcomes, and (2) grants for agricultural conservation easements to permanently protect the lands of willing landowners.

Agricultural Land

For the purposes of this program agricultural land[1] will include both cultivated and non-cultivated (e.g., rangeland and pasture) lands.

GHG Quantification and Reporting

The SALCP is responsible for quantifying and reporting the greenhouse gas emission reductions resulting from funded projects in accordance with an ARB approved quantification methodology and the Funding Guidelines for Administering Agencies. All projects are required to show a net decrease in GHG emissions or an avoidance in the growth of GHG emissions as they are implemented. The eligibility and selection criteria presented in these Guidelines are designed to prioritize projects that demonstrate the greatest potential for protecting lands most at risk of conversion to other purposes.

Co-benefits

Beyond avoided increases to GHG emissions, conservation of agricultural land provides the opportunity for a series of co-benefits. Examples of these benefits may include, but are not limited to:

- Economic benefits (e.g., retention of local jobs and agricultural revenues, entrepreneurial opportunities, reduction in spending on municipal services for dispersed development).
- Improved air quality resulting from reduced vehicle miles traveled.
- Ecosystem services (e.g., wildlife habitat, pollination, and natural food web adaptation).
- Open space values.
- Increases in local food production promoting food security and resilience, and a greater understanding of agriculture's importance among both urban and rural Californians.

Applicants will provide a qualitative description of anticipated co-benefits as well as any quantitative information (e.g., acres of habitat types, miles of riparian corridors, local jobs related to farm sales) on this topic.

Statutory Authority

The Budget Act of 2014 appropriated $130 million from the GGRF during FY 2014-15 to the Strategic Growth Council (Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF proceeds on an annual basis to the AHSC program beginning in FY 2015-16. SB 1018 and other statutes require that the GGRF monies be used to reduce GHG emissions and further the purposes of Assembly Bill (AB) 32 (Chapter 488, Statutes of 2006).

Public Resources Code section 75212 (h) lists the types of projects eligible for funding under the AHSC Program. Specifically SGC is authorized to invest in projects that meet the goals of SB 862 through the "acquisition of easements and other approaches or tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban and suburban sprawl or those of special environmental significance".

The SALCP was identified by the Council as most appropriately administered by the California Department of Conservation (DOC) in conjunction with the Natural Resources Agency (Agency). The SGC approved the roles

[1] The Quantification Methodology will be contained in a separate document, published by the Air Resources Board.

of DOC and the Agency at its July 10, 2014 meeting. In addition, the SALCP has been developed in consultation with the California Department of Food and Agriculture.

The DOC's authority for agricultural land protection derives from various sections of statute:

- Public Resources Code Sections 10200-10277, the California Farmland Conservancy Program
- Public Resources Code Sections 10280-10283, Agricultural Protection Planning Grant Program
- Government Code Section 65570, the Farmland Mapping and Monitoring Program (FMMP)
- Government Code Sections 51190-51294.7, the California Land Conservation Act (Williamson Act or LCA)
- Revenue and Taxation Code Sections 421-430.5, pertaining to valuation of open space land subject to an enforceable restriction
- Public Resources Code Division 9, governing Resource Conservation Districts (RCDs)

SB 732 (Chapter 13, Statutes of 2008) established the Council and added California Government Code Sections 75127 and 75128, which direct the Council to manage and award financial assistance to support the planning and development of communities that achieve sustainability objectives. Government Code Section 75126 states that these funded activities must be consistent with the State's Planning Priorities[2], and Section 75125 states that the Council shall develop Guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

Disadvantaged Communities

Senate Bill 535 (Chapter 830, Statutes of 2012) directs State and local agencies to make significant investments that improve California's most vulnerable communities. The statute requires that the GGRF investment plan allocate a minimum of 25 percent of available moneys to projects that provide benefits to disadvantaged communities and a minimum of 10 percent to projects located within disadvantaged communities. The target for disadvantaged communities investment established by SB 862 is 50 percent for the overall Sustainable Communities and Affordable Housing Program allocated to the Strategic Growth Council.

Projects will first be evaluated to determine if 50% or more of the project is located in a disadvantaged community census tract and will provide direct, meaningful, and assured benefits to a disadvantaged communities. If the project does not meet the criteria for being "located within," and providing benefit, projects will be evaluated to determine if they meet at least one of the following criteria for providing direct, meaningful, and assured benefits to disadvantaged communities:

A. Project preserves or restores a site that allows public access and is accessible by walking within ½ mile of a disadvantaged community; or

B. Project significantly reduces flood risk to one or more adjacent disadvantaged communities; or

C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or

D. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged

[2] See the Glossary, Appendix A, for these Government Code Section 65041.1 priorities.

community participating in job training programs which lead to industry-recognized credentials or certifications.

CalEPA's interim guidance was used to develop these Guidelines; as a result, the SALCP Guidelines may be modified after final CalEPA guidance is available. In recognizing this guidance and its importance toward assisting disadvantaged communities, Agricultural Land Conservation Strategy and Outcome grant applications impacting disadvantaged communities will be awarded 5 additional points toward their total score. Applications for agricultural conservation easements providing benefits to disadvantaged communities will be eligible for 10 percent match, the lowest required match funding proportion available under the program, assuming all other eligibility and selection criteria can be attained.

Grant Application and Administration

The Department of Conservation (DOC) administers the SALCP grant program in conjunction with the California Natural Resources Agency, on behalf of the Council.[3] Grant applications will be submitted as a digital version via email, along with one hard copy of the entire application.

For fiscal year 2015 awards will be made at the same time for both the Agricultural Land Conservation Strategy and Outcome grants and the Agricultural Conservation Easement grants. However, the Strategy and Outcome grants and Easement grants each have a specific application process. Refer to later sections of these Guidelines for explanatory material.

The mailing address for applications is:

California Department of Conservation
Sustainable Agricultural Lands Conservation Program
801 K Street, MS 18-01
Sacramento, CA 95814

SALCP forms and sample documents are available at:
http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx [Placeholder for updated link]

For more information about the grant administration process see Section 4.

[3] These entities in whole or in part may be referred to later in this Guidelines document as the State.

Section 2: Agricultural Land Strategy and Outcome Grants

Agricultural Land Conservation Strategy and Outcome grants (Strategies) under the SALCP are limited to a specific set of approaches and outcomes that cities, counties and their partners will use to protect important agricultural land resources under threat of conversion. This component of the program incentivizes local governments towards developing local and regional land use policies, and implementation activities that more fully integrate agricultural land conservation. The Strategies will ultimately result in the avoided conversion of strategic farmland and rangeland to urban and rural residential development. Funding for the design and implementation of local and regional agricultural land conservation strategies will be limited to those methods and specific on the ground outcomes described under Eligible Projects in the final version of these guidelines.

Eligible Applicants
Counties and/or cities as the lead applicant(s) in collaboration with other partners (e.g, agricultural organizations, land trusts, open space districts).

Application Funding
Up to $2.5 million in FY 2015-16 is allocated to grants for Agricultural Land Strategies and Outcomes. Individual grants are limited up to $250,000 each. Funds not awarded under this SALCP element may be used to increase available funding for award in another SALCP component.

There must be a minimum ten percent (10%) local match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.

Administrative Requirement for Reimbursement for Agricultural Land Conservation Strategy and Outcome Grants
No funds from the Greenhouse Gas Reduction Fund may be reimbursed to the applicant until the proposed strategy demonstrates an outcome that protects agricultural lands from conversion and results in an identifiable GHG reduction. This means the applicant must be able to cover the costs to complete work related to the development and execution of the strategy, without reimbursement by the State, until the final deliverable has been successfully achieved.

Eligible Projects

Eligible Strategies and Outcomes will focus on achievable, action-oriented approaches to agricultural land conservation that result in long-term GHG reductions. Currently five specific strategies and outcomes are identified below. Additional potential strategies and outcomes are under discussion, and require further work to determine emission reductions and appropriate measurement methods. Specific strategies and outcomes currently under consideration fall into two categories:

- rights or restrict development on agricultural lands under threat of conversion. those that result in the establishment of new agricultural conservation easements on lands under threat of conversion not already required for mitigation of development impacts, and
- those that result in the passage of zoning ordinances that effectively extinguish development

1. **Establishing an Agricultural Land Mitigation Program**: A local jurisdiction's formal program to conserve agricultural land at a 1:1 ratio (or higher) as identified in its ordinances and policies via a General Plan Update or Amendment.

2. **Establishing an Agricultural Conservation Easement Purchasing Program**: The development and implementation of a locally-driven strategy to purchase agricultural easements on strategic properties using dedicated funding source(s), such as dedicated sales or property tax increments.
3. **Adoption of an Agricultural Greenbelt and Implementation Agreement**: Identify specified agricultural greenbelt(s) between cities, tied to agreements that allow participating jurisdictions to focus agricultural mitigation funds or related farm/open space funds to establishing the greenbelt buffer. The greenbelt will contain primarily agricultural lands. Other lands with conservation values may be a secondary consideration for inclusion in an Agricultural Greenbelt.
4. **Adoption of Urban Limit Line or Urban Growth Boundary**: The development and implementation of a locally-driven urban limit line program and restricted Urban Service Area (e.g., water, sewer).
5. **Increasing Zoning Minimum for Designated Strategic Agricultural Areas**: Updating or amending the local jurisdiction's General Plan to increase minimum acreage (upzoning) for strategic agricultural areas (e.g., from 20-acre to 40-acre minimums).

Ineligible Projects

Proposals that will not be funded under this program include, but are not limited to, proposals that:

- Do not meet the intent of the SALCP.
- Do not meet the basic threshold requirements for submission.
- Do not result in a demonstrable and quantifiable GHG emission reduction, pursuant to the ARB approved quantification methodology.
- Do not contain adequate documentation and applicable materials.
- Do not clearly state objectives and deliverables.
- Are not received by the application deadline.

Threshold Requirements

To be considered for review, all applications for Agricultural Land Conservation Strategy and Outcome Grants must meet the following thresholds:

1. The grant application must be submitted as a digital version via email, along with one hard copy of the entire application.
2. The budget must contain a minimum ten percent (10%) local match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.
3. The applicant must agree to the administrative requirement regarding reimbursement.

Minimum Required Steps for the Agricultural Land Strategies and Outcomes

Agriculture is one of California's most important industries, but because of geographic and economic factors, the nature of agricultural land resources varies widely from region to region. Agricultural Land Strategies and Outcomes must account for and should represent the values of local communities while meeting the following specific minimum required steps.

1. Establishing an Agricultural Land Mitigation Program (via General Plan Update or Amendment, including an implementation mechanism)

    - Community consensus building activities to develop a mitigation strategy for agricultural land when converted to other land uses including providing general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close farmer affiliations.
    - Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) toward the development of an Agricultural Land Mitigation Program.
    - Describe the goals, strategies, policies and ordinances to retain agriculturally zoned land that mitigate the loss of agriculturally zoned lands to nonagricultural uses or nonagricultural zones.
    - Adopt a resolution determining that the existing or future county goals, policies, ordinances, inventory and maps comprising the agricultural land mitigation program for agricultural land when converted to non-agricultural uses at a ratio of, for every one acre of agricultural land converted, one acre of comparable land will be permanently conserved.
    - Develop and post the Agricultural Land Mitigation Program including all relevant maps, goals, related policies and ordinances, on the county's Internet Web site.
    - Conduct nexus studies for agricultural land preservation and mitigation ordinances.
    - Update the jurisdiction's General Plan to include agricultural conservation policies, ordinances or other implementation measures under the adopted Agricultural Land Mitigation Program.

2. Establishing an Agricultural Easement Purchasing Program

    - Community consensus building activities to develop a strategy for purchasing agricultural conservation easements including providing general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close agricultural landowner affiliations.
    - Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) toward the development of an Agricultural Easement Purchasing Program.
    - Develop a priority plan or criteria for defining the agricultural land that the local government will designate as strategic. This area will be considered as the focus for future agricultural conservation easement purchases under the Agricultural Easement Purchase Program. Integrate current permanently protected lands (e.g., flood corridor easements).
    - Describe the system for financing the Agricultural Easement Purchasing Program.
    - Adopt a resolution determining that the existing or future county goals, policies, inventory, and if applicable, the ordinances and maps comprising the Agricultural Easement Purchasing Program.

- Develop and post the Agricultural Easement Purchasing Program including pertinent maps, goals, related policies and if applicable, ordinances on the county's Internet Web site.

3. Adoption of Greenbelt and Implementation Agreement

- Community consensus building activities including providing general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close agricultural landowner affiliations. Present need for adoption of Greenbelt and Implementation Agreement.
- Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) regarding the need for adoption of Greenbelt and Implementation Agreement.
- Define area(s) for greenbelt based on community and stakeholder feedback and, as applicable, a priority plan or criteria for defining the agricultural land that the participating local governments will designate as strategic and that will be protected by Greenbelt. Integrate current permanently protected land into greenbelt as appropriate.
- Define Implementation Agreement between county, cities, and, as appropriate, LAFCO. Include in the Implementation Agreement that the Greenbelt will be the target area for agriculture mitigation via agricultural conservation easements or agricultural mitigation banks and open-space needs for a period of 20 to 30 years.
- Adopt a resolution determining that the Greenbelt can be used to meet the local government's mitigation needs as a receiving area for agricultural land mitigation banks or agricultural conservation easements. Identify the existing county goals, policies, and if applicable, the ordinances that support the greenbelt and implementation agreement.
- Develop and post the Greenbelt and Implementation Agreement fact sheet which includes pertinent maps on the county's Internet Web site.

4. Adoption of Urban Limit Line (or Urban Growth Boundary)

- Community consensus building activities including providing general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close agricultural landowner affiliations. Present need for adoption of Urban Limit Line(s) as a mechanism to protect agricultural lands.
- Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) regarding the need for adoption of Urban Limit Line(s).
- Define Urban Limit Line area location(s) based on community and stakeholder feedback and, as applicable, a priority plan or criteria for defining the agricultural land that the local government(s) will designate as strategic and that will be protected by the Urban Limit Line(s). Identify Urban Service Area restrictions to accompany the Urban Limit Line(s).
- Adopt a resolution identifying the Urban Limit Line(s) location and limited infrastructure services (i.e., Urban Service Area) beyond the Urban Limit Line(s).
- Update the General Plan of the jurisdiction(s) to include agricultural conservation policies, ordinances or other implementation measures under the adopted Urban Limit Line.
- Develop and post an Urban Limit Line fact sheet which includes pertinent maps on the county's Internet Web site.

5. Increased Zoning Minimum for Designated Strategic Agricultural Areas

- Community consensus building activities including providing general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close agricultural landowner affiliations. Present need for upzoning designated strategic agricultural areas.
- Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) regarding the potential upzoning of designated strategic agricultural areas.
- Define areas for upzoning on strategic agricultural areas, relying on selection criteria or priority plan as appropriate and based on community and stakeholder meetings.
- Identify upzoned agricultural areas within a General Plan Update or Amendment including pertinent maps, goals, related policies and ordinances on the county's Internet Web site.

Eligibility and Selection Criteria for Agricultural Land Conservation Strategy and Outcome Grants

Priority Considerations

A key consideration for the investment of Greenhouse Gas Reduction Funds is the need to create implementation mechanisms that will offer long-term agricultural land protection to ensure GHG reductions. The eligible strategies lead to permanent protection via agricultural conservation easements, or agricultural resource protection at a minimum of 20 to 30 years, depending on the mechanism chosen.

The Eligibility and Selection Criteria focus on actionable policies/implementation mechanisms to conserve land that is locally-determined to be strategic and under the threat of conversion to other land uses. Project readiness, multi-jurisdictional collaboration, and leveraging existing conservation efforts are all important considerations in the SALCP review process. More detailed information on eligibility and selection criteria is located below and on page 12.

Agricultural Land Conservation Strategy and Outcome Grants **Eligibility Criteria**
o The proposed project will result in on the ground implementation of an eligible outcome with demonstrable and quantifiable GHG emissions reduction. o The proposal consists of one of the eligible project types and minimum required steps, and a description of why it is the appropriate tool for the applicant(s) to employ for agricultural conservation purposes. o The proposal would result in an implementation mechanism that protects agricultural lands under threat of conversion, and complements other conservation planning efforts in the subject area. o The lead applicant (county or city) documents the threat of agricultural land conversion to nonagricultural uses within the jurisdiction. o Those counties currently participating in the Williamson Act Program will continue implementing the program as a part of their Agricultural Land Conservation Strategy and Outcome. o The proposal demonstrates collaboration between local governments and stakeholder groups (e.g., agricultural organizations, agricultural support businesses, NGOs, and community members). o The proposal contains clear, reportable objectives, measures of progress, and deliverables. o The proposal includes a minimum ten percent (10%) match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.

Agricultural Land Conservation Strategy and Outcome Grants Selection Criteria
o The proposal documents how the grant will result in on the ground implementation of agricultural land conservation with demonstrable and quantifiable GHG emissions reduction. o The proposal documents the threat of conversion to nonagricultural use in the subject area based on farmland conversion rates, proposed developments, age of planning documents, and other factors. o The proposal documents project readiness and likelihood of successful long-term conservation outcomes through documentation of efforts that have recently been initiated or are currently underway (e.g., draft proposals, scoping meetings, prior community support); and provides evidence of collaboration among jurisdictions and stakeholder groups. o The proposal documents how the grant would complement other comprehensive planning efforts (e.g, Sustainable Communities Plans, Greenprints) and leverage other permanently protected lands (e.g., agricultural and habitat conservation easements, flood corridor easements, parks, military facility buffers), in furtherance of promoting location- and resource-efficient development. o The amount and quality of land that can be expected to receive protection under the proposal, and the cobenefits that may derive from implementation of the proposal. o The degree to which the proposal documents that the lead applicant and its partners have the capacity to successfully execute proposed work on time and within budget, using recent examples from similar projects. o Proposals that are located in or provide benefits to Disadvantaged Communities, as defined by CalEPA, will receive 5 points toward the total maximum score of 100 points.

Grant Application Review Process

1. Applicants submit a complete grant proposal to the Department of Conservation (DOC) by the deadline.
2. Proposals are reviewed for threshold requirements and completeness. Incomplete proposals may not be evaluated or considered for funding at the sole discretion of the State.
3. Grant Committee (Committee) reviews proposals using selection criteria, scores, and makes recommendations for awards. The Strategy and Outcome Grants Committee will consist of a multi-agency technical staff with planning and agricultural expertise, and other applicable subject-matter expertise.
4. The Committee recommends the final projects for award to the Strategic Growth Council staff for Council approval.
5. The Council determines final project awards.

All information submitted in the application package will be used by grant reviewers for evaluation and should demonstrate how effectively the proposal will meet SALCP goals and objectives. Each area is awarded points on a sliding scale from zero to the listed number.

In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Agricultural Land Conservation Strategy and Outcome Grants Scoring Criteria	
Selection Criteria	**Points**
Documentation of quantifiable GHG emissions reductions	10
Threat of conversion to nonagricultural uses	20
Likelihood of successful long-term conservation outcomes, including collaboration	30
Project complements other planning efforts	15
Amount and quality of land protection, including cobenefits	10
Organizational Capacity	10
Disadvantaged Community Benefits	5
Total Available Points	**100**

The Agricultural Land Conservation Strategy and Outcome Application

The grant application package for this program component is composed of a Checklist, Cover Sheet, narratives including an Executive Summary and Application Questions response, a Work Plan, Budget, and Supporting Documents. Please see the DOC web site[4] for forms and supporting material.

Application Questions

The main section of the application is a narrative that describes the strategy being considered, the anticipated greenhouse gas reduction outcomes, the geographic setting and conversion threats, any actions that have been taken to date on the strategy, how the proposal will complement other planning efforts, and organizational capacity.

1. Describe which agricultural land protection strategy is being proposed, which local government(s) and partners are participating, and the reasons that mechanism has been selected. Explain why the proposed strategy and outcome is a good option to protecting agricultural lands in your region.

2. Describe how the proposed strategy will decrease vehicle miles traveled and GHG emissions. Include data on factors contributing to the anticipated GHG outcomes, such as estimated number of acres in area(s) targeted for protection, acres of proposed development that will require mitigation, the number of development rights that may be relinquished as a result of conservation activities, or other metrics that would characterize implementation of the plan. For how long (in perpetuity, 30 years, etc.) would the proposal protect agricultural land from conversion to urban and/or rural residential development?

3. Describe conversion threats in the project area; explain what types of conversion are occurring or are expected to occur. Provide supporting information in the form of farmland conversion rates, proposed developments, age of planning documents, and other factors...

4. Explain the likelihood of successful long-term conservation outcomes—what steps have been taken to date toward the strategy? Provide documentation of efforts (e.g., draft proposals, scoping meetings, and prior community support) and what needs to occur to bring the strategy to the implementation stage. How will the applicant collaborate with stakeholder groups to bring about successful implementation?

5. Describe how the proposal will complement other planning efforts in the project area, including comprehensive planning efforts (e.g, Sustainable Communities Plans, Greenprints), and agricultural land use planning policies (e.g, Williamson Act). How would the proposal leverage other permanently protected lands in furtherance of promoting location- and resource-efficient development.

6. Describe the amount and quality of land that can be expected to receive protection under the proposal. Include maps of important farmland, jurisdictional boundaries, and other pertinent data that would portray the project scope (as attachments to the narrative). Provide a qualitative description of anticipated co-benefits as well as any quantitative information (e.g., acres of habitat types, miles of riparian corridors, local jobs related to farm sales).

7. Describe the applicant's experience in developing and implementing similar projects. Does the applicant have the professional staff qualified to develop and successfully implement the proposal? If not, please describe how the applicant will acquire the expertise. Does the applicant have the internal resources and capacity to complete the proposed work, knowing that it must result in a successful on the ground outcome that

[4] http://www.conservation.ca.gov/dlrp/SALCP/Pages/Index.aspx

demonstrates a net GHG benefit from the protection of agricultural lands under threat of conversion, before reimbursement can be requested by the State?

DISADVANTAGED COMMUNITY BENEFITS

Answers to the following questions do not affect eligibility but may affect selection based on final application scores. A total of 5 points within the final score will be attributed to Disadvantaged Community impacts and benefits.

1. Is the majority (50% or more) of the proposed project area located within one or more Disadvantaged Community , as defined by CalEPA for the Affordable Housing and Sustainable Communities Program? Please use ARB's map of the highest ranking Disadvantaged Communities to make this determination.[5]
2. If the answer to question 3 is no, will the project meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a Disadvantaged Community?

    a. Project preserves or restores a site that allows public access and is accessible by walking within ½ mile of a disadvantaged community; or

    b. Project significantly reduces flood risk to one or more adjacent disadvantaged communities; or

    c. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a disadvantaged community; or

    d. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a disadvantaged community participating in job training programs which lead to industry-recognized credentials or certifications.

Work Plan

Applicants must provide a detailed work plan (3 pages maximum) that specifies what steps will be taken to develop the Agricultural Land Conservation Strategy and Outcome, including establishing benchmarks with target completion dates and a cost estimate. The project cost estimate and schedule should be of sufficient detail to allow assessment of the progress of the work plan at regular intervals. This plan will be a component of the Grant Agreement should the project be selected for funding.

The work plan should clearly address:

- A plan overview of goals and objectives, strategy, timeline, committed resources, and partner support
- The steps/milestones, in addition to the minimum required steps on pages 7 through 9, for designing and developing the proposed policy and implementation strategy.
- A description of what final outcome that must occur in order to demonstrate that the strategy has resulted in a net GHG benefit through the successful long-term protection of agricultural lands from conversion. In essence, this describes the eligible final deliverable or outcome from the developed strategy, and will provide the basis for which reimbursement of work can be requested.
- The target completion dates.

[5] Census tract data can also be used in table format. See the 'SB 535 List of Disadvantaged Communities' Excel spreadsheet on this page: http://www.calepa.ca.gov/EnvJustice/GHGInvest/

- Work Plan Summary -- A tabular summary (example below) indicating the specific benchmarks of the work plan must be included. The estimated cost for each benchmark and when these benchmarks will be completed are to be specified in this summary. Total estimated costs should equal grant amount requested plus other funders' contributions.

Project Title		
High Level Activities/Milestones (with Deliverables)	**Responsible Parties (City, County, Consultant, etc.)**	**Timetable in Months (Ex. Month 1-5, Month 4-10, etc.)**
Task 1 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 2 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		
Task 3 Sub-Task A Sub-Task B Sub-Task C Sub-Task D		

Budget and Match Contributions

This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations.

While it is a goal of SALCP to leverage the limited amount of available funds with match contributions, the minimum match requirement under the program, will be ten percent (10%). At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind. Match funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations). Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Eligible Costs

For Agricultural Land Conservation Strategy and Outcome Grants, the direct costs, including staff and benefits to implement the work, during the performance period specified in the Grant Agreement will be eligible for reimbursement. All eligible costs must be supported by appropriate documentation. Costs incurred outside of the performance period, Indirect/Overhead Costs, food or beverages (e.g. as part of meetings, workshops, training, or events), and costs for CEQA document preparation are not eligible for reimbursement.

Indirect/Overhead Costs are defined as: expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. These costs are not usually identified specifically with a grant,

Grant Agreement, plan or activity, but are necessary for the general operation of the organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to the work program; functions such as personnel, business services, information technology, and salaries of supervisors and managers; and overhead such as rent, utilities, supplies, etc. Indirect costs cannot be included in the Budget and Work Plan and will not be funded.

Travel

Reimbursement of travel is not permitted unless expressly provided in the approved budget. Travel by private or Grantee-owned automobile, necessary for the performance of projects are subject to the State of California travel and per diem rates and allowable cost requirements. Please refer to this website to obtain the most up to date per diem rates and eligible mileage reimbursement rate: (http://www.calhr.ca.gov/employees/pages/travel-reimbursements.aspx).

What to Submit: Supporting Documentation

The Agricultural Land Conservation Strategy and Outcome Grant application is composed of three main sections: Questions, Work Plan, and Supporting Documents. Materials should be presented unbound in the order indicated below. Clearly number and label each item and number all pages in sequential order.

Please do not submit additional materials that have not been specifically requested (i.e., press clippings or brochures) as they will not be considered during the evaluation.

Submit one (1) unbound printed original and one digital version of items 1-11 below.

1. Application Form Cover Sheet
2. Executive Summary
3. Application Questions – no more than eight (8) numbered pages, on 8 ½" x 11 paper, using twelve-point easy-to-read font
4. Work Plan -- no more than three (3) numbered pages, on 8 ½ " x 11" paper, using twelve-point easy-to-read font
4. Work Plan Summary (timeline with benchmarks)
5. Budget
6. Map(s) – A map or maps of the area covered by the proposed plan (the geographical purview of the plan). Maps or images must fit into an 8 ½" x 11" folder.
7. Signed Authorizing Resolution from the Board of Supervisors or City Council

    - A sample resolution indicating the format and content of an authorizing resolution is available on the SALCP web site.
    - The resolution may be submitted subsequent to the application, if the board meeting schedule prevents the applicant from obtaining a signed resolution before the filing deadline. Submit the draft resolution with the application package and indicate the board meeting date when the resolution will be adopted.
    - The resolution or similar document must provide acknowledgement that the applicant understands and accepts that they must cover the costs to complete work related to the development and execution of the strategy, without reimbursement by the State, until the final deliverable has been successfully achieved.

8. Disadvantaged Communities – provide printouts or other evidence of disadvantaged community status if requesting points in this category.
9. Collaboration Letters – provide copies of letters from collaborating entity(ies) within the plan service area and from the local community demonstrating match or in-kind support and specific role in the development or implementation of the Agricultural Land Conservation Strategy and Outcome.
10. Support Letters – provide copies of letters from entities within the plan service area and from the local community demonstrating support and/or willingness to participate in development of the Agricultural Land Conservation Strategy and Outcome.
11. Relevant Portions of Local Jurisdiction General Plan(s)--Documentation of the current status of local government goals, objectives, policies, and implementation measures for agricultural land conservation should be attached to the application. Provide either the adoption date(s) of these policies along with internet links to them or the documents on digital media (e.g., dvds).

Section 3: Agricultural Conservation Easement Grants

Under the 2013 Cap-and-Trade Auction Proceeds Investment Plan[6], the purchase of agricultural conservation easements (ACEs or easements) on strategic agricultural land was designated as one way to ensure sustainable communities by strengthening the land use planning process and supporting agricultural viability.

The motivation to improve agricultural practices in concert with AB 32 goals—including energy, water, and farm nutrient investments--may be more attractive to landowners with the security and financial assistance that permanent conservation easements convey. Preventing subdivision and sprawl conversion of agricultural land may reduce vehicle miles traveled and related greenhouse gas emissions.

Eligible Applicants

Per California Public Resources Code section §10212, applicants may include cities, counties, nonprofit organizations, RCDs, regional park or open-space districts or regional park or open-space authorities that have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Nonprofit organizations must hold a tax exemption as defined under Section 501(c)3 of the Internal Revenue Code, and further qualify under Internal Revenue Code Sections 170(b)(1)(A)(vi) or 170(h)(3) as provided by PRC section §10221.

In most circumstances, the applicant will become the holder of the agricultural conservation easement in perpetuity. This responsibility makes 'joint proposals' in the traditional sense problematic. However, match funding from additional partners greatly contribute to the overall strength of an easement proposal.

Application Funding

Easement grants do not have a maximum dollar figure; proposals will be rated relative to one another to maximize conservation outcomes with available funding. The property's risk of conversion to non-agricultural use and degree to which the proposal satisfies the selection criteria will be taken into consideration to optimize ACE acquisitions in furtherance of the SALCP goals and objectives.

In order to leverage the limited amount of funding available, the SALCP will require match funding toward the direct easement acquisition cost. The SALCP may contribute up to seventy-five percent (75%) of the fair market value of ACEs not located within a Disadvantaged Community. The SALCP may contribute up to ninety percent (90%) of the fair market value of ACEs located within a Disadvantaged Community. To be considered for this level of match, the applicant must submit a current appraisal for the ACE along with the grant application, evidence of secured match from other funders, and a commitment to use the SALCP model ACE template.

Match funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations of ACE value by the landowner). Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided. Funds not used under this SALCP component may be used under the other program components.

If requested in the grant application, the SALCP may also provide funds toward eligible associated costs for ACE acquisition, such as appraisal reimbursement, staff and consultants, title policy, and baseline documentation. Please see the Budget section below for more information.

[6] http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final_investment_plan.pdf

Eligible applicants are not limited in the number of proposals they can submit, however, because the agricultural conservation easement grant application process entails a significant amount of work, applicants are strongly encouraged to contact DOC staff to discuss the characteristics of proposed projects prior to completing the application.

Applications for ACEs will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. At present it is anticipated that for FY 2015-16, there will be one review cycle. Multiple review cycles may occur in future years. Please see the SALCP web site for additional information.

Eligible Projects

Applications for ACEs on cultivated and noncultivated land (including rangeland and pasture) will be considered for funding under this program. Each of these agricultural uses may provide opportunities for GHG reduction and co-benefits that complement Sustainable Community efforts. ACE projects located on rangeland and pasture that are selected for funding based on GHG reduction potential and related attributes may be restricted to noncultivated use. This restriction would be based on factors including the availability of willing sellers, match funding, and eligible applicants. Consistent with PRC Section 10252.5[7], the primary use of the noncultivated land must be agricultural, and the ACE may not substantially prevent agricultural uses on the property.

Agricultural conservation easement applications are eligible to be considered for grant funding if the following criteria are met (PRC §10251):

- The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. The land is also in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production.
- The applicable city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan as they relate to the location within the county or city where the easement acquisition is proposed.
- The grant proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the grant proposal. (Properties within a city's Sphere of Influence must acquire resolutions of approval from both the County and City).
- Without conservation, the land proposed for protection is likely to be converted to non-agricultural use in the foreseeable future.
- The project demonstrates the contribution that the ACE will make toward meeting AB 32 goals.

Ineligible Projects

Projects are considered ineligible if they fail to meet any of the eligibility criteria described above, or if any of the following apply:

- The local government applicant has acquired, or proposes to acquire, the proposed ACE through the use of eminent domain, unless requested by the owner of the land (PRC §10232).
- The proposed ACE would restrict agricultural husbandry practices (as defined in PRC §10218) on the land (PRC §10238). In instances where the ACE project was selected and received match funding based on its noncultivated status, the land must continue to be primarily agricultural in nature, and the ACE may not substantially prevent agricultural uses (e.g, livestock grazing) on the property.
- The applicant or seller of the ACE do not agree to restrict the use of the land in perpetuity (Civil Code §815.2(b)).

[7] SB 1142 (Wiggins, Chapter 323, Statute of 2009)

- The proposed ACE is part of a local government's condition placed upon the issuance of an entitlement for use of a specific property (PRC §10243).
- Clear title to the proposed ACE cannot be conveyed (PRC §10264(b)).
- Once entered into a Grant Agreement, the easement acquisition cannot be completed within a two-year timeframe. The two-year timeframe reflects State Contracting Manual requirements.
- The purchase price of the proposed ACE exceeds the appraised fair market value (PRC §10260(a)).
- The ACE appraisal is determined to be unacceptable (PRC §10260). Please see the section on appraisals on the next page.

Examples of contributions toward AB 32 goals include, but are not limited to:

- Decreased number of parcels or development rights
- Decreased vehicle miles traveled
- Locations that would support the establishment of greenbelts or urban separators
- Carbon sequestration potential
- Participation in land management or energy efficiency programs that contribute to overall improved efficiency in the agricultural operation

More detailed information regarding the eligibility and selection criteria is included on pages 24 through 26.

Initial Screening–Pre-proposals

Due to the complex nature of conservation easement transactions, eligible applicants are strongly encouraged to provide DOC with structured summaries of proposed easement projects. A pre-proposal worksheet for this purpose has been developed and is available on the DOC website.

By providing preliminary title reports and basic information about the potential project, DOC grant managers can assist the applicant in determining whether the property has title complexities or other issues that should be addressed prior to devoting work to completing a full project proposal.

Eligible applicants are encouraged to contact DOC to discuss the characteristics of potential easement properties, along with any program questions, early in the application process. The deadline for pre-proposal submission for FY 2015-16 projects is February 6, 2016. In subsequent years, pre-proposals and full proposals will be accepted on a continuous basis. Applications will be accepted at any time, and will be reviewed periodically for approval at future Council meetings.

General Information Regarding Agricultural Conservation Easement Requirements

Placing an agricultural conservation easement on land is a complicated transaction. It represents a multi-generational commitment on the part of the farm family and an equivalent commitment by the easement holder to steward the easement in perpetuity. These factors differentiate the application and due diligence process for an ACE from most grant funding opportunities.

PROPERTY VALUATION

Appraisals

A current ACE appraisal will be required for determining the fair market value of the ACE. The appraisal may be submitted with the grant application (required for 90% SALCP funding), or should the application be approved for funding, within 3 (three) months of the start date of the grant agreement. Applications that are not accompanied by a current appraisal must contain detailed estimates for the anticipated cost of the ACE and material to support the valuation estimate. DOC reserves the right to require that a current ACE appraisal accompany the grant application if, in its sole discretion, it determines that insufficient data is available to support an estimate. If the project is approved, and the appraisal contains an ACE value that is higher than the grant agreement budget, the difference will need to be covered by a landowner bargain sale (donation) or by other match funders. Any savings that result from valuations that are lower than the budget estimate will be proportioned to the participating funders.

For ACE valuations, the grant applicant selects and retains an independent, certified appraiser to appraise the project property. The appraiser must use the "before and after" method of valuation, calculating the difference between the fair market value and the restricted value as provided in PRC Section §10260. The "before and after" method evaluates the property's market value under two scenarios: one as the current market value without restriction, and second as the diminished value as though encumbered by an agricultural conservation easement. The DOC has developed a resource for appraisers and applicants, entitled Overview and Preparation of Agricultural Conservation Easements, which is available on the DOC website.

Applicants are encouraged to thoroughly discuss the restrictions and permitted uses of the proposed ACE with the appraiser early in the appraisal process[8]. Major issues such as reserved home sites or other areas that will not be utilized exclusively for agriculture must be confirmed prior to the appraisal, and be identified in the appraisal, as they will likely affect ACE valuation. Subsequent changes to the proposed ACE's restrictions or permitted uses may necessitate an update to the appraisal.

In no situation shall the ACE purchase price be greater than the appraised fair market value of the agricultural conservation easement, as provided in PRC Section §10260.

The appraisal is subject to review and approval by DOC and the Department of Conservation's designee; typically easement appraisals are reviewed by the Department of General Services Real Estate Services Division. The grant may fund appraisal costs incurred prior to execution of the Grant Agreement only if the project is approved for funding and if reimbursement for appraisal costs is sought in the grant application. The program will only fund one appraisal per ACE.

If a significant amount of time (6 months or more) transpires between the effective date of the appraisal and the submission of the grant application, applicants may be required to obtain a letter of certification from the appraiser,

[8] Applicants should advise appraisers and landowners that appraisals may be subject to disclosure under the Public Records Act of 1968 (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with §6250).

stating that the easement value has not changed since the appraisal was conducted. Grant recipients may be required to obtain an updated appraisal if the effective date is not within 12 months of the escrow closing date.

Use-Based IRS Deductions
If a landowner seeks tax benefits from the Internal Revenue Service in return for charitable donation of an easement or portion thereof, the timing and requirements of the easement appraisal are critical. See a tax attorney or accountant for more information. A "special use valuation" and qualified IRS deduction may affect easement valuation.

EASEMENT DOCUMENTS AND TITLE CONSIDERATIONS

Model Agricultural Conservation Easement
Please note that DOC has developed model ACE language that may be updated periodically. The model easement and related documents are available on the DOC website.

The model easement ensures that all important terms and conditions are described and serves to streamline the approval process. The model easement will be used as a starting point and will be customized as needed to reflect individual property characteristics. Grant applicants should use the model easement when discussing ACE restrictions with landowners and appraisers.

Discussion of the terms and conditions for the proposed ACE with the landowners early in the process will significantly expedite easement negotiation and review, and ensure an accurate appraisal.

Due Diligence / Clear Title
Separated minerals rights, leases, judgments, ownership anomalies, outstanding property interests, etc., may inhibit the conveyance of clear title. Applicants are expected to exercise due diligence to discover and disclose such potential issues prior to submittal of the application. Within the application, applicants are expected to disclose any title concerns and include a plan for their resolution, should they be awarded grant funding. Disbursement of funds for the purchase of an ACE is contingent upon DOC determination that title concerns have been resolved, thus allowing funds to be placed into escrow.

Mortgage and Lien Subordination
As part of the easement acquisition process, any liens or other financial encumbrances on the property are required to be subordinated to the terms of the easement. Subordination documents are subject to review and approval by DOC.

It is possible that the lender may charge a fee to provide the subordination. Applicants are encouraged to consult lenders early regarding subordination practices. Subordination fees may be eligible for reimbursement if requested in the grant application.

ADDITIONAL REQUIREMENTS AND CONSIDERATIONS

Match Contributions
The SALCP may contribute up to ninety percent (90%) of the fair market value of an ACE located within a Disadvantaged Community. To be considered for this level of match, the applicant must submit within the grant application a current appraisal for the ACE, evidence of secured match from other funders, and a commitment to use the SALCP model ACE template. An appraisal is considered current for the application if it is less than six months old. The SALCP may contribute up to seventy-five percent (75%) of the fair market value of ACEs not located within a Disadvantaged Community. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2016-17 and beyond has not yet been determined.

The match may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, state or local government contributions[9], or donations of easement value by the landowner of the subject property). Up to 50 percent of stewardship endowment contributions may be applied towards the match requirement.[10]

The SALCP will also provide funds toward associated costs for easement acquisition, such as appraisal reimbursement, staff and consults, and real estate document charges. Please see the budget section for more information. Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided.

Stewardship Fund

The total cost of the ACE acquisition includes funds dedicated solely for the long-term stewardship of that ACE. For agricultural conservation easements, stewardship typically includes the cost of annual monitoring and evaluation of easement threats. A portion of these funds is typically provided by the landowner as part of the match contribution.

Within the Grant Agreement, grantees will certify their ability to effectively manage, account for, and annually report on those stewardship funds, whether pooled for all easements or held in separate accounts for individual easements conveyed through the Grant Agreement. In the Budget Itemization, grant applicants should include a stewardship amount that has been calculated to include a principle amount that, when managed and invested, is reasonably anticipated to cover the annual stewardship costs of the property in perpetuity. The stewardship fund amount will be subject to review and approval by DOC, and may be different from the original budgeted amount concurrent with any changes to final easement configuration or property valuation.

ACE Monitoring

Regular monitoring of properties under easement is necessary to ensure compliance with the terms of the easement. DOC requires an annual report from the holder of the easement, certifying that the conditions of the easement are being upheld. The monitoring component of the application, not to exceed three pages, describes how the proposed ACE will be monitored following its recordation. The components of the monitoring plan are discussed in more detail later in the Guidelines.

Additional Conservation Values

In order to maintain agricultural viability and protect the flexibility required to maintain permanent agriculture, the legislature prohibited restrictions on agricultural husbandry practices within DOC-funded easements (PRC §10238). ACEs funded by DOC also specify that any subsequent easements layered over the ACE may not restrict agricultural husbandry practices or otherwise conflict with DOC-funded easements, in order to maintain maximum agricultural viability.

In 2009, the Legislature clarified that on noncultivated rangeland and pasture, DOC may participate in funding ACEs with restrictions that would require the land to be maintained in an uncultivated state. This legislation, SB 1142 (Wiggins, Chapter 323, Statutes of 2009), describes the circumstances under which such restrictions can apply, including that the primary use of the land is agricultural, that the ACE may not substantially prevent agricultural uses on the property, and that any nonagricultural qualities that will be protected by the ACE are inherent to the easement property. Husbandry practices on any cultivated lands within these ACEs may not be restricted.

Some portions of properties may provide an opportunity to protect additional nonagricultural resource values such as riparian habitat. These areas may be considered for purchase of nonagricultural conservation easements which

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[9] State or local government contributions may include, but are not limited to, general fund monies and fees collected as a result of agricultural land mitigation or other open-space mitigation programs. These contributions may be used provided that they do not violate PRC § 10243, nor place limits on agricultural land use.

[10] PRC § 10233(a).

protect resources in addition to the agricultural values. Applicants may specify if portions of a proposed easement meet this criteria and the other funders that may participate in protection of the overall property.

Potential Publicity

Applicants are encouraged to inform landowners that a successful grant application may result in publicity. During the application evaluation and easement negotiation phases, documents associated with each project will be treated as confidential in accord with the requirements of the California Public Records Act.

Because public funds are used to secure easements under this program—or any similar government program—the landowner's name and the amount of the grant are public records that may be publicly disclosed after completion of the ACE in accordance with the Public Records Act.

Eligibility and Selection Criteria for Agricultural Conservation Easements

Eligibility for funding under this program is based on the California Farmland Conservancy Program statute. Selection criteria are also based on DOC statute, with additional factors pertinent to funding under the SALCP. These criteria are found on the following two pages.

While multiple applications may meet the basic eligibility criteria, each property is different, and each potential ACE will have strengths and weaknesses. Some proposals may be more appropriate for funding based on how well they meet the selection criteria relative to applications received at the same time.

Projects will be evaluated and selected based on their overall characteristics, taking into consideration the goals and objectives for the SALCP, and the extent to which the proposed project satisfies the selection criteria. In evaluating projects, the State may also consider factors including, but not limited to, geographic distribution of funds, partial funding, and Council priorities.

Grant Application Review Process

Pre-proposals and Applications received by DOC will be assigned a grant manager, who will provide confirmation that the material has been received. The grant manager will work with applicants to review eligibility and obtain any additional information necessary to enable a complete review of the ACE property's characteristics. Particularly due to title complexities, applicants are strongly advised to contact DOC early in the process to discuss potential issues related to a proposed project. Use of the pre-proposal form will assist potential applicants and DOC by identifying properties that require additional due diligence work to ensure that the title is clean, after which they may be competitive for funding.

The grant manager will contact the applicant in order to schedule a site visit of the property. This may occur at the pre-proposal or full application stage, depending on the level of complexity of the project. Grant applicants will make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner.

The assigned grant manager will visit the site and clarify any outstanding questions. All pre-proposals and applications will be reviewed by the California Farmland Conservancy Program grant managers and program manager as part of a team review in consideration of eligibility and selection criteria. Project summaries and briefings to legal staff, management review team and Department Director will be undertaken. An Interagency Committee consisting of the Natural Resources Agency, Department of Food and Agriculture, and Department of Conservation, will participate in a summarized review of projects relative to their ability to meet the eligibility and selection criteria. All eligible proposals will be reviewed utilizing the factors above. Project evaluation will be qualitative relative to the pool of applications. The proposals determined to meet all the eligibility criteria, provide the most conservation value and are most consistent with the selection criteria will be brought forward to the Council for to be recommended for funding.

Agricultural Conservation Easement Eligibility Criteria *Description and Code Citations*[11]
o The parcel proposed for conservation is expected to continue to be used for, and is large enough to sustain, commercial agricultural production. It is in an area that possesses the necessary market, infrastructure, and agricultural support services, and the surrounding parcel sizes and land uses will support long-term commercial agricultural production. (PRC §10251 (a)) o The city or county has a general plan that demonstrates a long-term commitment to agricultural land conservation. This commitment shall be reflected in the goals, objectives, policies, and implementation measures of the plan, as they relate to the area of the county or city where the easement is proposed. (PRC §10251 (b), 10244) o Without conservation, the land proposed for protection is likely to be converted to nonagricultural use in the foreseeable future. (PRC §10251 (c)) o The project will demonstrate that it will achieve a reduction in GHG emissions. o The proposal is consistent with the city or county general plan, and the governing body of the city or county, by resolution, approves the proposal. (PRC §10255 (b)) o The local government applicant has not acquired, or proposed to acquire, the agricultural conservation easement through the use of eminent domain, unless requested by the owner of the land. (PRC §10232) o The proposed agricultural conservation easement would not restrict agricultural husbandry practices (as defined in PRC §10218) on the land. (PRC §10238). In instances where the proposed project is on noncultivated land, the land must continue to be primarily agricultural in nature, and the agricultural conservation easement may not substantially prevent agricultural uses on the property. See additional discussion on page 22. o The applicant and seller of the agricultural conservation easement agree to restrict the use of the land in perpetuity. (PRC §10237) o The proposed easement is not part of a local government's condition placed upon the issuance of an entitlement for use of a specific property. (PRC §10243) o Clear title to the agricultural conservation easement can be conveyed. (PRC §10264 (b)) o The total purchase price of the easement does not exceed its appraised fair market value. (PRC §10260 (a)) o The easement appraisal complies with DOC's published "Overview and Preparation of Agricultural Conservation Easement Appraisals". The appraisal will be reviewed by DOC and the California Department of General Services. (PRC §10260) o The ACE acquisition can be completed within 2 year time-frame. (State Administrative Manual)

[11] Public Resources Code (PRC) for the California Farmland Conservancy Program.

Agricultural Conservation Easement Selection Criteria ***Grant applications will be evaluated based on the overall value of the project, on the extent to which they satisfy the following characteristics:***
o The project will avoid increases in vehicle miles traveled that would result from the development potential of the property (e.g., eliminates a specified number of development rights based on minimum zoning, number of legal parcels, number of reserved rights, and proximity to urban areas). o The project will contribute to carbon sequestration and decrease greenhouse gas emissions. o The property's size is typical of agricultural operations in the vicinity, and is surrounded by other parcels with sizes and land uses likely to support long-term commercial agricultural production. o The size of the parcel or parcels comprising the property are above their current minimum zoning. o The property is in active agricultural production, including cultivated and noncultivated agriculture (e.g., rangeland and pasture). o The property is adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or other fee-title protection). o The agricultural conservation easement would act as a community separator or green-belt, or is located near a city Sphere of Influence. o The property has adequate water availability and water quality for agricultural purposes, and has no known agricultural constraints due to soil or water contamination. o The property is not encumbered with third party mineral interests. o The nature and extent of structural improvements are in proportion to the agricultural operation. o Protection of the property will enhance the opportunity for protecting neighboring agricultural properties or will be a part of a larger, comprehensive permanent protection plan. o The cultivated portion of the property is not within a flood zone and not on highly erodible land as designated by the Natural Resources Conservation Service. o The property provides additional conservation values (e.g., open space, view shed, habitat, riparian corridor). o The proposal shows wide support as evidenced by the level of match funding contributions. o The proposal demonstrates an innovative approach to agricultural land conservation with a potential for wide application in the state. o The price of the proposed acquisition is cost-effective in comparison to the fair market value. o The applicant is eligible to hold agricultural conservation easements and has the technical and fiscal capacity to secure and steward the easement.

Response Time
During each review cycle, SALCP agricultural easement project recommendations will be provided to the Council for discussion and approval at the next regularly scheduled Council meeting. While DOC seeks to provide tentative funding decisions within 90 days of receipt of a complete application, the timing of Council meetings and the complexity of some applications may necessitate additional review time.

If the application remains incomplete at one of the periodic review dates, it will be held for the next review cycle. Please note that extended timing may become an issue if appraisals have been completed but other aspects of the application are incomplete. Early consultation with DOC staff regarding proposed applications is strongly encouraged to achieve the most efficient review process possible.

Approved Agricultural Conservation Easement Projects
Upon receiving tentative approval by the Council, each ACE proposal will be formalized with a Grant Agreement between the applicant and the Department of Conservation. Grant Agreements are based on a standard State format and have a maximum duration of two years from the time of Grant Agreement signature to completion of the easement acquisition. In most instances, the grant manager assigned at the proposal stage will also manage the Grant Agreement.

Appraisal and Match Fund Related Budget Changes
The process of securing a permanent conservation easement is detailed and may take up to two years. During the course of easement project review and the grant agreement term, multiple factors may affect either the appraised value of an easement or the amount of match funding that is secured by the applicant/grantee. Changes of this type may increase or decrease the amount of funds required to purchase the ACE. Most typically valuation changes occur because an appraisal requires updating due to its age (older than one year). The updated appraisal would use the most recent property sale comparables. While in many cases there is no change, should the value fluctuate due to an updated appraisal, the match share that each funder would provide toward the easement acquisition would adjust in kind.

All final appraisals are reviewed by the California Department of General Services (DGS) Real Estate Division to ensure that the appraised fair market value and facts that supports the value are acceptable. If there is an adjusted valuation, and upon approval of the final appraised value by DGS, the SALCP may redirect funds within the overall pool of projects approved by the Council, as long as there is no net increase in funds committed to the projects. Any shifts of this kind will require a grant agreement amendment and will be reported to the Council.

The Agricultural Conservation Easement Application

This section provides additional information regarding the components of the Grant Application form. Application Form Components:

Agricultural Conservation Easement Applications	
Required Components:	**Additional Components and Certifications:** ***These supporting documents are required if applicable****
o Easement Grant Application Checklist o Easement Grant Application Cover Sheet o Executive Summary (1 page maximum) o Budget o Easement Project Summary Sheet o Detailed Characteristics of the Proposed Easement (6 pages maximum) o Documentation of Public Notice o Preliminary Title Report and Assessor's Parcel Map o Appraisal o Landowner Letter of Support o Conflict of Interest Certification and Easement Amendment Policies o Easement Monitoring Plan (3 page maximum)	o Relevant Portions of the County General Plan o Documentation of Organizational Eligibility (documents differ for nonprofit and governmental applicants) o Letters of Support from Partners o Accreditation documents o Location Map showing parcel boundaries, nearest Sphere of Influence, and Protected Lands o Implementation Schedule (approved proposals will require this as part of the Grant Agreement process) ***Applicant will provide current documents and/or certify that documents on file with DOC are current.**

REQUIRED COMPONENTS

Easement Grant Application Checklist and Cover Sheet
These pages provide the applicant's contact information and a checklist to ensure all components of the application are attached.

Executive Summary
This section, not to exceed one page, should provide a brief but thorough description of the proposed project and its scope (agricultural land quality, location, size, and type of agricultural use). It should explain the potential or actual development pressure impacting the surrounding area, and the contributions the easement might make toward meeting AB 32 goals and objectives. Please also include any information regarding the landowner's need to meet any critical deadlines for concluding the transaction.

Budget
This section should identify the total estimated project costs, using the budget itemization table provided in the form. The total estimated cost should be broken down to clearly delineate funds being requested from this program, and other commitments in the form of outside funding or donations. Associated staff costs directly related to the easement acquisition may be eligible for reimbursement if the costs:

- Are approved as part of the application.
- Were incurred after the submission of a complete application and no more than 180 days before the execution of the Grant Agreement.
- Occur during the time period of the written Grant Agreement.
- Include rates comparable to those of similar expertise in the applicable professions.

Subcontractors identified by the applicant should be listed in the proposed budget, along with the subcontractors' rates. After the grant application is approved, addition or identification of subcontractors requires documentation of a competitive bid process. The bid process and reasonableness of any changes are subject to DOC review. Please see Section 5 for more information regarding grant administration. Eligible and ineligible costs toward project completion are shown on the following page.

Easement Acquisition Summary Sheet
The easement acquisition summary sheet describes the property and its characteristics within a standardized tabular format. Information regarding the ownership structure, number of legal parcels, water sources, mineral rights, and the existing and proposed infrastructure of the property (home sites, farm labor housing, etc.) is entered on the form.

Easement Project Characteristics
This section is used to explain attributes of the proposed ACE project, the applicant's capabilities, and local government policies and actions that are relevant to the goals of AB 32. It is formatted as a sequenced series of questions. This section should not exceed six pages.

Eligible Costs include, but are not necessarily limited to:	Ineligible Costs include, but are not necessarily limited to:
o Easement purchase price. Please see page 20 for more information regarding appraisals. o Reasonable costs associated with the acquisition, including but not limited to applicant staff time for easement negotiations, technical and legal consulting, appraisal, preliminary title report, baseline conditions report, escrow fees, and title insurance fees. Payment of these costs are subject to DOC review and shall not exceed 10 percent of the value of the easement for which the costs were incurred (PRC §10231). o Stewardship Funds	o Indirect overhead costs o Ceremonial expenses (including food and beverages) o Expenses for publicity o Bonus payments of any kind o Interest expenses o Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise. o Services, materials, or equipment obtained under any other state program. o Real estate brokerage fees and/or expenses.

Documentation of Public Notice and Local Government Resolution of Support

Before an application for an easement acquisition grant can be approved, the applicant must provide public notice to parties reasonably likely to be interested in the property (PRC §10254). This includes written notice to adjacent property owners, a more generalized public notice, and notice to the local government indicating the applicant's intent to apply for a grant to acquire an agricultural conservation easement. Applicants need to follow one of two tracks shown in the flowchart on page 32 in order to satisfy statutory public and local government noticing requirements. The track that is chosen – Option A or Option B – will determine the order and timing of the documentation requirements for the Grant Application.

The two most common forms of public notification are a notice provided in a newspaper of general circulation in the area, or documented public notice made prior to local governmental meetings where resolutions of support are passed. Please note that the names of landowners whose property is being considered for an ACE are not released to the public as part of this process. The applicant is the contact listed in these notifications.

The timing of public and neighboring landowner notice is important. Written notice to adjacent landowners must occur no less than 30 days prior to the expected date of the local government's consideration of the resolution of support. Notice to the county or city shall occur no less than 30 days before the applicant submits a grant application

(PRC §10254). Because of the importance of notification timelines, applicants are encouraged to work with DOC staff to ensure that the process is completed in the correct order.

The governing body of the county or city in which the property is located must certify that the proposed easement meets the eligibility criteria set forth in PRC §10251, and that the easement proposal has been approved by the governing body (PRC §10255(b)). A sample resolution of support is available on the DOC web site. Resolutions for ACEs funded under this program should substantially conform to the sample form.

If the property lies within the Sphere of Influence of an incorporated city, both the city and county must pass resolutions of support (PRC §10255(c)).

The resolution(s) of support must be provided before grant disbursement.

Agricultural Conservation Easement Public Notice Requirements and Public Resources Code Citations				
Local government notice	30 days	prior to	Application	PRC §10254(b)
Public notice		prior to	Funding Decision	PRC §10254
Neighboring landowner notice	30 days	prior to	Resolution of support	PRC §10254(a)
Resolution of support		prior to	Grant disbursement	PRC §10255(b)

OPTION A	OPTION B
Neighboring Landowner Notification (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ☑ Request for resolution provides local government notice ☑ BOS agenda provides public notice ⇩ **Grant Application Submission** (at least 30 days after local government notice) ⇩ **DOC/Council Funding Decision** (at least 30 days after public notice) ⇩ **Disbursement of Funds**	**Local Government Notice** ☑ Letter to Planning Director (at least 30 days prior to) ⇩ **Grant Application Submission** ⇩ **Public Notice** ☑ Newspaper published notice OR ☑ BOS agenda provides public notice (at any point prior to funding decision) ⇩ **DOC/Council Funding Decision** ⇩ **Neighboring Landowner Notification** (at least 30 days prior to) ⇩ **Local Government Resolution of Support** ⇩ **Disbursement of Funds**

Preliminary Title Report, Assessor's Parcel Map(s), and Appraisal
These required documents are critical in evaluating the suitability of a property for an agricultural conservation easement. Resolution of outstanding title issues in order to obtain clear title can be time consuming for the applicant and the landowner. Similarly, an accurate appraisal ensures both the landowner and DOC that fair market value will be paid for the easement.

Landowner Letter of Support
The applicant must provide a letter from the landowner(s) stating their support for proceeding with the easement. The landowner states their intent to work with the applicant to secure the easement.

Conflict of Interest Certification and Easement Amendment Policies
These two documents are important for transparency and to ensure that the applicant's Board of Directors has considered the circumstances under which they would consider allowing any future amendments to easements. Include a board-approved copy of the applicant's easement amendment policies.

Nonprofit applicants must provide certification that no conflict of interest or appearance of conflict of interest exists for any members of their Board of Directors or Staff as it relates to the proposed ACE. In evaluation of potential conflicts of interest, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.[12] DOC-CFCP provides sample conflict of interest certification forms on its web site.

Easement Monitoring Plan
Because conservation easements are perpetual in nature, monitoring is important to ensure compliance with the terms of the easement. The applicant, who will become the easement holder, must submit a plan that describes how the ACE will be monitored following its recordation. The plan, up to three pages in length, must address all of the following:

- The plan for compiling a baseline conditions report. This report must be provided to DOC at the close of escrow and is the basis for future condition comparisons.
- The process and frequency of monitoring.
- Who will be responsible for monitoring on behalf of the applicant.
- How monitoring documents will be archived.
- How the Stewardship Fund budget reflects the costs of monitoring, necessary enforcement, and management plan for maintaining the fund in perpetuity.

ADDITIONAL COMPONENTS AND CERTIFICATIONS

Relevant Portions of County General Plan
Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation is required under PRC §10251(b).
To meet the requirements, applicants may attach the current version of these documents or state on the Easement Grant Application Checklist the adoption date(s) of these policies along with internet links to them.

Documentation of Organizational Eligibility

[12] Available at http://www.landtrustalliance.org/training/publications/topics#governance

DOC requires documentation of Internal Revenue Service 501(c)3 status for nonprofit applicants, along with the organization's Articles of Incorporation and By Laws documenting the principal charitable or public purposes of the nonprofit organization, a statement describing the organization's goals and purposes, the beneficiaries of its programs, and a statement describing the organization's commitment to conservation of agricultural land resources. Applicants who have previously submitted these documents to DOC may certify that the existing documents remain current, or submit updated documents with the application.

Letters of Support from Partners

While optional unless requested by DOC, applicants frequently submit letters of support from local officials, agricultural groups, conservation organizations, or other entities with an interest in conserving farmland through agricultural conservation easements.

Accreditation Documents

Applicants may submit documentation of fiscal and professional expertise to demonstrate their technical capacity to hold permanent agricultural conservation easements. This may take the form of Land Trust Alliance Accreditation or similar certifications.

Project Location Map

In addition to the required assessor's parcel map(s), applicants may submit maps depicting the proposed easement parcel boundaries relative to Important Farmland data, nearest Sphere of Influence, priority planning areas, and other protected lands in the vicinity. DOC will evaluate proposals with publicly accessible GIS data, therefore, if the applicant can document additional conserved lands or resource values that support the proposal they are encouraged to provide supplemental maps.

Please note that detailed maps regarding property infrastructure, such as home sites, farm buildings, farm labor housing, and future building envelopes, must be developed for inclusion in the easement exhibits and baseline conditions report for any application selected for funding under this program.

Implementation Schedule

This section is used to explain the timeline and anticipated completion date for the easement acquisition, as well as any issues on which the timing will hinge, including the timeframe of a willing seller to complete a transaction. Please use the Easement Project Implementation Schedule provided in the Application Form, and attach any necessary explanation, not to exceed one page.

While the Easement Project Implementation Schedule is optional for the application phase, it will be required for the Grant Agreement should the project be selected for funding. State contracting requirements limit Grant Agreements to a maximum of two years.

Section 4: Grant Administration

These grant administration Guidelines apply to both program components unless noted. They are for general information and are subject to change.

OVERVIEW OF THE PROCESS AFTER GRANTS ARE AWARDED

Steps in Executing the Grant Agreement

1. State sends grant agreement and materials to grantee.
2. Grantee must submit all supporting materials and a signed agreement within twelve (12) months of the announcement or risk forfeiting the grant award.
3. Grantee signs and returns all required copies back to the State (a fully executed copy will be returned to the Grantee).

Steps Upon Signature of the Grant Agreement

1. Grantee participates in an orientation meeting (via phone) with the grant manager prior to commencing work.
2. Grantee commences work and submits requests for reimbursements, as applicable.
3. Grantee submits quarterly progress reports for review via electronic file and signed original document.
4. Grantee may be asked to attend a future Strategic Growth Council meeting to discuss the merits of the grant project.
5. Grantee must submit a final report upon completion of the award agreement in order to receive its final payment. The State may withhold ten percent (10%) of planning grant project costs or the associated costs (for agricultural conservation easements), to ensure that final reports and documentation have been received.

FUNDING AND ACCOUNTING

Payment of Grant Funds

Funds cannot be disbursed until there is a fully executed Grant Agreement between the Department of Conservation and the Grantee. Only those actual and direct project-related costs incurred during the approved term of the Grant Agreement and as specified in the Grant Agreement budget will be eligible for payment. All costs must be supported by appropriate invoices, purchase orders, canceled warrants/checks, and other approved documents.

For Agricultural Land Conservation Strategy and Outcome Grants, work done prior to a fully executed Grant Agreement will not be funded.

> Due to the need to ensure that Greenhouse Gas Reduction Funds result in demonstrable reductions in GHGs, payments will only be made upon completion of the deliverables. Projects must demonstrate an outcome that protects agricultural lands from conversion and results in an identifiable GHG reduction. This means the applicant must be able to cover the costs to complete work related to the development and execution of the strategy, without reimbursement by the State, until the final deliverable has been successfully achieved. Advanced payments or payments on a partial reimbursement basis are not allowed.

Funds for the purchase of agricultural conservation easements will be deposited into an escrow account established with a title insurance company licensed by the California Department of Real Estate for disbursement of funds and recordation of the easement. All other match funds being used to complete the easement purchase must be deposited into the escrow account concurrent with funds from this program. At close of escrow the title insurance company must be able to insure title to the interest being recorded. Associated costs for purchase of an easement (direct acquisition funds as identified in the Grant Agreement) will be paid on a reimbursement basis, after escrow has closed and all final documents have been received.

Accounting of Grant Funds
It is essential that complete and accurate records be maintained. Grant recipients must maintain an accounting and record keeping system that reflects sound fiscal controls and safeguards. The accounting information must be sufficient so that the total cost of each aspect of the project cost can be readily determined and records are readily available upon demand. Grant recipients must retain all grant transaction records for a period of three years after final payment is made by the State. (Note: This does not limit requirements for permanent record keeping of all conservation easement, baseline reports, and monitoring-related documents.)

Accounting of Stewardship Funds—Agricultural Conservation Easements
Each recipient of a grant for purchase of a conservation easement will be required to certify that, as the stewardship fund holder, it uses accepted accounting practices as promulgated by either the Financial Accounting Standards Board or any successor entity for nonprofit organizations, or the Governmental Accounting Standards Board or any successor entity for public agencies, to the extent those practices do not conflict with any requirement for special districts in statute for local government financial affairs.

Auditing of Fund Expenditures
All expenditures of public funds under this program are subject to audit by the State of California. All grant recipients shall maintain books, records, documents and other evidence sufficient to properly reflect the amount, receipt, and disposition of all project funds (including State funds, interest earned, and matching funds by the grant recipient) and the total cost of the project.

ORGANIZATIONAL CONSIDERATIONS

Subcontractors and Purchasing
Grant recipients (grantees) may make use of their own staff and such subcontractor(s) as are mutually acceptable to the grantee and the Department of Conservation (Department). Grantees are expected to adhere to the jurisdiction's or organization's internal contracting and purchasing guidelines. Documentation of the grantee's contracting or purchasing guidelines, processes, and project-specific approvals may be requested in the event of audit by the State of California. All subcontractors are governed by and must adhere to all provisions of the Grant Agreement.

Workplace Certifications and Insurance
Pursuant to the requirements of Government Code §8355, grantees must sign a certification that a drug-free workplace will be provided.

Grantees must obtain and keep Worker's Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department in force for the term of the Grant Agreement. The insurance specifications are included within the standard Grant Agreement template and posted on the Department web site. These policies shall cover any acts or omissions of the grantee or its employees engaged in the provision of service specified in the Grant Agreement.

Grantees shall name the State of California, its officers, agents, employees and servants as additional insured parties for all insurance required, and are responsible for guaranteeing that a copy of each Certificate of Insurance is submitted to the Department within thirty (30) days of Grant Agreement signature.

Materials and Publicity

Any publicity surrounding a grant or agricultural conservation easement funded under this program should be discussed with the Department in advance. The landowners of properties placed under an agricultural conservation easement should understand that their names may become public as the result of publicity events, news articles, or requests for public records. Coordination between the grantee, the Department, and other funders on any publicity is greatly appreciated.

Successful applicants for Agricultural Land Strategy and Outcome Grants will be informed of requirements regarding publicity during their orientation meeting with the grant manager.

Loss of Funding (Not a complete list)

The following are examples of actions that may result in a Grantee's loss of funding:

- Grantee fails to obtain a Grant Agreement.
- Grantee withdraws from the grant program.
- Grantee fails to complete the funded work.
- Grantee fails to complete work in a manner that meets the requirements agreed upon.
- Grantee fails to submit all documentation within the time periods specified in the grant agreement.
- Grantee changes scope of work program without approval of the Department.
- Grantee changes the subcontractor or partner(s) identified in the work plan or application without approval from the Department.

APPENDIX A – GLOSSARY

The terms used in these grant Guidelines are defined as follows:

AB 32 (Chapter 488, 2006): Assembly Bill 32, or the California Global Warming Solutions Act of 2006, establishes a comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases. It codifies in the Health and Safety Code declarations about the serious threats posed by global warming and the intent of the Legislature to ensure coordination among state agencies and all affected stakeholders in the development of regulations to implement this law.

Affordable Housing and Sustainable Communities (AHSC) Program: The AHSC Program furthers the regulatory purposes of AB 32 and SB 375 by investing in projects that reduce greenhouse gas emissions by creating more compact, infill development patterns, encouraging active transportation and mass transit usage, and protecting agricultural land from sprawl development. These projects, described in the AB 32 Scoping Plan, support climate objectives and co-benefits by reducing vehicle miles traveled and associated greenhouse gas and other emissions, or by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions.

Agricultural Conservation Easements (ACE): a voluntary, legally recorded deed restriction in perpetuity as defined in Section 815.1 of the Civil Code. The ACE removes development pressure, prohibits practices that would damage or interfere with the agricultural use of the property, and prevents the restriction of agricultural husbandry practices. The ACE remains in effect even when land changes ownership and maintains the land in private ownership and on the tax rolls. The ACE must be held by a qualified Section 501(c)(3) California non-profit organization, or a local government, both which must state one of its primary purposes is the protection of agricultural use.

Applicant: An eligible organization requesting funding from this program to be administered by the State. Eligible applicants for the Strategic Agricultural Land Strategy Grants are cities and counties. Partners to the Strategic Agricultural Land Strategy Grants may include nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority. Eligible Applicants for the Agricultural Conservation Easement Grants include local governments, nonprofit organizations, resource conservation districts, or a regional park or open-space district or regional park or open-space authority that have the conservation of farmland among its stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies.

Baseline Conditions Report: A comprehensive document that describes the condition of a property placed under conservation easement. The Baseline Conditions Report (BCR) is compiled by the easement holder, and is referred to during future monitoring of the easement to determine whether the terms and conditions of the easement are being upheld.

Co-Benefits: The ancillary or additional benefits of policies that are implemented with a primary goal, such as climate change mitigation – acknowledging that most policies designed to reduce greenhouse gas emissions also have other, often at least equally important, benefits (e.g., energy savings, economic benefits, air quality benefits, public health benefits). Also referred to as “multiple benefits.” (U.S. Environmental Protection Agency)

Conservation easement: An interest in land, less than fee simple, which represents the right to prevent the development or improvement of the land, as specified in Section 815.1 of the California Civil Code. For the purposes

of SALCP, the easement is held to prevent any use that may diminish or impair purposes other than agricultural production.

Disadvantaged Community: Communities that rank among the highest in combined burdens and vulnerabilities from pollution, other environmental factors and population characteristics. Funding for grants, investments, cleanup efforts, and enforcement actions are targeted to the state's most disadvantaged communities. The CalEPA and the Office of Environmental Health Hazard Assessment (OEHHA) developed the CalEnviroScreen tool to analyze multiple environmental and socioeconomic factors to create scores for each ZIP code in the state. The 2014 release of CalEnviroScreen 2.0 is based on census tract data.

Fund or Funds: monies authorized from the California Budget Act from the Greenhouse Gas Reduction Fund (GGRF) to the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

Grant Administrator: an employee of the State who manages grants, also called a Grant Manager.

Grant Agreement: a contractual arrangement between the State and grantee specifying the payment of funds by the State for the execution of the work program by the grantee.

Grant Performance Period: the beginning and ending dates of the Grant Agreement. Eligible costs incurred during this period may be funded from the grant. No work plan should exceed 24 months, as outlined in State Contracting Manual Guidelines.

Grantee: an applicant that has a signed agreement for grant funding with the State.

Greenhouse Gases: include, but are not limited to, carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Infrastructure: specific to the SALCP, infrastructure refers to the resources upon which an agricultural business relies. This includes but is not limited to seed and fertilizer suppliers, veterinary services, water and energy distribution, transportation, drying or processing facilities, and storage or marketing facilities.

Joint Proposal: an application submitted for the Sustainable Agricultural Land Strategy Grants by one lead eligible applicant with one or more eligible applicant (co-applicant). A single Budget and Work Plan must be submitted by the lead applicant. Budget and Work Plan must describe the funds that will be distributed to lead and co-applicants and identify general activities for which they are used.

Land Trust: A private nonprofit organization that holds a tax exemption as defined under Section 501(c)(3) of the Internal Revenue Code, and further qualifies as an organization under Section 170(b)(1)(A)(vi) or 170(h)(3) of the Internal Revenue Code. For purposes of SALCP, land trusts eligible to hold agricultural conservation easements must have among their purposes the conservation of agricultural lands.

Local Agency Formation Commission (LAFCO): The Cortese-Knox Local Government Reorganization Act (Government Code Section 56000, et seq.) established Local Agency Formation Commissions in each county, empowering them to review, approve or deny proposals for boundary changes and incorporations for cities, counties, and special districts. Among the purposes of a LAFCO are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). One of the primary planning tasks is the establishment of "spheres of influence" for the various governmental bodies within their jurisdiction.

Natural Resources: the materials and functions that comprise the natural wealth of an area's ecosystems, including, but not limited to the plants, animals, minerals, air, water, and soil. Among these functions are watershed catchment, wildlife migration and habitation, forestry, grazing, and crop production. Of particular importance for complex, large scale natural resources functions are lands that flood, lands that are farmed, lands dedicated to open space, lands designated for mineral extraction, greenbelts, parks and trails, and lands valued for their aesthetics.

Partner(s): non-profits, resource conservation districts, or other stakeholders with an interest in conserving agricultural land that are included or play a role in the Applicant's proposed scope of work.

Regional Plan: either of the following: 1) A long-range transportation plan developed pursuant to Section 134(g) of Title 23 of the United States Code and any applicable state requirements, OR 2) A regional blueprint plan, which is a regional plan that implements statutory requirements intended to foster comprehensive planning as defined in Section 65041.1 of, Chapter 2.5 (commencing with Section 65080) of Division 1 of title 7 of, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code.

Specific Plan: a tool for local government implementation of all or part of an area covered by a general plan. A specific plan can combine policy statements with development regulations. It is often used to address the development requirements for projects such as urban infill developments or planned communities. Its emphasis is on standards and development criteria for projects within the area of the specific plan. A specific plan may be adopted either by resolution or by ordinance. Specific plans must be consistent with all facets of the General Plan (§65450, et seq.).

Sphere of Influence (SOI): The SOI is a plan for the probable physical boundaries and service area of a local government agency (Government Code Section 56076). One of the primary planning tasks of each county's LAFCO is the establishment of SOIs for the governmental bodies within their jurisdictions.

State: for purposes of this program, State is a general term including the Strategic Growth Council, Department of Conservation, and the Natural Resources Agency or its representatives.

State Planning Priorities: as defined under Government Code Section 65041.1:

> The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

(a) To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.

(b) To protect environmental and agricultural resources by protecting, preserving, and enhancing the state's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the state as deserving special protection.

(c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:
(1) Uses land efficiently.
(2) Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).
(3) Is located in an area appropriately planned for growth.
(4) Is served by adequate transportation and other essential utilities and services.
(5) Minimizes ongoing costs to taxpayers.
(Amended (as added by Stats. 2002, Ch. 1016) by Stats. 2002, Ch. 1109, Sec. 1. Effective January 1, 2003.)

Stewardship Fund: Funds dedicated solely for the long-term stewardship of conservation easements. These funds are set aside by the easement holder at the recordation of a conservation easement and dedicated to ensure funding the cost of annual monitoring and evaluation of easement threats.

Subcontractor: an entity contracting with the applicant that will participate in the proposed work program submitted by the applicant. Subcontractors must be included in the work plan and budget form. The lead applicant submits invoices on behalf of the subcontractor. The State pays the lead applicant, who then pays the subcontractor.

APPENDIX B –Online Resources

Legislation	
AB32: California Global Warming Solutions Act of 2006 http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf	**State Planning Priorities** (Government Code 65041.1) http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=65041.1
SB 375: Regional greenhouse gas emission reduction targets http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375	**SB 226: CEQA Streamlining Opportunities** http://leginfo.ca.gov/pub/11-12/bill/sen/sb_0201-0250/sb_226_bill_20111004_chaptered.html
SB 732: Strategic Growth Council Statute http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0701-0750/sb_732_bill_20080930_chaptered.pdf	**Senate Bill 535 (De León, Chapter 830, Statutes of 2012)** Investments to Benefit Disadvantaged Communities http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535&search_keywords=

State Planning Documents	
Air Quality and Climate	
State Implementation Plans Air Resources Board http://www.arb.ca.gov/planning/sip/sip.htm	**California Climate Adaption Planning Guide** Natural Resources Agency http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/
AB 32 Scoping Plan Air Resources Board http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm	**Climate Adaptation Strategy** Natural Resources Agency http://www.climatechange.ca.gov/adaptation/index.html
SB 375 Implementation Air Resources Board http://www.arb.ca.gov/cc/sb375/sb375.htm	**Long Term Energy Efficiency Strategic Plan** California Public Utilities Commission http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/eesp
Cap-and-Trade Auction Proceeds Investment Plan CalEPA/GO/Legislature http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm	**Vision for clean air: A framework for air quality and climate planning** Air Resources Board http://www.arb.ca.gov/planning/vision/vision.htm

Datasets and Databases including Geographical Information System Layers	
Farmland Mapping and Monitoring Program Department of Conservation http://www.consrv.ca.gov/DLRP/fmmp/Pages/index.aspx	**Healthy Communities Data and Indicators Project** Department of Public Health http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx
National Conservation Easement Database U.S. Endowment for Forestry and Communities http://nced.conservationregistry.org/	**Natural Community Conservation Plan Map** Department of Fish and Wildlife http://www.dfg.ca.gov/habcon/nccp/status.html **Riparian Habitat Conservation Program** https://www.wcb.ca.gov/Programs/Riparian
California Protected Area Database Strategic Growth Council http://www.calands.org/data	**Geoportal Public Access** Department of Technology http://portal.gis.ca.gov/geoportal/catalog/main/home.page
California Conservation Easement Database Strategic Growth Council http://www.calands.org/cced	**GHG Emission Inventory –Query Tool for 2000-2012** CAL EPA http://www.arb.ca.gov/app/ghg/2000_2012/ghg_sector.php
Land Conservation and Technical Assistance Programs	

California Council of Land Trusts http://www.calandtrusts.org/	**California Resource Conservation Districts** Department of Conservation http://www.conservation.ca.gov/dlrp/RCD/Pages/Index.aspx
California Farmland Conservancy Program Department of Conservation http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx	**California State Conservancies** Natural Resources Agency http://resources.ca.gov/offices/
Habitat Conservation Planning Programs Department of Fish and Wildlife https://www.wildlife.ca.gov/Explore/Organization/HCPB	**Environmental Quality Incentive Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/

Agriculture	
California Climate Change Portal Department of Food and Agriculture http://www.cdfa.ca.gov/environmentalstewardship/climate.html Climate Change Consortium for Specialty Crops: Impacts and Strategies for Resilience (http://www.cdfa.ca.gov/environmentalstewardship/pdfs/ccc-report.pdf)	**California Farm Bureau Federation** http://www.cfbf.com/CFBF/About_Us/CFBF/AboutUs/Default.aspx?hkey=d9842fb4-f5b1-4be5-8893-a3fdd28e5a96
California Climate and Agriculture Network http://calclimateag.org/	**Land Conservation Act (Williamson Act)** Department of Conservation http://www.consrv.ca.gov/dlrp/lca/Pages/Index.aspx
Farmland Studies and Reports American Farmland Trust http://farmland.org/resources/reports/default.asp	**Agricultural Conservation Easement Program-NRCS** United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/easements/acep/

Land Use	
California Environmental Quality Act (CEQA) Guidelines Office of Planning & Research http://opr.ca.gov/s_ceqaguidelines.php	**Land Use, General Plans, and Disadvantaged Communities Technical Advisory** Office of Planning & Research http://opr.ca.gov/docs/SB244_Technical_Advisory.pdf
Guidelines for Classification and Designation of Mineral Lands Department of Conservation http://www.conservation.ca.gov/smgb/Guidelines/Documents/ClassDesig.pdf	**Planners Guide to Specific Plans** Office of Planning & Research http://opr.ca.gov/docs/specific_plans.pdf
General Plan Guidelines Office of Planning & Research http://ceres.ca.gov/planning/genplan/gpg.pdf	**Transit Oriented Development (TOD) Resources** Department of Housing & Community Development http://www.hcd.ca.gov/hpd/tod.pdf
LAFCOs, General Plans, and City Annexations Office of Planning & Research http://opr.ca.gov/docs/LAFCOs_GeneralPlans_City_Annexations.pdf	**California Strategic Growth Council Strategic Plan** Strategic Growth Council http://sgc.ca.gov/docs/workplan/strategicplan-01-24-12.pdf
Important Farmland Maps Department of Conservation http://www.consrv.ca.gov/dlrp/fmmp/Pages/Index.aspx	**Oil and Gas Resources** Department of Conservation http://www.consrv.ca.gov/dog/Pages/Index.aspx

Water	
California Water Plan	**California State Coastal Conservancy Strategic Plan**

Department of Water Resources http://www.waterplan.water.ca.gov/cwpu2013/ae/index.cfm	Coastal Conservancy http://scc.ca.gov/files/2013/03/SCC-Strategic-Plan-2013-18.pdf
Safe Drinking Water State Revolving Fund Public Health http://www.cdph.ca.gov/services/funding/Pages/SRF.aspx	**Regional Board Water Quality Control Plans (Basin Plans)** State Water Resources Control Board http://www.waterboards.ca.gov/plans_policies/

Guidance and Indicators	
Climate	
Climate Change and Climate Action Planning Technical Advisories Office of Planning and Research http://opr.ca.gov/s_ceqaandclimatechange.php	**Ecosystem Services and Forestry** US Forest Service http://www.fs.fed.us/ecosystemservices/carbon.shtml
Indicators of Climate Change in California Office of Environmental Health Hazard Assessment http://www.oehha.ca.gov/multimedia/epic/pdf/ClimateChangeIndicatorsReport2013.pdf	

Resource Websites and Tools	
ARB Cool California: Local government assistance website Air Resources Board http://www.coolcalifornia.org/article/climate-action-planning	**California Local Energy Assurance Planning Tool (CaLEPA)** CalEPA https://caleap.icfwebservices.com/
GHG and Carbon Sequestration Ranking Tool-NRCS United States Department of Agriculture http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982	**SEEC GHG Inventory and Forecast Tools Update** Air Resources Board/OPR http://californiaseec.org/resources-guidance/resources-guidance-collection/#b_start=0
CalEnviroScreen 2.0 Office of Environmental Health Hazard Assessment http://oehha.ca.gov/ej/ces2.html	**Environmental Goals and Policy Report** Governor's Office /Office of Planning and Research http://opr.ca.gov/s_egpr.php
CERES Planning and Natural Resource Information Natural Resources Agency http://ceres.ca.gov/	

Appendix C – Additional Resources

Below are additional technical reports regarding greenhouse gas and carbon sequestration quantification in agricultural and forest settings. More information will be added in future releases of these Guidelines.

Goines, B. and M. Nechodom. 2009. National Forest Carbon Inventory Scenarios for the Pacific Southwest Region (California), Report to Regional Forester and PSW Station Director, CA: Albany: U.S. Department of Agriculture, Forest Service Region 5 Climate Change Interdisciplinary Team.

Jackson, Louise, et al. 2012. Adaptation Strategies for Agricultural Sustainability in Yolo County, California. California Energy Commission. Publication number: CEC-500-2012-032. 189pp.

Koteen, L. E., D. D. Baldocchi, and J. Harte. 2011. Invasion of non-native grasses causes a drop in soil carbon storage in California grasslands. Environmental Research Letters 6. 044001.

Kroeger, T., et al. 2010. An Economic Analysis of the Benefits of Habitat Conservation on California Rangelands. Defenders of Wildlife. 93pp.

PIER. 2003. California Energy Commission Contractor/Consultant Report. Attachment IV – Carbon Sequestration in California's Terrestrial Ecosystems and Geological Formations. 48pp.

Ryals, R. and W. Silver. 2013. Effects of organic matter amendments on net primary productivity and greenhouse gas emissions in annual grasslands. Ecological Applications, 23(1), 2013, pp. 46 – 59.

Silver, W., R. Ryals, and V. Eviner. 2010. Soil Carbon Pools in California's Annual Grassland Ecosystems. Rangeland Ecol Manage 63:128-136.

Silver, W., M. DeLonge, and J. Owen. 2013. Climate Change Mitigation Potential of California's Rangeland Ecosystems. DESPM, University of California, Berkeley. 30pp.

USDA. Technical Bulletin 1930.2011.USDA Agriculture and Forestry Greenhouse Gas Inventory: 1990-2008.115pp.