

California Farmland Conservancy Program



Request for Grant Applications

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www.consrv.ca.gov/dlrp/cfcf**

**All applications submitted after the publication date of this Request for
Grant Applications must conform to the requirements of this edition,
until a subsequent edition is released**

**Main Cover Photo : Vegetable fields in the Pajaro Valley of Santa Cruz County. The Land Trust of
Santa Cruz County has partnered with the California Farmland Conservancy Program to obtain
agricultural conservation easements in Santa Cruz County. Photo by Jim Rider.**

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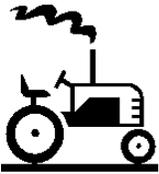
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Chapter 1 : Grants

Program Purpose and Authority

The Department of Conservation's California Farmland Conservancy Program provides grants to local governments and qualified nonprofit organizations for:

- voluntary acquisition of conservation easements on agricultural lands that are under pressure of being converted to non-agricultural uses;
- temporary purchase of agricultural lands that are under pressure of being converted to non-agricultural uses, as a phase in the process of placing an agricultural conservation easement;
- agricultural land conservation planning and policy projects; and,
- restoration of and improvements to agricultural land already under easement.

The CFCP is designed to work in concert with local planning and zoning strategies to conserve agricultural land. The Program was created by the California Farmland Conservancy Program Act of 1995, contained within Division 10.2 of the Public Resources Code (PRC) (Sections 10200 to 10277) and the Revenue and Taxation Code (Sections 421.5 and 422.5). Related regulations are located in the California Code of Regulations, Title 14, Division 2, Chapter 6, Sections 3000 through 3015.

The CFCP is authorized to work throughout California. Within the coastal zone (as defined in Section 30103 of the Public Resources Code) the CFCP works in consultation with the State Coastal Conservancy (PRC §10225).

This Request for Grant Applications details requirements and guidelines for grant application submission. All applications for funding submitted as of the date of this publication should conform to the format of this edition of the Request for Grant Applications until a subsequent edition of the Request for Grant Applications is published.

Eligible Projects

The CFCP offers grants for the four types of eligible projects described below. Before proceeding with the application process, prospective applicants are encouraged to contact the CFCP staff to discuss the preliminary details of the proposal.

1. Agricultural Conservation Easement Acquisition Projects

Agricultural conservation easement projects are eligible to be considered for grant funding if the following eligibility 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 area of 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.); and,
- Without conservation, the land proposed for protection is likely to be converted to non-agricultural use in the foreseeable future.

2. Temporary Fee Title Acquisition Project

Temporary fee title acquisition projects are eligible to be considered for grant funding if the following eligibility criteria are met (PRC §10239; California Code of Regulations Section 3013):

- Public Resources Code Section 10251 eligibility criteria for Agricultural Conservation Easement Acquisition Projects, as described in #1 at left;
- A grant recipient must agree, upon acquisition of the property, to treat the property as encumbered with an agricultural conservation easement subject to Public Resources Code Section 10262;
- The grant recipient must sell the fee title subject to an agricultural conservation easement to a private landowner within three years of the acquisition of the fee title; and,
- The grant recipient must reimburse the CFCP Fund directly from escrow by an amount equal to the fair market value of the land less the value of the easement and associated transaction costs within 30 days after the sale of the restricted fee title.

The term "temporary fee title" refers to the fact that the grant recipient would only "temporarily" hold title to the land. Because an objective of the CFCP program is to keep land in private sector production, the land must be returned to private ownership.

3. Planning/Policy Projects

Planning/policy projects that are related to agricultural land conservation and the utilization of agricultural conservation may be eligible for grant funding.

Projects might include, for example:

- development of strategies using agricultural conservation easements as a local mitigation for agricultural land conversion;
- the delineation of agricultural lands with the greatest local priorities for conservation;
- community consensus-building to develop a strategy for agricultural land preservation; or,
- bringing agricultural conservation easements to the acquisition stage by conducting appraisals, surveys, title review, and other activities directly related to the acquisition.

Because the CFCP is currently solely funded by bonds, eligible Planning/Policy projects are further specified to only include activities *directly* related to actual agricultural easement acquisitions.

4. Land Improvement Projects

Land improvement projects are limited to the improvement of lands protected by CFCP-funded agricultural conservation easements, or other qualified agricultural conservation easements if the improvement will directly benefit a CFCP-funded easement. Projects should enhance the agricultural value of the land and promote its long-term sustainable agricultural use. Projects might include:

- invasive weed abatement;
- construction of sediment retention ponds; or,
- erosion buffer strips in riparian areas.

Up to 10% of total available grant funds may be applied toward planning/policy and land improvement grants combined (PRC §10230(b)).

Ineligible Projects

Projects are considered ineligible if they fail to meet any of the eligibility criteria described in the appropriate category of **Eligible Projects**, or if any of the following apply:

- The local government applicant has acquired, or proposes to acquire, the agricultural conservation easement through the use of *eminent domain*, unless requested by the owner of the land (PRC §10232);
- The proposed agricultural conservation easement *would restrict agricultural husbandry practices* (as defined in PRC §10218) on the land (PRC §10238);
- The applicant and seller of the agricultural conservation easement or fee title do not agree to restrict the use of the land in perpetuity (PRC §10237);
- The proposed easement 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 agricultural conservation easement cannot be conveyed (PRC §10264(b)); or,
- The total purchase price of the easement or, in the case of a fee title acquisition, the total price of the property, exceeds the appraised fair market value.

Eligible Applicants

The CFCP may award grants to local governments and private nonprofit (501(c)(3) organizations which have among their defined purposes the conservation of agricultural lands.

Eligible governmental organizations include:

- cities,
- counties,
- resource conservation districts,
- regional park or open-space *districts* or regional park or open-space *authorities* that have the conservation of farmland among their stated purposes

For complete eligibility and application requirements for **nonprofits**, see Chapter 4 (page 4-2).



Chapter 2. Applying for Acquisition Grants*

*Acquisition grants include both agricultural conservation **easements** and **temporary fee title** acquisitions.

A. ACQUISITION GRANT GENERAL INFORMATION

Grant Award Levels

There are no minimum or maximum levels of funding for individual grants.

Prior to applying for grant funding, applicants are strongly encouraged to contact CFCP staff to schedule a site review of the property and gain feedback on the appropriateness of the proposal.

Matching Contributions

Each application for a grant pursuant to the CFCP shall contain a matching component of not less than 5 percent of the value of the grant or a donation of not less than 10 percent of the value of the agricultural easement. Combinations of donations and match must be at least 10 percent of the value of the easement. Up to 50 percent of stewardship endowment contributions may be applied toward the match requirement (PRC §10233). Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided by local government (PRC §10252(j)). Matching funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations of easement value by the landowner of the subject property).

Partnership Agreements

The CFCP strongly encourages project applicants to develop partnership agreements with interested parties that can

pool available resources to implement the project. Additional priority may be given to those proposed projects that are developed in conjunction with such partners.

However, if an applicant or agent of an applicant seeks to receive financial compensation for representing a landowner in an easement transaction, applicants should disclose this relationship. Such arrangements directly affect the potential for a donation in value by the landowner, therefore impacting the overall cost effectiveness of an easement proposal.

Overlapping Easements

Land protected by a CFCP easement is expected to remain in agricultural production (PRC §10251(a)). In order to maintain agricultural viability and protect the flexibility required to maintain permanent agriculture, the legislature has specifically prohibited restrictions on agricultural husbandry practices within CFCP-funded easements (PRC §10238). CFCP-funded easements also specify that any subsequent easements layered over the CFCP easement may not restrict agricultural husbandry practices or otherwise conflict with CFCP-funded easements, in order to maintain maximum agricultural viability.

Appraisals

The grant applicant must select and retain 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 (PRC §10260). This is effectively two appraisals: one of the current market value without restriction, and the second of the diminished value as though encumbered by an agricultural conservation easement. CFCP has developed and made available on its website agricultural conservation easement **appraisal guidelines** as a resource for appraisers and applicants. Applicants are encouraged to contact CFCP’s review appraiser with any questions.

Applicants must provide the appraiser with a complete **preliminary title report** prior to initiating the appraisal. A copy of the preliminary title report must also be submitted with the application.

Applicants are strongly encouraged to thoroughly discuss the restrictions and permitted uses of the proposed easement with the appraiser early in the appraisal process. Major issues (e.g., reserved homesites) must be confirmed prior to the appraisal, as they will likely affect easement valuation. *Subsequent changes to restrictions or permitted uses may necessitate an update to the appraisal.*

Applicants are strongly encouraged to include a current easement appraisal with the grant application. Approval for grant funding may be delayed until such an appraisal has been completed. A complete appraisal must be submitted to the Department and approved before grant funds may be released.

Funds granted will not exceed the appraised fair market value of the easement, or the approved grant amount, whichever is less.

In no situation shall the easement purchase price be greater than the appraised fair market value (PRC §10260).

The appraisal is subject to review by the Department or the Department’s designee. The Department may fund appraisal costs incurred prior to execution of the grant agreement only if the project is approved for funding and if the appraisal costs are sought in the grant application.

If a landowner seeks tax benefits from the Internal Revenue Service in return for charitable donation of an easement or portion thereof, the timing of the easement appraisal is critical. See a tax attorney or accountant for more information.

- Applicants should advise appraisers and landowners that **appraisals may be subject to disclosure** under the **Public Records Act** (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with Section 6250).
- If a significant amount of time (6 months or more) transpires between the certification date of the appraisal and the submission of the grant application, applicants may be required to obtain a **letter of certification** from the **appraiser**, stating that the easement value has not diminished since the appraisal was conducted.

Use-Based IRS Deductions

If the property proposed for an easement has already been valued and restricted according to a use-based formula (for example, Internal Revenue Code 2032A), describe the parcels affected, the timeline, and restrictions. *This “special use valuation” and qualified IRS deduction may affect easement valuation.*

Model Agricultural Conservation Easement

Please note that CFCP has developed a **model agricultural conservation easement** which is updated periodically. The model easement and an easement elements checklist are available on the CFCP website.

Grant applicants and recipients are encouraged to utilize the model agricultural conservation easement to the extent possible when discussing the restrictions with landowners and appraisers. This will *expedite the easement negotiation process and ensure an accurate appraisal.*

Mortgage and Lien Subordination

For successful projects, CFCP requires documentation of subordination of any liens or other financial encumbrances on the property. 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 CFCP funding if requested in the grant application.

Potential Publicity

CFCP encourages applicants to inform landowners that a successful grant application may result in publicity. Because CFCP funds are public, the landowner's name and the amount of the grant may be publicly disclosed.

Selection Criteria

Applications will be evaluated according to:

- the quality and extent to which the application satisfies the questions asked in the *Project Specification* (beginning on page 2-4);

- the amount of matching funds and in-kind services; and,
- the cost-effectiveness of the easement price, considering any donations of value by the landowner or funding from other sources, in comparison to the actual easement value.

See Public Resources Code Section 10252 and California Code of Regulations Title 14, Division 2, Chapter 6, Section 3012 for complete text of selection criteria (available on CFCP website).

B. ACQUISITION GRANT APPLICATION: What to Submit

Acquisition grant applications include the following elements:

1. CFCP Grant Application Component Checklist (see page 4-3)
2. CFCP Grant Application Cover Sheet (see page 4-4)
3. Executive Summary
4. Acquisition Project Summary (page 2-9)
5. Project Specification
6. Project Implementation Schedule (see also page 4-5)
7. Project Budget
8. Project Monitoring Plan
9. Public Notice Documentation
10. Local government resolution in support of project (see page 2-8)
11. Project location maps (Sphere of Influence, regional and site specific)
12. Letter of interest from landowner and any completed purchase-sale agreement
13. Letters of support from cooperating entities
14. Aerial photographs of properties over 640 acres, or which include diverse terrain
15. Appraisal (see page 2-2)
16. Preliminary Title Report (see page 2-2)
17. Relevant portions of General Plan

(Nonprofits submit additional documents -- see page 4-2)

Elements 3, 5 through 10, and 17 are described below. Elements 15 and 16 are described on page 2-2.

Executive Summary

This section should provide a brief but thorough description of:

- the proposed project and its scope (including the specific location, number of acres involved, and type of land use (e.g., irrigated row crops, dry land grazing, etc.);
- an *explanation* of the potential or actual development pressure that may be impacting the site and surrounding areas; and,
- whether the landowner must meet any critical deadlines for concluding the transaction.

The Executive Summary should not exceed **one page** in length.

Project Specification

This section should be used to explain attributes of the proposed project, the applicant's capabilities, and local government policies and actions that are relevant to the goals of the CFCP. This section shall not exceed **six pages**. *Please answer the following questions, maintaining the lettering format below.*

- a. Is the parcel proposed for conservation expected to continue to be used for, and is it large enough to sustain, commercial agricultural production? Is the land also in an area that possesses the necessary market, infrastructure, and agricultural support services? (What agricultural infrastructure exists on the property? Describe irrigation systems, permanent crops, agricultural employee housing, other housing, agricultural buildings and facilities.) Are the surrounding parcel sizes and land uses likely to support long-term commercial agricultural production? How does subject property's size compare to typical agricultural operations in the vicinity?

b. Without conservation, is the land proposed for protection likely to be converted to non-agricultural use in the foreseeable future? Provide any direct evidence supporting this forecast.

c. What is the quality of the agricultural land based upon soil survey, Farmland Mapping and Monitoring Program, or other measures? Are there soil, climate, or vegetative factors that are particularly significant for this property? (FMMP maps are available for viewing on FMMP's website: www.consrv.ca.gov/dlrp/fmmp)

d. Are there secondary natural resource considerations associated with this proposal, including such issues as open space preservation, wetland protection, or wildlife habitat conservation?

e. Is there coordination among affected landowners, local governments, and non-profit organizations concerning this proposed project as well as other local agricultural land conservation activities? (Please include written support from any individuals and/or entities that are affected by the project.)

f. Are there any innovative agricultural land conservation approaches that would be utilized in this project that might have application to other regions of the state?

g. Is there evidence that, by acquiring an agricultural conservation easement on the proposed project, development pressures on neighboring agricultural lands will be reduced?

h. How do the general plan and other land use policies of the affected city or county demonstrate a long-term commitment to agricultural land conservation in general, and this proposal specifically?* Include documentation of referenced General Plan and other local governmental policies.

i. Is the proposed project currently within a Williamson Act Agricultural Preserve? Is the property currently under a Williamson Act contract or in a Farmland Security Zone? If so, how does this status impact the timeframe for future conversion from agricultural use?

j. Is the proposed project within two miles of a city's established Sphere of Influence? (Please provide a map delineating project's location in relation to Sphere of Influence.)

k. What are the fiscal and technical capabilities of the applicant to carry out this project? (Technical capability may be demonstrated by agricultural land conservation expertise on the governing board or staff of the applicant, or through partnership with an organization that has that expertise.)

*Including: Policies of the local agency formation commission; California Environmental Quality Act policies and procedures; the existence of active local agricultural land conservancies or trusts; the use of an effective right-to-farm ordinance; applied strategies for the economic support and enhancement of agricultural enterprise (e.g., water policies, public education, marketing support, and consumer recreational incentives); and other relevant policies and programs. (PRC §10252(c)).

Project Implementation Schedule

This section should be used to explain the anticipated completion date for the proposed project, as well as any issues on which the project timing will hinge, including the timeframe of a willing seller to complete a transaction, identification of local cost share funding, and completion of an appraisal of the subject property. *Please use the Implementation Schedule format (page 4-5), and attach any necessary explanation, not to exceed one page.*

Project Monitoring

Regular monitoring of properties under easement is necessary to ensure compliance with the terms of the easement. The CFCP 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 **two pages**, shall describe how the proposed project will be monitored following its completion, including:

- establishment of baseline information;
- frequency of monitoring;
- who will be responsible for monitoring;
- how monitoring documents are archived; and,
- the budget available for monitoring and any necessary enforcement.

CFCP Website Resources for Acquisition Grant Applicants

The CFCP website, www.conservation.ca.gov/dlrp/cfcpl, provides a number of forms and sample documents to facilitate acquisition grant application submittal, including:

CFCP Grant Application Component Checklist
CFCP Grant Application Cover Sheet
Acquisition Project Summary
Project Implementation Schedule
Budget Page
Sample Neighboring Landowner Notification
Sample Local Government Resolution of Support
Conflict of Interest Requirements and Sample Resolutions
CFCP Model Easement and Checklist
CFCP Appraisal Guidelines

Project Budget

This section should identify the total estimated project costs, *using the budget table format provided on page 2-10*. The total estimated cost should be broken down to clearly delineate funds being requested from the CFCP, commitments of funding from all other sources (both proposed and actual), as well as contributions in the form of donations of easement value (bargain sale) on the part of a willing seller of an agricultural conservation easement.

Associated staff costs directly related to the project may be eligible for reimbursement if the costs:

- (1) are approved as part of the application;
- (2) were incurred after the submission of a complete application and no more than 180 days before the execution of the grant agreement;
- (3) occur during the time period of the written grant agreement; and,
- (4) include rates comparable to those of a comparable state employee.

Subcontractors already identified by the applicant should be listed in the proposed budget, along with the subcontractors' rates. Subcontractors added or identified after the grant application is approved must be selected through a documented competitive bid process. See page 5-2 for more information.

See the list of costs eligible and ineligible for CFCP funding below.

<p>Eligible Costs for Acquisition Projects include, but are not necessarily limited to:</p>	<p>Ineligible Costs include, but are not necessarily limited to:</p>
<ul style="list-style-type: none"> 1. Easement purchase price 2. Other costs incidental to the acquisition, at the Department's option, including but not limited to appraisals, preliminary title reports, escrow fees, title insurance fees, costs associated with subordination of pre-existing mortgages or liens, and property surveying costs. <i>Payment of these costs shall not exceed 10 percent of the value of the easement for which the costs were incurred (PRC §10231).</i> 	<ul style="list-style-type: none"> 1. Indirect overhead costs 2. Ceremonial expenses 3. Expenses for publicity 4. Bonus payments of any kind 5. Interest expenses 6. Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise 7. Services, materials, or equipment obtained under any other state program 8. Real estate brokerage fees and/or expenses

Public Notification

Before an application for an acquisition grant can be approved by the Department, the applicant must provide public notice to parties reasonably likely to be interested in the property, conservation, agricultural, and development organizations, adjacent property owners, and the general public. A notice provided in a newspaper of general circulation in the area serves as adequate public notification. Documented public notice made prior to local governmental meetings where resolutions of support are passed is also acceptable.

In addition, written notice shall be provided to adjacent landowners as indicated in the county tax rolls and to the appropriate local governmental jurisdiction(s) not less than 30 days before the expected date of the Resolution of Support (PRC §10254).

Applications should include:

- a copy of the letter sent to neighboring landowners;
- a list of those to whom the letter was sent; and,
- a copy of public notification.

Local Government Resolution of Support

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 Public Resources Code Section 10251, and that the easement proposal has been approved by the governing body. The resolution must substantially conform to the sample on page 2-11.

If the property lies within the Sphere of Influence of an incorporated city, *both the city and county must pass resolutions of support* (PRC §10251(c)).

The required resolution(s) must be provided before CFCP can make a final decision to award funding. **Please note** that notification to adjacent landowners must take **place at least 30 days prior** to the expected date of the resolution of support.

Meeting the Public Notice Requirements

Refer to the flowchart on the following page outlining the two alternative application formats

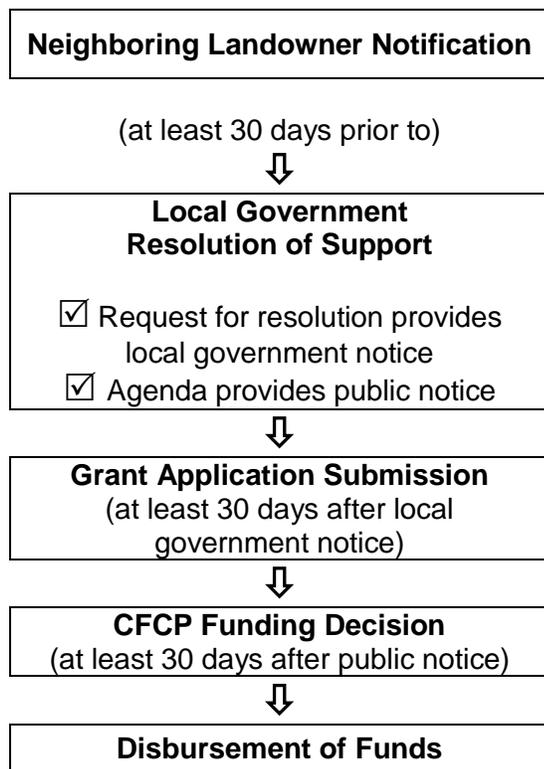
CFCP PUBLIC NOTICE REQUIREMENTS AND FLOWCHART

Public Resources Code (PRC) Public Notice Requirements

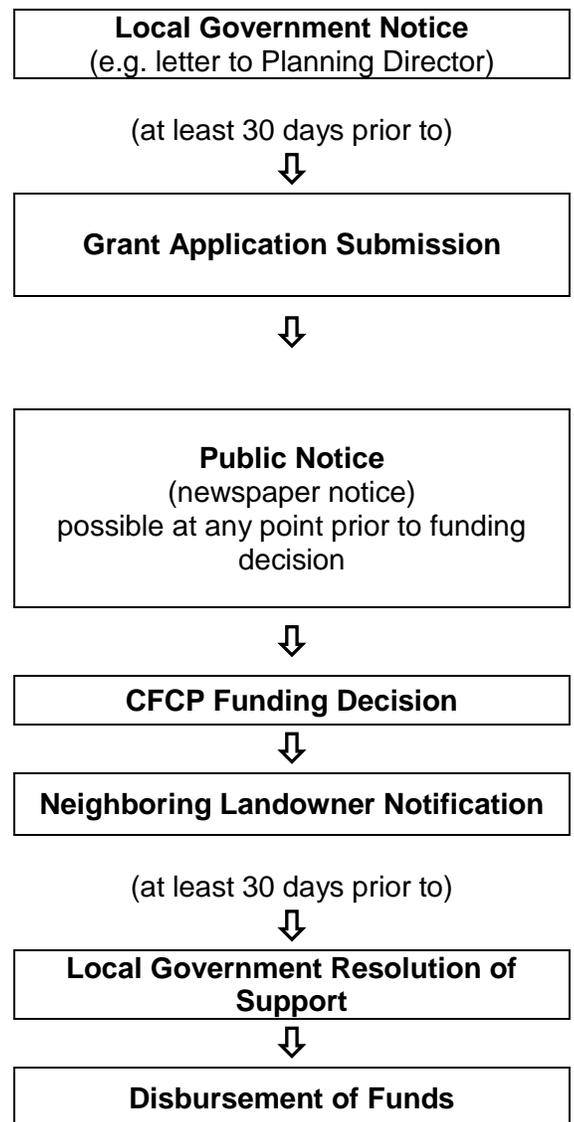
Local government notice	30 days	prior to	Application	PRC 10254(b)
Pubic Notice		prior to	Grant Approval	PRC 10254
Neighboring Landowner Notice	30 days	prior to	Resolution of support	PRC 10254(a)
Resolution of support		prior to	Grant disbursement	PRC 10255(b)

.....

OPTION A (simplest)



OPTION B



ACQUISITION PROJECT SUMMARY

Project Title: _____

Landowner name(s)/Ownership structure: _____

Street Address of Property (or nearest cross streets): _____

Distance from nearest Sphere of Influence (include city name): _____

Total acres: _____ **Prime:** _____ **Irrigated:** _____ **Non-irrigated:** _____

Water source(s): _____

Mineral rights separated from fee title property? Y N If yes, Owner: _____

Type of mineral right separated: Hydrocarbon Aggregate/gravel Other: _____

Number of residential structures currently on the property (if any): _____

Approximate size of each residence (square footage of living area): _____

Number of additional residential homesites to be reserved in easement (if any): _____

Size restriction (sq ft), if any, on reserved homesites: _____

Number of farm labor residential structures/units currently on property (if any): _____

Approximate size of each farm labor residence (square footage of living area): _____

Number of additional farm labor residential structures/units to be reserved in easement (if any): _____

Size restriction (sq ft), if any, on reserved farm labor residences: _____

Minimum parcel size (current zoning): _____

Number of existing legal parcels: _____

Proposed number of easements: _____

Would proposed easement(s) prohibit further subdivision of existing legal parcels? Y N undecided

Would proposed easement(s) prohibit sale of existing legal parcels separately from other parcels in easement area? Y N undecided

Any special need to expedite? (explain) _____

BUDGET ITEMIZATION: ACQUISITION GRANTS

(also available electronically at www.conservation.ca.gov/dlrp/cfcp)

CFCP Request (\$)	Other Funding (\$) <small>(include any landowner donation)</small>	Total Funding (\$)
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Acquisition Costs

Easement Acquisition			
Subtotal			

Associated Costs

(e.g., Appraisal, title, escrow, closing costs, legal, etc.)

Subtotal			

TOTALS			
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Additional explanations:

(Please describe how the matching requirement is met)

SAMPLE RESOLUTION

(also available electronically at www.conservation.ca.gov/dlrp/cfcp)

Resolution No. _____

RESOLUTION OF THE _____
(Governing Body, City Council/Board of Supervisors)

OF _____ APPROVING THE EASEMENT PROPOSAL
(City or County)

TO THE CALIFORNIA DEPARTMENT OF CONSERVATION'S
CALIFORNIA FARMLAND CONSERVANCY PROGRAM FOR THE

(Title of Project)

WHEREAS, the Legislature has established the California Farmland Conservancy Program within the Department of Conservation, and through a grant program is providing assistance to conserve important agricultural land resources that are subject to conversion pressures; and

WHEREAS, the _____ intends to

(Brief Description of Project and Project Location)

for the purpose of conserving priority agricultural land resources; and

WHEREAS, the _____ approves the
(Governing Body, City Council/Board of Supervisors)

easement proposal and certifies that the easement proposal meets the eligibility criteria set forth in Public Resources Code Section 10251, to wit:

(a) 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.

(b) _____ (city or county) has a general plan which demonstrates a long-term commitment to agricultural land conservation. This commitment is reflected in the goals, objectives, policies, and implementation measures of the plan, as they relate to the area of _____ (county or city) where the easement acquisition is proposed.

(c) Without conservation, the land proposed for protection is likely to be converted to nonagricultural use in the foreseeable future.

NOW, THEREFORE, BE IT RESOLVED THAT THE GOVERNING BODY OF

THE _____ HEREBY:
(Name of Governing Body)

approves the filing of an application for funding from the California Farmland Conservancy Program.



Chapter 3: Applying for Planning/Policy & Land Improvement Grants

A. PLANNING/POLICY & LAND IMPROVEMENT GRANT GENERAL INFORMATION

Grant Award Levels

There are no minimum or maximum levels of funding for individual grants. A **maximum of ten percent** of annual CFCP funding may be available for planning/policy and land improvement grants combined.

Matching Contributions

Each application for a planning/policy or land improvement grant pursuant to the CFCP shall contain a **matching component of not less than 10 percent of the proposal's total cost** (PRC §10233(b)). Matching contributions may include in-kind services. Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided. Matching funds may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, etc.).

Partnership Agreements

The CFCP encourages project applicants to develop partnership agreements with interested parties that are capable of pooling available resources to implement the project. Additional priority may be given to those proposed projects that are developed in conjunction with such partners.

Selection Criteria

Applications will be evaluated according to the extent to which they satisfy the questions in the Project Justification on page 3-3. Land Improvement grant applications are also evaluated according to the criteria listed on page 1-3 and 1-4. Consideration will also be given to the amount of matching funds and in-kind services (PRC §10252(j)).

CFCP Website Resources for Planning/Policy & Land Improvement Grant Applicants

The CFCP website, www.conservation.ca.gov/dlrp/cfcp, provides a number of forms and sample documents to facilitate grant application submittal, including:

CFCP Grant Application Component Checklist
CFCP Grant Application Cover Sheet
Project Implementation Schedule
Budget Page
Conflict of Interest Requirements and Sample Resolutions

B: PLANNING/POLICY & LAND IMPROVEMENT GRANT APPLICATIONS: What to Submit

Planning/Policy and Land Improvement grant applications include the following elements:

1. CFCP Grant Application Component Checklist (see page 4-3)
2. CFCP Grant Application Cover Sheet (see page 4-4)
3. Executive Summary
4. Project Description
5. Project Justification
6. Project Implementation Schedule (see also page 4-5)
7. Project Budget (see page 3-5)
8. Location map (regional and site specific, if applicable)
9. Letters of support from cooperating entities
10. Letter of support from landowner for Land Improvement grant applications
11. A copy of the easement covering the subject land for Land Improvement grant applications
12. Additional documents from nonprofit organization applicants (see page 4-2)

Elements 3 through 7 are described below.

Executive Summary

This section should provide a brief but thorough description of the proposed project and its scope. Define the problem to be addressed, state the specific objectives of the proposed project, describe the approach that will be used, and define the criteria to be used to evaluate the project's success. Explain who will benefit from the project, and in what specific ways. The Executive Summary should not exceed one page in length.

Project Description

This section should be used to explain the project in greater detail. Provide a clear, concise, and complete statement for each specific objective your project proposes to address. Where appropriate, the objectives should be quantifiable (e.g., number of workshops offered, linear feet of streambank stabilized). Describe the activities and/or tasks that will address each of the objectives. Please describe methods and procedures in sufficient detail to provide an understanding of how each task will be conducted. Where relevant, include maps showing the project location and the area to benefit from the project.

The project description component should be no more than **three pages** (exclusive of maps). Particularly for projects of a technical nature, it is essential that the description be clear and easily understood by a broad audience.

Project Justification

This section should be used to explain benefits of the proposed project, supporting local government policies and actions, and the applicant's capabilities that are relevant to the goals of the CFCP. This section should not exceed four pages. Please answer the following questions, maintaining the lettering format below:

- l. Is there coordination among affected landowners, local governments, and nonprofit organizations concerning this proposed project as well as other local agricultural land conservation activities?
- m. Will the proposed project support long-term agricultural production in the region? How do the measurable project objectives contribute to long-term private stewardship and continued agricultural production in the region?
- n. Are there any innovative agricultural land conservation approaches that would be utilized in this project that might have application to other regions of the state?
- o. How do the general plan and related land use policies* of the affected city or county support a long-term commitment to agricultural land conservation in general, and this proposal specifically? **Include supporting documentation.**
- p. Are there additional natural resource considerations associated with this proposal, including such issues as open space preservation, wetland protection, or wildlife habitat conservation?
- q. What are the fiscal and technical capabilities of the applicant to carry out this project? (Technical capability may be demonstrated by agricultural

land conservation expertise on the governing board or staff of the applicant, or through partnership with an organization that has that expertise.)

- r. Without funding, is the need for this work likely to go unfilled for an extended time?
- s. Will this project result in a tangible and physical product upon completion?
- t. Does this proposal support efforts that will have a direct impact upon agricultural land conservation?

*Including: Policies of the local agency formation commission; California Environmental Quality Act policies and procedures; the existence of active local agricultural land conservancies or trusts; the use of an effective right-to-farm ordinance; applied strategies for the economic support and enhancement of agricultural enterprise (e.g., water policies, public education, marketing support, and consumer recreational incentives); and other relevant policies and programs. (Public Resources Code Section 10252(c)).

Land Improvement project applications should also address the following:

- j. Which CFCP-funded easement would the proposed project benefit? Or if the land is protected under other qualified conservation easement programs, how will the proposed project directly benefit CFCP-funded easement lands?
- k. What is the quality of the agricultural land based upon soil survey, Farmland Mapping and Monitoring Program, or other measures? Are there soil, climate, wildlife habitat, or vegetative factors that are particularly significant for this

property? (FMMP maps are available for viewing via FMMP's website:
www.consrv.ca.gov/dlrp/fmmp)

- l. Is the proposed project currently within a Williamson Act Agricultural Preserve?
- m. Where is the proposed project in relation to a city's established Sphere of Influence?
- n. Will the improvement enhance the agricultural value of the land protected by the easement, and promote its long-term sustainable agricultural use (such as water supply development and revegetation of eroding stream banks)?
- o. Will the improvement increase the compatibility of agricultural operations with sensitive natural areas?
- p. Will the improvement demonstrate new and innovative best management practices which have the potential for wide application?
- q. Does the proposed improvement include the financial and technical involvement of other agencies, such as resource conservation districts, the Wildlife Conservation Board, the United States Consolidated Farm Services Agency, or the United States Natural Resources Conservation Service?
- r. Is the improvement part of a coordinated watershed management plan or the equivalent?

Project Implementation Schedule

Outline the activities and/or tasks that will address the objectives of the project. Describe interim and final products or milestones for each task. Performance will be judged on these outputs. Using the Project Implementation Schedule form (page 4-5), prepare timelines for implementation and completion of the project tasks. Be sure to allocate sufficient time and include any crucial start or completion dates.

Project Budget

This section should identify the total estimated project cost, *using the budget table format provided* (page 3-6). The total estimated cost should be broken down to clearly delineate funds being requested from the CFCP, commitments of funding from all other sources (both proposed and actual, with documentation of actual commitments provided), as well as contributions in the form of in-kind matches on the part of the applicant.

Subcontractors already identified by the applicant should be listed in the proposed budget, along with the subcontractors' rates. Subcontractors added or identified after the grant application is approved must be selected through a documented competitive bid process. Subcontractors may include *printers, facilitators, appraisers, etc.* See page 5-2 for more information.

See the table below for costs eligible and ineligible for CFCP funding. Any costs for hourly work must be comparable to equivalent state employee costs (contact CFCP staff for further information).

Eligible Costs for Planning/Policy & Land Improvement Projects include, but are not necessarily limited to:	Ineligible Costs include, but are not necessarily limited to:
<ol style="list-style-type: none"> 1. Project materials, equipment rental or leasing* 2. Project labor and consulting services (consultant services must be approved in the grant agreement) 3. Direct administrative costs of the project itself 	<ol style="list-style-type: none"> 1. Indirect overhead costs 2. Ceremonial expenses (including food or refreshments) 3. Expenses for publicity 4. Bonus payments of any kind 5. Interest expenses 6. Damage judgments arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise 7. Services, materials, or equipment obtained under any other state program 8. Real estate brokerage fees and/or expenses

*Equipment may be purchased, but its residual market value must be credited back to the grant project costs upon completion of the project.

BUDGET ITEMIZATION:
Planning/Policy Grants or Land Improvement Grants

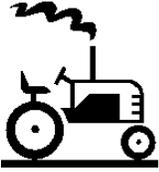
(also available at www.conservation.ca.gov/dlrp/cfcp)

	CFCP Request (\$)	Other Funding (\$)	Total Funding (\$)
Personnel <i>(position, # hours, \$/hr.)</i>			
Operating Expenses <i>(itemize/explain)</i>			
Travel			
Materials & Supplies			
Other			
Miscellaneous			
Professional/Consultants <i>(name, \$/hr., role)</i>			
Other			
TOTALS			

(Matching funds = _____% of grant request)*

Additional explanations:

**Match funding must be not less than 10 percent of the proposal's total cost (Public Resources Codes Section 10233(b)), and may include in-kind services.*



Chapter 4: Grant Application Submission

How and When to Apply

Applications for grants are accepted and reviewed on an *on-going basis*.

Applicants may submit multiple CFCP grant proposals. Each project proposal must be submitted in a **separate** application, which is distinct and can be reviewed independently of any other application. Acquisition projects are considered separate if properties are not held by the same landowner(s). An applicant may include multiple landowners only if the properties are within a specific, contiguous planning unit, and individual easement values are assigned for each stand-alone property. Planning/Policy, Land Improvement, and Acquisition grant applications must be submitted separately from one another.

Use the **Application Checklist** (page 4-3) to ensure that all necessary materials are included and to facilitate a prompt application review.

Five copies (doubled-sided, if possible) of the application should be mailed to the following address:

California Farmland Conservancy Program
California Department of Conservation - DLRP
801 K Street, MS 18-01
Sacramento, CA 95814

Neither e-mail nor facsimile copies will be accepted.

Written **questions** regarding any aspect of the application procedure should be directed to the above address. Telephone or e-mail inquiries are also welcome: (916) 324-0850 or cfcpc@consrv.ca.gov.

Site Reviews

Acquisition and land improvement grant application review may include a site visit by a CFCP staff member. Grant applicants may be asked to make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner.

Response Time

The Department seeks to provide funding decisions within 90 days of receipt of a **complete application**. However, complexities associated with some applications may require additional review time and submission of additional documents.

NOTE: If a more immediate funding decision is required, please indicate the nature of the urgency in a memorandum to accompany the application. The Department will attempt to accommodate such requests to the extent possible.

Nonprofit Organization Applicants

To be eligible to apply for CFCP funds, 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) (Public Resources Code Section 10221).

In addition to the basic application documents, eligible nonprofit organization applicants must provide the following with any application:

- a copy of the organization's 501(c)3 nonprofit status from the IRS.
- a copy of the organization's Articles of Incorporation and By Laws which include among the principal charitable or public purposes of the nonprofit organization:
 - a. a clear statement describing the organization's goals and purposes including the public interests to be served,
 - b. the beneficiaries of its programs, and
 - c. a statement describing the organization's commitment to conservation of agricultural land resources.
- a statement from the organization's Board of Directors that certifies funding from the California Farmland Conservancy Program for the proposed project will not present a conflict of interest for the Board or any of its members. (For further information, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.)



CFCP GRANT APPLICATION COMPONENT CHECKLIST

(also available at www.conservation.ca.gov/dlrp/cfcp)

A complete grant application should include **five copies** of all application materials. See instructions for specific instructions for each component.

ALL GRANT APPLICATIONS MUST INCLUDE THE FOLLOWING:

	Completed CFCP Grant Application Component Checklist (page 4-3)
	Completed Grant Application Cover Sheet (see form page 4-4)
	Executive Summary (1 page maximum)
	Project location map (regional and site specific) where applicable
	Project Budget (form page 2-10 for easement applications, or 3-6 for planning/policy applications)
	Project Implementation Schedule (see form page 4-5)
	Relevant Portions of General Plan: Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation (see p. 2-5 (h), 2-8, and 3-3(d)).
	Letters of support from any cooperating entities

Acquisition grant applications must additionally include:

	Easement Project Summary Sheet (see page 2-9)
	Project Specification (6 page maximum)
	Project Monitoring Plan (2 page maximum)
	Documentation of Public/Neighboring Landowner Notification (see page 2-8)
	Preliminary Title Report (page 2-2)
	Easement/Property Appraisal (page 2-2)
	An agricultural conservation easement/land acquisition map that shows the exterior boundaries of subject parcel(s) and the parcel number(s), as well as proximity to closest Spheres of Influence
	Aerial photographs of properties larger than 640 acres, or which contain diverse terrain
	Public Notice Documentation (see page 2-8)
	A resolution from the government jurisdiction in which the project is located endorsing the project and the application for grant funds (see example page 2-11)
	A letter from the property owner stating support for the application & any completed purchase-sale agreement

Planning/Policy or **Land Improvement** grant applications must additionally include:

	Project Description (3 page maximum)
	Project Justification (4 page maximum)
	Landowner Letter of Support (for Land Improvement projects only)

A **Nonprofit organization** must include:

	A copy of its nonprofit IRS 501(c)3 status
	A copy of its Articles of Incorporation
	A copy of its By laws
	A certification from the Board of Directors stating that no conflict of interest, or appearance of a conflict of interest exists for any of the board members or staff in connection with the proposed project

CALIFORNIA FARMLAND CONSERVANCY PROGRAM

(also available at www.conservation.ca.gov/dlrp/cfcp)

Grant Application Cover Sheet

Name of Organization/Unit of Government _____

Federal Employer I.D. Number _____

Mailing Address _____

Contact Person _____ Telephone () _____

Title _____ Fax () _____

Email _____

Project Title _____

Grant Request Amount \$ _____ Total Estimated Project Cost \$ _____

Matching Funds Pending \$ _____ Matching Funds Committed \$ _____

Project Location (county and nearest city) _____

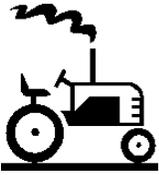
Type of Grant Request:

_____ Agricultural Conservation Easement _____ Senate District # _____

_____ Fee Title Acquisition

_____ Planning/Policy _____ Assembly District # _____

_____ Land Improvement



Chapter 5: Grant Administration Process

The grant administration guidelines herein are for general information and are subject to change.

Payment of Grant Funds

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 (see tables, Chapters 2 and 3). All costs must be supported by appropriate invoices, purchase orders, canceled warrants/checks, and other approved documents.

- *Acquisition Grants:* Agricultural conservation easement and temporary fee title acquisition grant funds from the CFCP may be paid into an escrow account established with a title insurance company licensed by the California Department of Real Estate for recordation of the conservation easement or other document of conveyance. Prior to deposit of grant funds, all other funds necessary to complete the purchase must have been deposited in that escrow account, and the title insurance company must be able at close of escrow to insure title to the interest being recorded. In addition, CFCP grant funds may be made available on a reimbursement basis, provided all program requirements have been met
- *Planning/Policy Grants and Land Improvement Grants:* Payments on Planning/Policy and Land Improvement grants will be made solely on a reimbursement basis as stipulated in a grant agreement detailing the work to be performed, timelines, and schedules

of payment. Invoices must be accompanied by written progress reports as defined in grant agreement scope of work, and other evidence of performance as required by the grant. Invoices may be submitted no more frequently than monthly. Allow up to six weeks for payment of accepted invoices.

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 the project can be readily determined and records 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 easement, baseline reports, and monitoring-related documents.)

Auditing of Bond Funds

The Department of Finance will be conducting audits of the expenditure of grants funded by bonds.

All grantees 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 any matching funds by the grant recipient) and the total cost of the project.

Subcontractors

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). All contracts between the grant recipient and subcontractors shall be subject to approval of the Department. In the event that a Grantee requests a change in subcontractor(s), and the change is acceptable to the Department, the change shall be formalized through either a grant amendment or written change order. All subcontractors are governed by and must adhere to all provisions of the grant agreement.

Competitive Bid Requirements

When purchasing goods or services with funding provided by the CFCP, grant recipients must comply with the state’s competitive bidding process if the subcontractor providing the good or service is not identified in the grant application. In the event a subcontractor is changed or added to those identified as subcontractors in the grant application, *grant recipients must solicit and receive at least three bids for the good or service.* Grant recipients shall purchase services from the lowest responsible bidder demonstrating the requisite expertise and experience, or pay the difference between the low bid and the one selected. This condition may be waived upon grant recipient certification that due to the unique nature of the service a sole source purchase is justified and the associated cost is reasonable.

Drug-Free Workplace Certification

Pursuant to the requirements of Government Code Section 8355, grant recipients must sign a certification that a drug-free workplace will be provided.

Insurance

Grant recipients must obtain and keep in force for the term of the project Worker’s Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department of Conservation. These policies shall cover any acts or omissions of the grant recipient or its employees engaged in the provision of service specified in the grant agreement.

Grant recipients 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

All materials designed under CFCP grant agreements shall include recognition of the CFCP grant, and are reviewed and approved by the Grant Manager prior to reproduction and/or distribution. CFCP requests that Grantees coordinate with the Department of Conservation on any publicity surrounding a CFCP grant. *On easement projects, landowners’ names may become public.*

CFCP Website Resources for Grant Recipients

The CFCP website, www.conservation.ca.gov/dlrp/cfcf, provides a number of forms and sample documents, including:

CFCP Invoice Procedures
Sample Invoice Forms
Progress & Final Report Forms
