

California Farmland Conservancy Program



Final Request for Grant Applications
2018



State of California • Natural Resources Agency

Department of Conservation

Division of Land Resource Protection

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Edmund G. Brown Jr., *Governor*

Kathryn M. Lyddan, *Division Director*

June 21, 2018

Dear Prospective Applicant,

For Fiscal Year 2017/18, the Department of Conservation's Division of Land Resource Protection is pleased to make available **\$1,322,000** in easement acquisition grant funding under the California Farmland Conservation Program. These residual bond funds will be awarded under this 2018 Request for Grant Applications, which for 2018 includes only agricultural conservation easement acquisitions as an eligible project type.

Sincerely,

Kathryn M. Lyddan
Division Director

CFCP Program At-A-Glance

Program

The Department of Conservation's California Farmland Conservancy Program provides grants for the voluntary acquisition of agricultural conservation easements on agricultural lands that are under pressure of being converted to non-agricultural use.

Funding Source

This program is funded through Propositions 40 and 84. The funds are restricted to only acquisition of agricultural conservation easements.

Critical Dates

Draft RFGA released for comment—May 14, 2018

Comments due no later than—June 14, 2018

RFGA Released—June 21, 2018

Full Applications due—September 1, 2018

Anticipated approval of projects by the Department of Conservation—February 11, 2019 (subject to change)

Contact for Questions

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Chapter 1: Grants

Program Purpose and Authority

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

CFCP provides grants to local governments and qualified nonprofit organizations to encourage and make possible the long-term protection of agricultural lands in order to safeguard agricultural land and balance the increasing development pressures around urban areas (PRC §10201). CFCP works in concert with local planning and zoning strategies to conserve agricultural land.

2018 Request for Grant Applications (2018 RFGA)

CFCP currently has \$1,322,000 in available funding from Propositions 40 and 84 to fund the purchase of agricultural conservation easements. This funding is only available for projects that are able to enter a grant agreement no later than April 30, 2019 and able to close escrow no later than February 2021.

This 2018 RFGA details requirements and guidelines for grant application submissions for these funding sources. 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.

Application Review Process (PRC §§10263, 10264)

Applications received as of the application due date will be reviewed by staff to ensure that the application is complete and has been submitted by an eligible applicant.

Once this determination has been made, the Department has 180 days to act on an application. Each project will be reviewed on a case-by-case basis using the eligibility and selection criteria outlined below. The Department's Director will make the final determination as to which projects are approved for award. The Department will notify applicants within 10 days of the Director's determination as to whether their project was approved for funding.

Applications that are disapproved for funding will include a written notice that states the reason for the disapproval.

The Department's Director is required to disapprove applications under the following circumstances:

1. the application does not satisfy the eligibility criteria set forth in Section 10251;
2. the department determines that clear title cannot be conveyed;
3. there is insufficient money to carry out the acquisition; or,
4. other acquisitions have a higher priority.

Materials and Publicity

All materials designed to publicize the funding or completion of easements acquired through this RFGA shall include recognition of the CFCP grant and must be reviewed and approved by the Department prior to reproduction and/or distribution.

Applicants are encouraged to inform landowners and other partners that a successful grant application may result in publicity.

Because public funds are used to secure easements under this program—or any similar government program—details related to easements, such as the landowner’s name and the amount of the grant, are public records that may be publicly released in accordance with the California Public Records Act.

Eligible Projects

Under this 2018 RFGA, CFCP is only offering funding for one eligible project type - agricultural conservation easement acquisitions. Before proceeding with the application process, prospective applicants are encouraged to contact CFCP staff to discuss the preliminary details of their proposal.

Eligibility Requirements

Projects are deemed eligible only if all the following eligibility criteria are met:

- 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 (PRC §10251);
- 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 (PRC §10251);
- The grant proposal is compatible with the applicable 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) (PRC §10255); and,
- Without conservation, the land proposed for protection is likely to be converted to non-agricultural use in the foreseeable future (PRC §10251).

Ineligible Projects

Projects are considered ineligible if they fail to meet any of the eligibility criteria described in the Eligibility Requirements, 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 do not agree to restrict the use of the land in perpetuity, subject to review after 25 years (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 exceeds the appraised fair market value (PRC §10260(a)).

Applicants will be required to certify that none of the above conditions apply to their project in their application in order to be considered eligible for funding.

Eligible Applicants (PRC §10212)

The CFCP may award grants to local governments and private nonprofit (501(c)(3)) organizations.

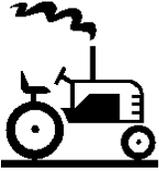
Eligible local governmental organizations are:

- cities;
- counties;
- resource conservation districts; or,
- regional park or open-space districts or authorities.

Eligible nonprofit organizations are:

Nonprofit organizations, which have among their defined purposes the conservation of agricultural lands, must also be tax exempt 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).

All applicants must have the conservation of farmland among their stated purposes, as prescribed by statute, or as expressed in the entity's locally adopted policies to be eligible for funding.



Chapter 2. Applying for Acquisition Grants

Acquisition Grant General Information

Grant Award Levels

There are no minimum or maximum awards for individual grants.

Matching Contributions (PRC §§10233, 10252(j))

Each grant application to CFCP shall contain a matching component of not less than 5 percent of the value of the grant or a landowner donation of not less than 10 percent of the fair market value of the agricultural conservation 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.

Grant applications will be evaluated, in part, based on the amount of matching funds and in-kind services provided by local government and other sources. 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). Applicants should identify all existing or potential match funders in their applications.

Restrictions on Agricultural Husbandry (PRC §§10238, 10251(a))

Land protected by a CFCP easement is expected to remain in agricultural production. 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. 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.

Selection Criteria (PRC §10252, 14 CCR 3012)

Using the information provided in the application and confirmed by staff through site visits; discussions with third-parties about title, local zoning, and land use; a review of other material; or via methods otherwise appropriate for the issue, applications will be evaluated based on the following:

- a) The quality of the agricultural land, based on land capability; Farmland Mapping and Monitoring Program definitions; productivity indices; and other soil, climate, and vegetative factors;
- b) The extent to which the proposal meets multiple natural resource conservation objectives, including, but not limited to, wetland protection, wildlife habitat conservation, and scenic open-space preservation;

- c) The extent to which the city or county demonstrates a long-term commitment to agricultural land conservation as demonstrated by the following:
 - 1) The general plan and related land use policies of the city or county;
 - 2) Policies of the local agency formation commission;
 - 3) California Environmental Quality Act policies and procedures;
 - 4) The existence of active local agricultural land conservancies or trusts;
 - 5) The use of an effective right-to-farm ordinance;
 - 6) Applied strategies for the economic support and enhancement of agricultural enterprise, including water policies, public education, marketing support, and consumer and recreational incentives; and,
 - 7) Other relevant policies and programs;
- d) If the land is in a county that participates in the Williamson Act (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1 of Title 5 of the Government Code), the land proposed for protection is within a county or city designated agricultural preserve;
- e) The land proposed for conservation is within two miles outside of the exterior boundary of the sphere of influence of a city as established by the local agency formation commission;
- f) The applicant demonstrates fiscal and technical capability to effectively carry out the proposal. 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;
- g) The extent to which the proposal demonstrates a coordinated approach among affected landowners, local governments, and nonprofit organizations. If other entities are affected, there is written support from those entities for the proposal and a willingness to cooperate. The support of neighboring landowners who are not involved in the proposal shall be considered;
- h) The extent to which conservation of the land supports long-term private stewardship and continued agricultural production in the region;
- i) The extent to which the proposal demonstrates an innovative approach to agricultural land conservation with a potential for wide application in the state;
- j) The amount of matching funds and in-kind services contributed by local governments and other sources toward the acquisition of the agricultural conservation easement;
- k) The extent to which the price of the proposed acquisition is cost-effective in comparison to the fair market value; and,
- l) Other relevant considerations established by the director:
 - 1) Information providing evidence that, by acquisition of an agricultural conservation easement for a given parcel or parcels, long term conservation of neighboring lands

through any combination of geographic, zoning, or other considerations can logically be expected without incurring costs of additional easement acquisitions.

Easement Acquisition Grant Application: What to Submit

This section provides information regarding the components of the application. Please refer to the CFCP website for all relevant forms and supporting materials.

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 Specific Details

This section should be used to explain how the project addresses the selection criteria, including relevant project attributes, the applicant's capacity to steward the project, and local government policies and actions that are relevant to the goals of CFCP. This section shall not exceed six pages.

Preliminary Title Report, Assessor's Parcel Map(s)

A preliminary title report that is less than six (6) months old must be submitted with the application. This title report should be accompanied by all relevant underlying documents and associated assessor's parcel maps, as well as a plan to address any potential title concerns. Underlying documents can be submitted as hyperlinks in the preliminary title report or as a separate file. These required documents are critical in evaluating the suitability of a property for an agricultural conservation easement and identifying issues that may need to be resolved prior to recording an agricultural conservation easement on the property. Resolution of outstanding title issues in order to obtain clear title can be time consuming for the applicant and the landowner and should begin early in the easement process.

Applicant-Landowner Letter of Intent

The applicant must provide a letter from the landowner(s) stating their intent to work with the applicant to secure the easement. This letter should address the following items:

1. Landowner's pursuit of sale of the easement is voluntary;
2. The easement will be granted in perpetuity;
3. No government agency has conditioned the issuance of an entitlement to use on the landowner's granting of the proposed easement; and,
4. The number of building envelopes and single family residences allowed within 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 potentially allow any future amendments to easements. A board-approved copy of the applicant's easement amendment policies should be included with the application.

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 as it relates to the proposed easement. In their evaluation of potential conflicts of interest, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.¹ The Department provides sample conflict of interest certification forms on its website.

Appraisal or Estimated Easement Valuation

A current appraisal or estimated easement valuation is a required component of the easement application. The Department may conditionally approve grant applications prior to completion of final appraisals, provided an acceptable appraisal and all other requirements within PRC §10260 are met before any disbursement of grant funds.

Should the applicant not provide a complete appraisal at the time the application is submitted, the applicant must provide support within the application for the easement acquisition value identified in the budget, either via a preliminary appraisal or a detailed estimate and supporting documentation. The Department reserves the right to require that a current easement appraisal accompany the grant application if, in its sole discretion, it determines that insufficient data is available to support an estimate.

Additional information on appraisal requirements can be found below. For the purposes of CFCP, disbursement shall mean the issuance of a warrant by the State Controller's Office for funds equal to the CFCP contribution to the agricultural conservation easement purchase.

Project Monitoring

Regular monitoring of properties under easement is necessary to ensure compliance with the terms of the easement. CFCP requires an annual report from the easement holder certifying that the conditions of the easement are being upheld. The monitoring component of the application, not to exceed **three 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.

Project Budget

This section should identify the total estimated project costs using the budget table format provided in the application. The total estimated cost should be broken down to clearly delineate funds being requested from CFCP, commitments of funding from all other sources (both

¹ Available at: <http://www.landtrustalliance.org/node/143>

proposed and secured), 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.

Subcontractors already 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 Department review.

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, or occur during the time period of the written grant agreement; and,
3. include rates comparable to those of a state employee in an equivalent role.

See below for a list of eligible and ineligible costs.

Eligible Costs	Ineligible Costs
<ul style="list-style-type: none"> ○ Easement purchase price ○ Reasonable costs associated with the acquisition of an easement funded in part by CFCP: <ul style="list-style-type: none"> ● Fully-burdened applicant staff time for: <ul style="list-style-type: none"> ● easement negotiations ● title work ● project mapping ● Technical and legal consulting ● Appraisal* ● Preliminary title report ● Baseline conditions report ● Escrow fees ● Title insurance fees ● Survey(s)** ● Environmental site assessment(s)** ● Mineral remoteness evaluation(s)** <p>Payment of associated costs is subject to Department review and approval and shall not exceed ten percent (10%) of the value of the easement for which the costs were incurred.</p> <p>*Only the appraisal approved by DGS and used to support the acquisition invoice will be reimbursed.</p> <p>**Justification of this expense must be provided in the application in order for this cost to be considered for approval.</p>	<ul style="list-style-type: none"> ○ Indirect overhead costs ○ Ceremonial expenses (including food and beverages) ○ Expenses for publicity ○ Bonus payments of any kind ○ Interest expenses ○ Services, materials, or equipment obtained under any other State program. ○ Real estate brokerage fees and/or expenses. ○ Stewardship or legal defense funds ○ Signs

Documentation of Public Notice

CFCP's public notification requirements are detailed below on page 11.

Applications should include a copy of the written notice to the county and/or city in which the property is located. This notice should be dated not less than 30 days before the easement application submission date.

Before applications can be approved by the Department, applicants must submit the following further documentation of public notice to the Department (PRC §10254):

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

Agricultural Conservation Easement Project Requirements

Appraisals (PRC §10260)

A current easement appraisal will be required to determine the fair market value of the easement, which will be used to determine the state's contribution to the easement acquisition at close of escrow. The Department may conditionally approve grant applications prior to completion of final appraisals, provided an acceptable appraisal and all other requirements within PRC §10260 are met before any disbursement of grant funds.

The appraisal is subject to review and approval by the Department and the California Department of General Services Real Property Services Section (DGS). The Department may, in its sole discretion, require or obtain an additional appraisal should the original appraisal be deemed unacceptable by the Department or DGS. The grant will only fund the appraisal that is approved by the state and used for the actual acquisition. This cost will only be covered if the project is approved for funding and if reimbursement for the appraisal cost is sought in the grant application. In no situation shall the easement purchase price be greater than the appraised fair market value of the agricultural conservation easement.

If the project is approved without a complete appraisal and the appraisal ultimately obtained contains an easement value that is higher than the estimate provided in the application, then the increase in valuation will need to be covered by a landowner bargain sale (donation) or by other match funders. Any savings that result from a valuation that is lower than the estimated value may be apportioned to the participating funders.

The 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 to calculate the difference between the fair market value and the restricted value. The "before and after" method evaluates the property's market value under two scenarios: first, the current market value without restriction; and second, the diminished value as though encumbered by an agricultural conservation easement. The Department has developed a resource for appraisers and applicants, entitled Overview and Preparation of Agricultural Conservation Easement Appraisals, which is available on the Department website.

Applicants are encouraged to thoroughly discuss the restrictions and permitted uses of the proposed easement with the landowner and appraiser early in the appraisal process. Major

issues such as reserved home sites or other areas that will not be utilized exclusively for agriculture must be confirmed prior to and be identified in the appraisal, as they will likely affect the easement valuation. Subsequent changes to proposed easement restrictions or permitted uses may necessitate an update to the appraisal.

If a significant amount of time (12 months or more) transpires between the effective date of the appraisal and the closing of escrow, applicants may be required to obtain an updated appraisal or a letter of certification from the appraiser stating that the easement value has not changed since the original value was determined.

Use-Based IRS Deductions

If a landowner seeks tax benefits from the Internal Revenue Service in return for the charitable donation of an easement or portion thereof, the Department recommends consulting a tax attorney or accountant for more information and requirements. The Department is not able to provide the applicant or landowner with assistance relating to this or other tax-benefits.

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 easement restrictions with landowners and appraisers. This will expedite the easement negotiation process and ensure an accurate appraisal.

Mortgage and Lien Subordination

As part of the easement acquisition process, any liens or other financial encumbrances on the property are required to be either subordinated to the terms of the easement or payed off in closing. Subordination documents are subject to review and approval by the Department.

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 are eligible for reimbursement only if requested in the grant application.

Due Diligence

Clean title is required in order to protect the state's investment in the easement. For the purposes of this program, clean title refers to an absence of deeds, easements, leases, or other potential encumbrances that have the potential to undermine the state's investment. Such encumbrances must be addressed prior to close of escrow because they may grant another person or entity the ability to take action to prohibit the project or impact the easement terms in a manner that contradicts CFCP's goals and objectives.

Encumbrances for utility, road, or neighbor right-of-ways are examples of title issues that do not prohibit the conveyance of clean title under CFCP. A gap in the chain of title or deeds of trust are examples of title issues that do impact clean title under this program, such that without a resolution to those issues, CFCP will not pay for the lands impacted by those issues. Applicants are expected to exercise due diligence to discover and disclose such potential issues in the pre-proposal and application. The Department will also work to identify such issues during its

project review. If the applicant submits a full application, a plan to address title issues should be included in the application.

Disbursement of funds into escrow for the purchase of an easement is contingent upon the Department's determination that identified title concerns have been resolved.

For properties where the surface owner does not have control over the underlying minerals, the mineral rights may be addressed through:

1. A Mineral Remoteness Evaluation, prepared by a qualified geologist, which finds that the likelihood of the separated mineral rights being exercised on the relevant parcel(s) is so remote as to be negligible. This finding may be confirmed by the Department's Division of Oil, Gas, and Geothermal Resources and/or the Division of Mine Reclamation.
2. Quiet title action(s) to restrict surface access to mineral rights within the proposed easement boundary, to set aside drilling pads to direct the separated mineral rights holders' extraction to a specific area, or to terminate/merge separated mineral rights.
3. Subordination, surface use agreements or remerger of the separated mineral interests to title.

Advance coordination with the Department and the applicant's title company is highly recommended if any separated mineral interest exists.

Additional Housing-Related Requirements

Each single family residence reserved in the easement will be limited to a maximum living area of 3,000 square feet and must be located within a building envelope. Single family residences that exceed 3,000 square feet of living area at the time the application is submitted will not be allowed to be enlarged, per the terms of the Easement.

The California Legislature has enacted numerous policies to address the state's shortage of housing, particularly affordable housing. Easements funded through this program shall not prohibit either secondary dwelling units or farmworker housing. Any easement restrictions on these dwellings cannot be more restrictive than California Government Code section 65852.2 or California Health and Safety Code section 17021.6, respectively.

Public Notification (PRC §10254)

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, including conservation, agricultural, and development organizations; adjacent property owners; and the general public.

The following items must be submitted to the Department to fulfill the public notification requirement:

1. written notice to the county and/or city in which the property is located;
2. written notice to adjacent landowners; and,
3. 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.

Written notice to the county and/or city in which the property is located must be dated not less than 30 days before the easement application submission date, and documentation of this notice must be submitted with the application.

Documentation of written notice to adjacent landowners as indicated in the county tax rolls must be submitted prior to project approval by the Department and not less than 30 days before the expected date of the Board of Supervisors' approval of the Resolution of Support. This documentation should include a copy of the letter sent to the neighboring landowners and a list of those to whom the letter was sent.

Local Government Resolution of Support (PRC §1023, 10255(c))

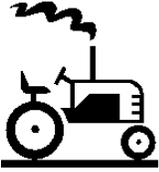
The governing body of the county or city in which the property is located must approve a resolution of support for the project that, at a minimum: (1) certifies that the proposed easement meets the eligibility criteria set forth in Public Resources Code Section 10251; and, (2) further certifies that the easement proposal has been approved by the governing body.

If the property lies within the Sphere of Influence of an incorporated city, both the city and county must pass resolutions of support.

The required resolution(s) must be provided before CFCP can disburse 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. Sample documents are available on CFCP's website.

Timing for Notice Requirements

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



Chapter 3: Grant Application Submission

How and When to Apply

Applications must be submitted electronically by 11:59 p.m. on the date specified in the “CFCP At-a-Glance” table located at the front of this document. Applicants are required to submit the entire application to the Department via email.

Receipt of the digital application by the Department determines the official submittal date and time. The CFCP Team will acknowledge receipt of the digital application via email to the Contact Person listed on the Easement Grant Application Cover Sheet.

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.

Applicants must use and submit the CFCP Grant Application Component Checklist to ensure that all necessary materials are included and to facilitate a prompt application review.

CFCP staff are available prior to the application deadline to provide technical assistance to eligible applicants interested in submitting an application.

Application Review

All applications received by the Department will be evaluated based on the materials provided as of the application deadlines and a review of publicly available information as reasonable to verify the provided information. Applicants interested in receiving technical assistance prior to submission of an application may contact the Department with questions. Full applications will be reviewed for completeness, whether they meet the Eligibility Criteria, and the extent to which they meet the Selection Criteria. Incomplete applications may not be evaluated or considered for funding at the sole discretion of the State.

Site Visit

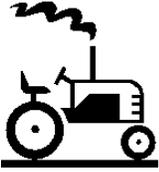
Department staff may perform a site visit of each proposed project prior to a funding decision in order to verify the accuracy of and better understand the proposal, as well as to clarify any outstanding questions identified through the application review. Applicants will be asked to make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner or property owner representative.

Conditions of Funding

In order to receive funding, the applicant must agree to the following conditions within their application and adhere to these conditions for the entirety of the grant term. Failure to adhere to these conditions will result in denial of funding.

CFCP's conditions of funding are as follows:

- Clear title to the agricultural conservation easement can be conveyed at close of escrow;
- The applicant and seller of the agricultural conservation easement agree to restrict the use of the land in perpetuity, subject to review after 25 years;
- The easement shall not restrict agricultural husbandry practices on the property;
- The total purchase price of the proposed easement shall not exceed the appraised fair market value of the easement;
- The easement appraisal must comply with the Department's published Overview and Preparation of Agricultural Conservation Easement Appraisals;
- The appraisal used to establish the easement value must be approved by State, and,
- The easement acquisition will be completed by February 2021.



Chapter 4: Grant Administration Process

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

Department Approved Projects

All projects approved for funding by the Department are to be considered conditionally approved and will only receive funding disbursements if the conditions of funding identified in this RFGA and any additional conditions identified in the award letter and grant agreement are satisfied.

Payment of Grant Funds

Funds cannot be disbursed until there is a fully executed Grant Agreement between the Department and grantee. Only those actual and direct project-related costs incurred after a complete application is submitted to the Department and no more than 180 days before the execution of the grant agreement or 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.

Funds for the purchase of an easement will be deposited into an escrow account established with a title insurance company licensed by the California Bureau of Real Estate for disbursement upon completion of all requirements necessary to close the easement, as outlined in the CFCP grant agreement. Prior to payment of grant funds from the escrow account, 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. Associated costs for the purchase of the easement will be paid on a reimbursement basis, after escrow has closed and all final documents have been received by the Department.

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

All expenditures of public funds under this program are subject to audit by the State of California. 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 and Purchasing

Grant recipients may make use of their own staff and such subcontractor(s) as they deem necessary to complete the easement transaction. Grant recipients are expected to adhere to the jurisdiction's or organization's competitive bid, 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 an audit by the State of California.

Workplace Certification and Insurance

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

Governmental grantees will be required to show evidence of self-insurance. All other grantees must obtain and keep Worker's Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department for the term of the Grant Agreement. The insurance specifications are included within the standard grant agreement template. 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.

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.

Loss of Funding (Not a complete list)

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

- Grant recipient fails to enter into a Grant Agreement;
- Grant recipient withdraws from the grant program;
- Grant recipient fails to adhere to the conditions of funding specified in this RFGA;
- Grant recipient fails to complete the funded work;
- Grant recipient fails to complete work in a manner that meets the requirements agreed upon;
- Grant recipient fails to submit all documentation within the time periods specified in the Grant Agreement;
- Grant recipient changes scope of work without approval of the Department; or,
- Grant recipient changes the subcontractor or partner(s) identified in the work plan or application without approval from the Department.