

TITLE 14. NATURAL RESOURCES
DIVISION 2. DEPARTMENT OF CONSERVATION
CHAPTER 6. DIVISION OF LAND RESOURCE PROTECTION
ARTICLE 1. CALIFORNIA FARMLAND CONSERVANCY PROGRAM

NOTICE OF PROPOSED RULEMAKING

[Notice published August 19, 2022]

The Division of Land Resource Protection ("DLRP"), within the California Department of Conservation ("Department"), proposes to amend Section 3010 of Title 14 of the California Code of Regulations after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Department will hold a virtual public hearing on September 19, 2022, at 10:00 a.m.

Attendees may participate via Microsoft Teams online meeting platform or telephone conferencing. To participate via Microsoft Teams online meeting platform please email Christine Hansen at Christine.Hansen@conservation.ca.gov by 4:00 p.m. on September 16, 2022 to request a link to the meeting or for telephone participation instructions. A link to the meeting and telephone instructions will also be posted with this Notice on the Department's website, no later than 8:00 a.m. the morning of the hearing.

As a reasonable ADA accommodation, limited in person seating may be available at the Department's office, 715 P Street, MS 1900, Sacramento, CA 95814. Attendees must comply with all COVID-19 safety protocols. Please contact Christine Hansen at Christine.Hansen@conservation.ca.gov by 4:00 p.m. on September 16, 2022, if an accommodation is necessary.

Participants will be given instructions on how to provide oral comment once they have accessed the hearing. The hearing will continue on the date noted above until all testimony is submitted, or until 1:00 p.m., whichever is later. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Department requests, but does not require, that persons who make oral comments at the hearing also submit a written copy of their testimony via email.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Department. Comments also may be submitted by e-mail to Christine.Hansen@conservation.ca.gov. The written

comment period closes at **5:00 p.m. on October 3, 2022**. The Department will consider only comments received by the Department by that time. Submit comments to:

Christine Hansen
California Department of Conservation
715 P Street, MS 1900
Sacramento, CA 95814
Christine.Hansen@conservation.ca.gov
Re: CFCP Rulemaking Comment

AUTHORITY AND REFERENCE

Public Resources Code section 10240 authorizes the Department to adopt and amend regulations. The proposed amendment to the regulation would implement, interpret, and make specific sections 10231 and 10260 of the Public Resources Code.

INFORMATIVE DIGEST / POLICY STATEMENT OVERVIEW

Summary of Existing Laws and Effect of the Proposed Action

Public Resources Code section 10260 requires that grants under the California Farmland Conservancy Program (CFCP) for the acquisition of interests in real property be supported with a real estate appraisal that establishes the fair market value of the property interest to be acquired. Public Resources Code section 10231 provides for the reimbursement of direct costs incidental to the acquisition of interests in real property under the CFCP. According to section 10260, appraisals must be complete before the Department can disburse grant funds, and the statute allows the Department to conditionally approve grant applications prior to completion of final appraisals. (Pub. Resources Code, § 10260, subd. (b).) By contrast, existing section 3010 of Title 14 of the California Code of Regulations requires real estate appraisals be completed prior to the Department acting upon any application for CFCP grant funds.

The proposed action would amend Regulation 3010 to eliminate the requirement that appraisals be completed prior to the Department acting upon a grant application, and instead require that appraisals be completed prior to the disbursement of grant funds, consistent with Public Resources Code section 10260, subdivision (b). The proposed amendment would also delete language that would become superfluous once the appraisal is no longer required at the application stage.

Anticipated Benefits of the Proposed Amendment:

The broad objective of the amendment is to implement the statutory requirement for real estate appraisals in the most efficient, effective, and least burdensome manner to prospective grantees. The specific benefits anticipated from the amendment are: (1) eliminate a current disincentive to applying for CFCP grants and increase program participation and competition for CFCP grants, (2) ensure that the costs of appraisals can be reimbursed as a grant cost, consistent with Public Resources Code section 10231; and (3) reduce the likelihood that appraisals will expire and thus need to be updated or recompleted prior to the closing of grant-funded real estate transactions.

Determination of Inconsistency/Incompatibility with Existing State Regulations:

The Department has determined that this proposed amendment would not render the regulation inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to or affect this area of law, the Department has concluded that these are the only regulations that concern the timing of the appraisal in the CFCP grant process.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Department has made the following initial determinations:

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or business: The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Significant statewide adverse economic impact directly affecting businesses and individuals: None.

Significant effect on housing costs: None.

Results of the Economic Impact Analysis/Assessment

The Department concludes that it is unlikely that (1) the proposal will eliminate any jobs, (2) the proposal will create any jobs, (3) the proposal will create any new business, or (4) the proposal will eliminate any existing business or result in the expansion of businesses currently doing business within the state. The Department believes the proposed amendment will benefit California residents and the community of eligible grantees by eliminating a disincentive to applying for CFCP grant funds, thus resulting in greater competition for grants and more impactful grant-funded projects. Accordingly, by improving the administration of the CFCP, the Department believes the proposed amendment will have indirect benefits to the health and welfare of California residents and the state's environment. The Department does not anticipate any benefits to worker safety.

Small Business Determination: The Department has determined that the proposed amendment will affect small businesses. The regulation amends the procedures that must be followed by parties eligible to apply for CFCP grant funds, which include 501(c)(3) nonprofit organizations that are small businesses. The Department does not expect any adverse economic effects on small businesses.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered or that has otherwise been identified and brought to the attention of the agency would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Christine Hansen
California Department of Conservation
715 P Street, MS 1900
Sacramento, CA 95814
Christine.Hansen@conservation.ca.gov

The backup contact person for these inquires is:

Graham St. Michel
California Department of Conservation
715 P Street, MS 1900
Sacramento, CA 95814
Graham.Stmichel@conservation.ca.gov

Please direct requests for copies of the proposed text of the amendment, the initial statement of reasons, and/or any other information relevant to the rulemaking to the above address.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATION, AND RULEMAKING FILE

The Department will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the amendment, the initial statement of reasons, and the STD 399. Copies of this information may be obtained by contacting the address, e-mail address, or phone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

After holding the hearing and considering all timely and relevant comments received, the Department may adopt the proposed regulation substantially as described in this

notice. If the Department makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Department adopts the regulation as revised. If substantive modifications are made, the Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting the contact person identified above.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Rulemaking, the Initial Statement of Reasons, and the text of the regulations in underline and strikeout can be accessed through the Department's website at www.conservation.ca.gov.