

Acquisition Grants Packet

**CALIFORNIA
SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM**

GUIDELINES & APPLICATIONS

PART OF CALIFORNIA CLIMATE INVESTMENTS

**STATE OF CALIFORNIA
STRATEGIC GROWTH COUNCIL**

FINAL

APRIL 2023



**CALIFORNIA STRATEGIC
GROWTH COUNCIL**



**California
Department of
Conservation**

STRATEGIC GROWTH COUNCIL

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At-A-Glance

Program

The Sustainable Agricultural Lands Conservation Program is a component of the Strategic Growth Council's Affordable Housing and Sustainable Communities Program. The Department of Conservation, in conjunction with the Natural Resources Agency, administers SALC on behalf of the Strategic Growth Council.

Funding Source

This program is funded through the California Climate Investments Program.

Critical Dates for Round 9

Draft Guidelines released for comment: February 10, 2023

Public comment closed: March 17, 2023

Guidelines adopted: April 26, 2023

Acquisition Pre-proposal due: June 16, 2023

Planning Pre-proposal due: June 30, 2023

Capacity applications due: July 21, 2023

Determination of available funding: September 2023

Acquisition and Planning Applications due: September 8, 2023

Project Awards: December 2023

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Section 1: Sustainable Agricultural Lands Conservation Program Introduction and Summary

The Sustainable Agricultural Lands Conservation Program (SALC), a component of the Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program, supports California's greenhouse gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG-intensive uses. It also contributes to implementation of Governor Newsom's Executive Order N-82-20, which calls for the accelerated use of nature-based solutions to address the climate and biodiversity crises. Protecting critical agricultural lands from conversion to urban or rural residential development promotes smart growth within existing jurisdictions, ensures open space remains available, and supports healthy agricultural and tribal food systems, and resulting food security. Healthy and resilient food systems are becoming increasingly important in meeting the challenges occurring and anticipated as a result of climate change.

SALC is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment— particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.

Program Components

These **Guidelines** cover the following investment types:

- **Agricultural Conservation Acquisition Capacity Funding** – Grants to develop agricultural conservation easement and fee acquisition projects and/or cover associated costs to help close acquisition projects where the cost of the acquisition is covered by an alternate source of funding.
- **Agricultural Conservation Acquisitions** – Grants to protect important agricultural lands under threat of conversion to nonagricultural uses through the acquisition of voluntary, permanent agricultural conservation easements (easements) or fee title purchases.

- **Agricultural Conservation Planning** – Grants to develop and implement plans for the protection of agricultural lands under pressure of being converted to non-agricultural uses.

For the purposes of this program, agricultural land includes both cultivated and non-cultivated lands that support an agricultural use, including gathering and activities that promote healthy trees, shrubs, and perennial forbs for the cultivation of traditional foods, herbal medicine, fibers (such as basketry material), and dyes so long as such activities are led by or conducted in partnership with a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission, or members thereof.

Goals

The goals of SALC are to:

- Protect agricultural lands that support infill and compact development
- Contribute to carbon neutrality
- Support sustainable land management
- Support coordinated land use planning
- Support Executive Order N-82-20 by:
 - a. Safeguarding the State's economic sustainability and food security
 - b. Protecting biodiversity
 - c. Enabling enduring conservation measures on working lands, in partnership with land managers and natural resource user groups
 - d. Building climate resilience, reducing risk from extreme climate events, and contributing to the State's effort to combat climate change
 - e. Advancing equity and opportunity for all regions of California

Funding

SALC will award an amount equal to ten percent (10%) of the auction proceeds available from the twenty percent (20%) continuously appropriated to the Strategic Growth Council for the AHSC from GGRF each fiscal year. SALC administration costs will be deducted from the available funding prior to project award. The actual funding amount available each fiscal year will not be determined until after the fourth auction for that fiscal year.

Funding should leverage private and other government investment to the maximum extent possible.

SALC will coordinate with local, state, and federal programs to avoid duplicative funding for projects.

Funds not awarded under one program component may be used to increase available funding for another program component, at the Strategic Growth Council's discretion.

SALC funds not awarded or identified for award to alternate projects under one solicitation may be made available in the subsequent solicitation. Additional funding for SALC project may be available from previously funded project that withdraw or come in under budget.

GHG Quantification

The California Air Resources Board (CARB) adopts [Funding Guidelines for Agencies that Administer California Climate Investments](#) (CARB's Funding Guidelines) to ensure that all programs that receive California Climate Investments dollars distribute those dollars in accordance with applicable law.

Greenhouse Gas Emissions

Per CARB's Funding Guidelines, all California Climate Investments programs must facilitate the achievement of greenhouse gas emission reductions. SALC estimates avoided greenhouse gas emissions based on the vehicle miles traveled avoided by protecting agricultural land at under pressure of being converted to non-agricultural uses and limiting opportunities for expansive, vehicle-dependent forms of development. These avoided emissions are quantified and reported for funded easement projects in accordance with a [CARB-approved quantification methodology](#).

Co-Benefits

Pursuant to AB 1532, GGRF monies shall be used to facilitate reductions of greenhouse gas emissions and, where applicable and to the extent feasible, to:

- maximize environmental, economic, and public health benefits for California, and
- lessen the impacts and effects of climate change on the state's communities, economy, and environment.

CCI refers to such benefits as co-benefits. To the maximum extent feasible, SALC will work with other administering agencies to provide co-benefits and to maximize the benefits from each funding program. This coordination may include sharing information about a project or applicant. Co-benefits associated with SALC projects may include:

Environmental Co-Benefits

- Protection of land of special environmental significance
- Protection of watershed health
- Protection of native plants and animals
- Restoration of habitat
- Implementation of traditional ecological knowledge led by Tribes
- Protection of habitat connectivity and wildlife corridors
- Protection of open space and viewsheds

Economic Co-Benefits

- Retention of local jobs and agricultural revenue
- Support for workforce development
- Retention of entrepreneurial opportunities
- Avoidance of spending on municipal services for dispersed development

Public Health Co-Benefits

- Access to affordable, nutritious foods
- Reductions in food waste
- Agricultural practices that reduce negative public health impacts
- Reduction in the risk of wildfire-related health impacts
- Protection of groundwater and drinking water sources

Additional Co-Benefits

- Facilitation of collaboration among multiple entities
- Opportunities for partnerships with Tribes
- Educational opportunities for students or new farmers
- Outdoor access
- Avoided increase in flood risk

Statutory Authority

Public Resources Code sections [75127](#) and [75128](#) direct the Strategic Growth Council to manage and award financial assistance to support the planning and development of communities that achieve sustainability objectives. Public Resources Code Section [75126\(b\)](#) states that these funded activities must be consistent with California's planning priorities specified in [Government Code Section 65041.1](#) ("California's Planning Priorities"). Public Resources Code, Section [75125](#) states that the Strategic Growth Council shall develop guidelines for awarding financial assistance, including criteria for eligibility and additional considerations.

[AB 32](#) (Chapter 488, Statutes of 2006) and related amendments identify climate change as a serious threat to the economic well-being, public health, natural resources, and environment of California and established the GGRF. Health and Safety Code Section [39719\(b\)\(1\)\(C\)](#) apportions the Strategic Growth Council twenty percent (20%) of GGRF auction proceeds on an annual basis. Health and Safety Code [Section 39712\(b\)](#) requires that GGRF monies be used to reduce GHG emissions consistent with the purposes of AB 32.

Public Resources Code Section 75210 established AHSC to:

“reduce greenhouse gas emissions through projects that implement land use, housing, transportation, and agricultural land preservation practices to support infill and compact development, and that support related and coordinate public policy objectives, including...protecting agricultural lands to support infill development.”

Public Resources Code Section [75212](#) lists the types of projects eligible for funding under the AHSC. Specifically:

- Section 75212(h) authorizes the Strategic Growth Council to invest in the “acquisition of easements and other approaches or tools that protect agricultural lands that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban and suburban sprawl or those of special environmental significance.”
- Section 75212(i) authorizes the Strategic Growth Council to invest in projects for “planning to support implementation of a sustainable communities strategy, including implementation of local plans supporting greenhouse gas emissions reduction efforts and promoting infill and compact development.”

SALC was developed as a component of AHSC to administer projects eligible for GGRF funds pursuant to these sections.

SALC was identified by the Strategic Growth Council as most appropriately administered by the California Department of Conservation (Department) in conjunction with the Natural Resources Agency (Agency). The Strategic Growth Council approved the roles of the Department and the Agency at its July 10, 2014 meeting. In addition, SALC has been developed in consultation with the California Department of Food and Agriculture.

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

- Public Resources Code Sections 10200-10277, the California Farmland Conservancy Program
- Public Resources Code Sections 10280-10283, Agricultural Protection Planning Grant Program
- Government Code Section 65570, the Farmland Mapping and Monitoring Program
- Government Code Sections 51200-51294.7, the Williamson Act
- Public Resources Code Division 9, governing Resource Conservation Districts

Equity

Priority Populations

[Health and Safety Code section 39713](#) directs state and local agencies to make significant investments that improve California's most vulnerable communities. The statute requires that GGRF funding for California Climate Investments as a whole benefit [disadvantaged communities \(including lands under control of federally recognized Tribes\)](#), [low-income communities, and low-income households](#) (priority populations) as follows:

- A minimum of twenty-five percent (25%) of available GGRF monies to projects that are located within and benefit individuals living in disadvantaged communities;
- A minimum five percent (5%) of available GGRF monies to projects that benefit low-income households or to projects that are located within and benefit individuals living in low-income communities located anywhere in the state; and,
- A minimum five percent (5%) of available GGRF monies to projects that benefit low-income households located within a ½ mile of a disadvantaged community or to projects that are located within and provide benefits to individuals living within low-income communities that are outside of, but within a ½ mile of, a disadvantaged community.

[Public Resources Code section 75214](#) establishes a target of expending fifty percent (50%) of overall AHSC funds on projects located in and benefit disadvantaged communities to meet these GGRF goals, and CARB works with AHSC each year to set annual investment targets. The established [FY2022-23 investment targets](#) for AHSC are:

- 55% of awarded funds to Disadvantaged Communities

- 15% of awarded funds to Low-Income Communities or Households
- 5% of awarded funds to communities within a ½-mile of disadvantaged communities and within a low-income community census tract

Funding allocated by SALC to priority populations is counted toward these AHSC targets.

To meaningfully benefit a priority population, a project must meet all the following requirements:

- Fifty percent (50%) or more of the project must be located within:
 - A disadvantaged community census tract, as designated by CalEPA;
 - A low-income community census tract, as defined in HSC 39713; or,
 - A half-mile of a disadvantaged community and within a low-income community census tract;
- The project must address an important community or household need; and,
- The project must provide direct, meaningful, and assured benefits to a priority population as determined using the Priority Population Benefits Table for the applicable project type.

A mapping tool to determine whether a project location is within a priority population census tract is available on [CARB's Community Investments webpage](#).

Applicants interested in having their proposal considered for priority population benefits must complete the Priority Population Benefits Table and provide supporting documentation in their application. Please check <http://www.arb.ca.gov/cci-resources> for any updates to the priority population benefit criteria tables. These materials will be evaluated in detail to determine if the benefits provided rise to a level that can be claimed to meet the AB 1550 requirements. Information provided to support a priority population benefits claim will be reviewed by the SALC Interagency Committee, in consultation with CARB.

- Planning grant applications found to benefit priority populations will be prioritized for funding, and may receive one hundred percent funding for eligible costs.
- Capacity grant applications found to benefit priority populations will be prioritized for funding.
- Acquisition applicants that benefit priority populations will be prioritized for funding, and may receive one hundred percent funding for eligible costs.

Federally and Non-Federally Recognized California Native American Tribes

Executive Order N-15-19 acknowledges and apologizes on behalf of California for the historical “violence, exploitation, dispossession and the attempted destruction of tribal communities” from the early years of the State to present day and creates the [California Truth & Healing Council](#). In the spirit of truth and healing and consistent with the Office of the Governor's [Statement of Administration Policy on Native American Ancestral Lands](#), through each of its three funding areas – capacity, planning, and acquisitions -- SALC seeks to:

- support ownership, management, and co-management of, and access to natural lands and Indigenous cultural resources within those lands by Federally recognized and non-federally recognized California Native American tribes on the contact list maintained by the Native American Heritage Commission
- Facilitate access of California Native Americans to cultural resources
- Support the ability of California Native Americans to engage in traditional and sustenance gathering, hunting, and fishing
- Encourage partnerships with California tribes on land management and stewardship utilizing Traditional Ecological Knowledge.

Acquisition projects where a tribe or tribal non-profit with 501(c)3 status is either the applicant or a co-applicant on the project will be prioritized for funding and may receive one hundred percent funding for eligible costs.

Tribal non-profit applicants must have a Native American-centered mission or have a majority Native American board. If the non-profit applicant does not meet this criterion, they must provide a letter of support from an eligible tribe detailing the nature of the relationship between the non-profit and the tribe, how the tribe will benefit from the project, and the tribe's support for the project.

Socially Disadvantaged Farmers and Ranchers

[SGC's Racial Equity Action Plan \(2021\)](#), approved by the Council, establishes SGC's vision for racial equity as “All people in California live in healthy, thriving, and resilient communities regardless of race.” The REAP also outlines actions SGC will take to achieve racial equity in its organization, operations, programs, and policies. It directs SGC staff to develop requirements for racial equity priority topics in each of its programs.

The Legislature “recognizes the importance of investing in the long-term prosperity of our food and farming system, starting with our farmers” and that:

(2) Farmers of color have historically not had equitable access to land and other resources necessary to conduct farming in California, and that legacy of prejudice persists.

(3) Female farmers represent less than a quarter of all farmers in the state. Only 2 percent of California farmers are women of color, according to the United States Department of Agriculture Census of Agriculture.

(4) Socially disadvantaged farmers and ranchers tend to farm fewer acres but have a greater diversity of crops in California.

(5) According to the United States Department of Agriculture Census of Agriculture, on average, socially disadvantaged farmers and ranchers in California receive less in federal payments than their White counterparts and also earn less.

(6) Despite the barriers, an increasing number of socially disadvantaged farmers and ranchers are attempting to farm throughout California, across rural and urban settings.

(7) Existing federal agricultural policies have failed to provide sufficient and appropriate technical assistance and financial support, including farmer cooperative creation, for socially disadvantaged farmers and ranchers.

(Food and Agriculture Code Section 511.)

The Farmer Equity Report (California Department of Food and Agriculture, 2020, p.9) found that “[a] primary challenge facing socially disadvantaged farmers and ranchers in California is land tenure.” “Land tenure is an issue that can affect farmers and ranchers’ eligibility for CDFA resources such as grants as well as inform their decisions on adopting long-term conservation practices. This is a key issue that should be recognized when developing programs, policies and resources because it affects all aspects of farm business [.]” (*Id.* p. 10.)

To implement the Racial Equity Action Plan (2019), to address the Legislature's findings set forth in Section 511, and to address CDFA's findings in the Farm Equity Report, SALC encourages projects that benefit socially disadvantaged farmers and ranchers and increase their participation in acquisition and

planning projects. "Socially disadvantaged farmers and ranchers" has the meaning set forth in Appendix L.

Acquisition projects that provide secure land tenure to a beginning or Veteran farmer or rancher, a California Native American tribe, a farmer or rancher who is a member of a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission, or to a farmer or rancher that is a resident of a priority population, as defined in these Guidelines, will be prioritized for funding and may receive one hundred percent funding for eligible costs.

Investment Targets

SALC will aim to award 20% of available funding for acquisition, capacity, and planning grants to fund projects that:

- provide secure land tenure to a beginning or Veteran farmer or rancher, a California Native American tribe, a farmer or rancher who is a member of a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission, or to a farmer or rancher that is a resident of a priority population, or
- provide meaningful benefits to a priority population, as defined in these Guidelines.

SALC will aim to award 5% of available funding for acquisition, capacity, and planning grants where a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission, or a tribal non-profit with 501(c)3 status is either the applicant or a co-applicant on the project.

SALC staff will report on the number of acquisition, capacity, and planning projects that contribute to the above investment targets in the staff report outlining proposed project awards each year. If an investment target is not met, SALC staff will provide an explanation as to why.

If insufficient projects are submitted to meet the above targets, the Strategic Growth Council may elect to award remaining target funds to other eligible applications submitted this round, or to roll those funds over to meet target purposes in the subsequent solicitation, at its sole discretion.

Grant Application

The application processes for Capacity, Acquisition, and Planning grants are detailed in Sections 2, 3, and 4 of these Guidelines, respectively. Pre-proposals and applications must be received electronically by 11:59 p.m. on the deadlines specified in the most current solicitation.

SALC forms and sample documents are available in the Addenda and individually on the [SALC website](#).

A summary of each project application, the California Climate Investments funding request, and priority population benefits status will be posted at least ten days before the Strategic Growth Council makes project awards. The Strategic Growth Council determines the final awards and will announce these awards at a public meeting. Applicants will be notified in writing of the Strategic Growth Council's decision following the meeting at which the awards are announced.

Publicity and Confidentiality

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

Because public funds are used to secure acquisitions and fund planning and capacity grants, details related to an application are public records that may be publicly released in accordance with the California Public Records Act.

Note: There are exemptions to the California Public Records Act. Tribes, tribal non-profits, and other applicants that believe their applications contain confidential information per one or more exemption may mark that information as confidential and provide the reason why in their application. This will help the Department identify potentially confidential information for further review in the event of a Public Records Act request.

Grantees are required to use Strategic Growth Council, California Climate Investments and Department of Conservation names and/or logos for all publications, websites, signage, invitations, and other media-related and public-outreach products related to the grant. Guidance on logo usage, signage, and logo files contained in the [Style Guide](#).

Long Form Materials

Long-form written materials, such as reports, must include the following standard language about the SALC Program and California Climate Investments:

The Sustainable Agricultural Lands Conservation Program (SALC), a component of the Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program, administered by the Department of Conservation, supports California's greenhouse gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG-intensive uses. Protecting critical agricultural lands from conversion to urban or rural residential development encourages infill development within existing jurisdictions, ensures open space remains available, and supports a healthy agricultural economy and resulting food security. A healthy and resilient agricultural sector is a critical part of meeting the challenges occurring and anticipated as a result of climate change.

SALC is part of California Climate Investments, a statewide program that puts billions of Cap-and-Trade dollars to work reducing GHG emissions, strengthening the economy, and improving public health and the environment— particularly in disadvantaged communities. The Cap-and-Trade program also creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.

Press Releases, Flyers and Visual Materials

Any informational materials that do not qualify as long-form, but that include at least a paragraph of text, such as press releases, media advisories, short case studies, flyers, etc., should include the following:

“Funds for [Project name or type] were made available through the California Strategic Growth Council’s Sustainable Agricultural Lands Conservation Program (SALC) in collaboration with the Department of Conservation. SALC is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the

economy, and improving public health and the environment – particularly in disadvantaged communities.”

Grantees may at times produce promotional materials that are primarily visual in nature, such as banners, signage, certain flyers, and sharable images for social media. In such cases, when including the boilerplate language acknowledging CCI and SGC support is not practical, grantees should instead include the official logos of both SGC and CCI, preceded by the words “Funded by.” Any informational materials that include at least a paragraph of text should include the CCI language below. Please contact the SALC staff with questions.

Media Inquires

Grantees are required to identify a point of contact for all press inquiries and communications needs related to the project and provide the name, phone number and email address of this individual to DOC. Grantees may also distribute a press release after grant decisions are made at SGC's Public Council Meeting and are encouraged to do so for other major milestones throughout the lifecycle of the grant. All press releases must be approved by DOC prior to distribution and DOC and SGC must be alerted about and invited to participate in any and all press conferences related to the grant.

Nondiscrimination Policy

Consistent with Article I, Section 31 (a) of the California Constitution, the State of California and its programs shall not discriminate against, nor grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

Section 2: Agricultural Conservation Capacity and Project Development Grants

[Section 2 intentionally left blank. Capacity and Project Development grant content can be found in the combined guidelines PDF or in the capacity specific packet.]

Section 3: Agricultural Conservation Acquisition Grants

Under the [Cap-and-Trade Auction Proceeds Third Investment Plan](#) and Executive Order N-82-20, California aims to invest California Climate Investment dollars in the conservation of working lands in order to facilitate net climate benefits and long term carbon sequestration in the land base.

Preventing the conversion of agricultural land to residential or rural residential development avoids vehicle miles traveled and related greenhouse gas emissions.

A complete list of all the Eligibility Criteria for acquisition projects is listed within the “Eligibility and Selection Criteria for Agricultural Conservation Acquisitions” section.

Applications that do not meet all the Eligibility Criteria will not be considered for funding.

There is no maximum award for Acquisition grants. There is no minimum project size.

Eligible Applicants

Cities, counties, non-profit organizations, resource conservation districts, regional park or open-space districts, regional park or open-space authorities, and federally recognized California Native American tribe or a nonfederally recognized California Native American tribe that is on the contact list maintained by the Native American Heritage Commission, are eligible to apply for funding.

An application can be submitted by either (1) a single applicant where the applicant is the intended easement holder or intended conservation buyer or (2) multiple entities that are collaborating on the acquisition, one of which must be identified as the intended easement holder or intended conservation buyer. Non-profit applicants must have the conservation of agriculture, rangeland, farmland, or tribal cultural resources among their stated purposes, as is prescribed by statute, or as expressed in the entity's adopted policies. The applicant and co-applicant cannot already have an interest in the property.

Non-profit applicants that intend to be the easement or fee title holder of the acquired property must be accredited by the Land Trust Accreditation Commission or have adopted equivalent or greater policies regarding conflict of interest, amendments, monitoring, stewardship endowments, and enforcement, as relevant, prior to submission of an application. Those that haven't must apply with either a co-applicant that has such policies in place or a government entity.

Non-profit applicants must hold a tax exemption as defined under Section 501(c)3 of the Internal Revenue Code and be qualified to do business in the state. Non-profit organization must also have as their primary purpose the preservation, protection, or enhancement of agriculture, farmland, rangeland, or tribal cultural resources.

Eligible applicants are not limited in the number of project applications they may submit.

Eligible Projects

Agricultural conservation acquisition grants will be provided to fund the purchase of conservation easements or fee title to agricultural land, including where an easement or fee purchase is part of a buy/protect/sell strategy to conserve the land. For purposes of this program agricultural land includes both cultivated and non-cultivated lands that support an agricultural use, including gathering and activities that promote healthy trees, shrubs, and perennial forbs for the cultivation of traditional foods, herbal medicine, fibers (such as basketry material), and dyes so long as such activities are led by or conducted in partnership with an eligible California Native American tribe or members thereof.

Agricultural intensification restrictions on non-cultivated land are permitted if each of the following conditions is met:

- The restriction is consistent with the property's current and reasonably foreseeable agricultural use, and
- Agricultural use of the property is not substantially impaired.

Example 1: Restriction permitted

A restriction on conversion of rangeland to vineyards would be permitted because the restriction 1) is consistent with the property's current and reasonably foreseeable future commercial agricultural use and 2) permits continued use as rangeland.

Example 2: Restriction permitted

A restriction that prohibits cattle from accessing sensitive riparian areas containing threatened species so long as alternative water sources are available onsite would be permitted. Such restriction does not 1) interfere with the continuing agricultural use as cattle can drink from the alternative water source and 2) the restriction does not substantially impair agricultural use on the property but only a small portion of the property.

Example 3: Restriction permitted

A restriction that prohibits conversion of land used for the cultivation of traditional foods, herbal medicine, fibers (such as basketry material), and/or dyes to irrigated agriculture would be permitted if the project is led or developed in partnership with a tribe. Such restriction 1) is consistent with the property's current and reasonably foreseeable use and 2) permits continued cultivation of traditional materials.

Example 3: Restriction not permitted

A restriction on pasture land that would allow only one alpaca, a family pet, to be grazed with imported alpaca feed would not be permitted as such a restriction 1) is not consistent with the property's continuing agricultural use as pasture and 2) substantially limits the agricultural use.

Eligible Costs

Only direct costs incurred to acquire the easement or fee title to the property during the grant term specified in the Grant Agreement are eligible for payment under this program.

Easement Acquisition Cost

Competitive grants will be awarded to cover up to ninety percent (90%) of the value of the agricultural conservation easement.

Fee Acquisition Cost

Not more than twenty five percent (25%) of available funding may be awarded for fee acquisition projects. Competitive grants may be awarded to cover up to ninety (90%) of the agricultural conservation easement value of the property's fair market value. For example, if the property's fair market value is \$1,000,000, and its easement value is 50% of the fair market value (\$500,000), SALC would contribute a maximum of \$450,000 (or 90% of \$500,000) toward the purchase of the property. Notwithstanding the foregoing, where a tribe or tribal non-profit is the applicant or co-applicant on a fee acquisition project, or where a tribe or tribal non-profit will become the owner of the conserved land, SALC may pay for up to 100% of the fair market value of the property.

Associated Costs

All projects approved for funding are eligible to receive up to \$60,000—in addition to the funding toward the acquisition discussed above—to cover reasonable associated costs incurred to acquire the real property interest.

The Strategic Growth Council will allocate \$60,000 in associated costs funding for each awarded project, unless applicants specify a lower amount in their application. The Strategic Growth Council may increase a project's associated cost allocation if it determines such costs are commensurate with the work needed to complete the project. Applicants requesting more than \$60,000 must provide a detailed budget with the preproposal and application. All applicants must provide a detailed budget for the project, should the project be awarded funding.

All eligible costs must be supported by appropriate documentation during the invoicing process.

Eligible Associated Costs

- Fully-burdened applicant staff time for:
 - Deed negotiations
 - Title work
 - Project mapping
 - Appraisal review and coordination
 - SALC-required reporting
- Technical and legal consulting
- Appraisal
- Preliminary title report
- Baseline conditions report
- Escrow fees
- Title insurance fees
- Property boundary survey(s)
- Building Envelope survey(s)
- Environmental site assessment(s)
- Mineral remoteness evaluation(s)
- Tribal consultation(s)

Ineligible Associated Costs

- Costs incurred outside the grant term
- Indirect or overhead costs
- Travel
- Expenses for publicity or publicity-related events

- Bonus payments of any kind
- Interest expenses
- Damage judgements arising from the acquisition, construction, or equipping of a facility, whether determined by judicial process, arbitration, negotiation, or otherwise
- Services, materials, or equipment obtained under any other State program
- Real estate brokerage fees and/or expenses
- Stewardship or legal defense funds
- CEQA documentation
- Food or beverages (whether or not incurred as part of meetings, workshops, training, ceremonies, or other events)

Conservation Management Plans and Carbon Farm Plans

All projects awarded funding are eligible to receive up to \$10,000, in addition to the funding toward the acquisition and associated costs discussed above, to develop a conservation management plan for the property, or up to \$10,000 to develop a carbon farm plan for the property.

For projects located within or adjacent to a disadvantaged community or low-income community, SALC highly encourages the development and implementation of a management plan that, to the extent feasible, reduces potential burdens to disadvantaged and low-income communities, including reductions in air pollution caused by agricultural operations, reductions in agricultural runoff, and/or reduction of degradation to surrounding ecosystems.

Minimum conservation management plan and carbon farm contents are set forth in [Appendix E](#).

Match

Applicants must identify all existing or potential match funders in their pre-proposals and applications. Applicants cannot utilize other Department-administered program funding as match toward the purchase price of the property interest.

CARB encourages all agencies that administer California Climate Investments programs to coordinate investments and leverage funds where possible to provide multiple benefits and to maximize benefits. To aid SALC's efforts to coordinate investments and leverage funds as recommended by CARB, applicants pursuing project funding through other California Climate Investments programs should indicate which programs they are applying to,

and whether such applications are for funding in lieu of or as match to SALC funding, in their application.

Initial Screening–Pre-proposals

Because the acquisition grant application process entails a significant amount of work, applicants are required to submit a pre-proposal to the Department prior to applying.

A pre-proposal consists of a structured summary of the proposed acquisition project; preliminary title report(s) less than twelve months old; an initial assessment of title concerns; as well as maps of the project boundaries, location, and proposed or existing building envelopes. Applicants are highly encouraged to submit a plotted easements map with their title report to facilitate the Department's title review.

The preliminary title report requirement may be deferred on a case-by-case basis with justification from the applicant and at the discretion of SALC staff. Applicants who are unable to obtain a current preliminary title report for their project prior to the pre-proposal deadline should contact SALC staff prior to submitting their project to discuss deferral of this requirement.

The pre-proposal worksheet is available in [Appendix C](#).

Department grant managers will utilize pre-proposal information to assist the applicant in determining whether the project meets the Eligibility Criteria; identifying what, if any additional information will be needed in the full application; and ascertaining whether the project has title complexities that may impact the project or other issues.

Eligibility and Selection Criteria for Agricultural Conservation Acquisitions

The Eligibility Criteria are informed by the GHG reduction requirement associated with use of Greenhouse Gas Reduction Funds, [Civil Code section 815 et seq.](#) (Conservation Easements), and the Department's California Farmland Conservancy Program. The information submitted in the application package should demonstrate how effectively the proposal will meet the SALC goals and objectives, criteria, and readiness requirements.

Projects must meet all Eligibility Criteria listed to be considered for funding.

Eligibility Criteria

- The application is for an Eligible Project.

- The applicant(s) is/are an Eligible Applicant.
- The proposed acquisition is not part of a local government's condition placed upon the issuance of an entitlement for use of a specific property.
- The property has no known agricultural constraints (e.g., due to soil or water contamination).
- Protection of the property will support infill and compact development.
- The proposal will support the implementation of an adopted or draft Sustainability Communities Strategy or, if a Sustainable Communities Strategy is not required for a region by law, a regional plan that includes policies and programs to reduce greenhouse gas emissions.
- The project is consistent with [California's Planning Priorities](#).
- The property is in an area with the necessary market, infrastructure, and agricultural support services to support long-term commercial agricultural production.*
- The property is expected to be used for, and is large enough to sustain, commercial agricultural production.*
- The project demonstrates that it will achieve a reduction in GHG emissions.
- The property is under pressure of being converted to non-agricultural uses.
- For local government applicants only: The local government applicant has not acquired, nor proposes to acquire, the interest in real property through the use of eminent domain, unless requested by the owner of the land.

*Acquisitions to promote healthy trees, shrubs, and perennial forbs for the cultivation of traditional foods, herbal medicine, fibers (such as basketry material), and dyes, and where the applicant or co-applicant is a California Native American Tribe, are exempt from requirements related to commercial agricultural production.

Projects that meet all the Eligibility Criteria will then be evaluated based on readiness and the extent to which they address the program's Selection Criteria. Projects that receive an A or B Readiness Ranking will be ranked against one another based on their Selection Criteria score. Projects with Readiness Ranking C may be evaluated if funding allows. Projects with Readiness Ranking D will not be funded through SALC in the current round and will not be further evaluated.

Acquisition Readiness Ranking

- A. Project ready (match funding for easement acquisition secured, if applicable; no title concerns, or defined plan to address title concerns)

- prior to close of escrow that is acceptable to Department; project structure clearly defined; and reserved rights clearly defined).
- B. Project feasible but requires resolution of specific issues (e.g., match funding identified or applied for but not secured; contingencies in project structure and/or reserved rights).
 - C. Larger potential issue/resolution concerns (no match identified; project structure unclear; or reserved rights unclear).
 - D. Project not ready (e.g., plan to address title concerns is insufficient, nonexistent, or unlikely to resolve concerns prior to the end of the grant term).

Selection Criteria

The following list outlines the Selection Criteria by which eligible projects ranked A, B, or C will be scored using the Selection Criteria and ranked based on their score. Applications will be awarded points for each Selection Criteria on a sliding scale from zero to the number listed in the Selection Criteria table. All information submitted in the application package will be used by reviewers to evaluate the proposal and should demonstrate how effectively the proposal meets SALC goals and objectives.

Total points available out of 100.

- **Agricultural Use** (30 points): The extent to which the proposed project will support long term, economically viable, commercial agricultural production. For projects where the easement is to conserve land for the cultivation of traditional tribal foods, herbal medicine, fibers (such as basketry material), and/or dyes, the project will be scored based on the extent to which it supports sustainable management of cultural resources of historical importance to the tribe.
- **Support for Infill/Risk of Conversion** (30 points): The extent to which the project supports infill and compact development and is underpressure of conversion to non-agricultural uses, particularly residential or rural residential uses in the near future.
- **Other Program Goals** (20 points): The extent to which the project meets program goals not scored in other sections, including contributing to carbon neutrality and building climate resilience, supporting sustainable land management, reducing risk from extreme climate events, contributing to the State's effort to combat climate change, supporting coordinated land use planning, safeguarding the State's economic sustainability and food security, and protecting biodiversity.
- **Equity** (15 points): The extent to which the proposed project will advance equity and opportunity.

- **Other Co-Benefits** (5 points): The extent to which the proposed project provides co-benefits to the State beyond the program goals, including environmental, economic, public health, or other co-benefits.

Agricultural Use

Factors considered when scoring this section include soil quality and water availability and quality.

Projects with better soil quality, as determined using the Farmland Mapping and Monitoring Program data for irrigated land and Natural Resources Conservation Service gSSURGO data for rangeland, will score more points.

Water availability and quality will be evaluated as it relates to the current and foreseeable agricultural use on the property. Projects in high and medium priority groundwater basins, as defined by the Sustainable Groundwater Management Act (SGMA), will be evaluated based on the type and diversity of water sources available on the property, with projects with a diversity of water sources scoring more points.

Support for Infill and Risk of Conversion

Factors considered when scoring this section may include:

- the likelihood that the property will be converted or is adjacent to lands likely to be converted to residential or rural residential uses in the near future
- whether the property acts as or adds to a community separator or greenbelt
- Relevant land conversion and development trends in the region, including parcelization, changes in land use, housing development patterns, and increasing housing costs
- Commute times to job centers
- Development rights associated with and developability of the property, including minimum zoning, ordinances/regulations that may limit development, and landscape factors that may impede development
- Whether existing and/or planned transportation infrastructure promote sprawl development in the region
- Access to broadband.

Other Program Goals

Factors considered when scoring this section include the number of goals addressed, as well as the extent to which a project meets individual goals.

Projects that meet one goal very well will score better than projects that superficially meet multiple goals. Goals scored in other sections of the rubric will not be scored in this section.

Equity

Factors considered when scoring this section include:

- whether the project provides meaningful benefits to a priority population, as defined in these Guidelines
- whether the project provides secure land tenure to a beginning or Veteran farmer or rancher, a farmer or rancher who is a member of a Federally recognized or non-federally recognized California Native American tribe on the contact list maintained by the Native American Heritage Commission, or a farmer or rancher who is a member of a priority population, as defined in these Guidelines
- whether the project is led by or conducted in partnership with a California Native American tribe to increase that tribe's ownership, co-management of, or access to natural lands and cultural resources.

Other Co-Benefits

Factors considered when scoring this section include the number of co-benefits provided, as well as the extent to which a project provides individual co-benefits. Projects that provide one co-benefit very well will score better than projects that superficially provide multiple co-benefits. Items scored in other sections of the rubric will not be scored in this section.

Selection for funding may not be determined by a project's selection criteria score alone. Projects that meet the program's investment targets for priority populations and tribes will be granted priority for funding independent of the selection criteria so long as they first meet the program's eligibility criteria and readiness requirements. Should the number of projects that provide these benefits exceed the investment targets, those projects with the highest selection criteria scores sufficient to meet the targets will be given priority, while the remaining projects will be evaluated relative to the remaining applications submitted that round.

In determining which projects to award grant funding, the Strategic Growth Council may also consider factors including SALC's goals, avoided vehicle miles traveled, geographic distribution of funds, the urgency of the project, the Strategic Growth Council's priorities, and the applicant's past performance in completing SALC grants or Department administered grants. Alternate projects may be identified for funding by the Strategic Growth Council in the current

round of funding if funding becomes available. The Strategic Growth Council may award grants that partially fulfill an applicant's request.

Application Review

Applications for acquisition grants will be reviewed at least once per year, with the opportunity for additional cycles as funding and staff capacity allow. Additional application cycles will be announced on the Department's and Strategic Growth Council's websites at least 60 days in advance of the pre-proposal deadline.

Department staff are available prior to the application deadline to provide technical assistance to eligible applicants interested in applying. Pre-proposal forms are available as Appendix C. Application forms are available as Appendix D.

All pre-proposals and applications received by the Department will be evaluated based on the materials provided as of the pre-proposal and application deadlines, respectively. Materials not requested as part of the application process will not be reviewed. Department staff may review publicly available information as reasonable to verify the provided information.

Applicants interested in receiving technical assistance prior to submission of a pre-proposal may contact the Department with questions. Pre-proposals will be reviewed to determine project eligibility, and technical assistance provided to facilitate the development of competitive grant applications. Applicants will be notified regarding their project's eligibility following the pre-proposal review. Projects deemed eligible, or eligible with conditions, may be submitted as applications for further evaluation and scoring. In cases where reviewers have questions regarding eligibility or title concerns, proposers will be given the opportunity to respond to those concerns prior to an eligibility determination. For projects deemed eligible with conditions, applicants must provide substantive responses to the conditions identified in the pre-proposal feedback in their application in order for their application to be considered for funding.

Applications will be reviewed for completeness, readiness, and the extent to which they meet the Selection Criteria and address program priorities. Incomplete applications may not be evaluated or considered for funding at the sole discretion of the SGC.

Department staff will perform a site visit of each proposed project to verify the accuracy of and better understand the proposal, as well as to clarify any outstanding questions identified through the pre-proposal or application review. Applicants will be asked to arrange a tour of the property, which must be

attended by a representative of the applicant and by the property owner or property owner representative. Department staff may conduct virtual site visits in lieu of in-person visits consistent with State guidance.

Following the Department's initial review of the projects in relation to the Eligibility Criteria, Selection Criteria, and Readiness Rankings, SALC staff will review applications and recommendations with DOC management and an advisory group that includes Strategic Growth Council staff. Final award recommendations will be approved by the Strategic Growth Council at a public meeting.

Pre-proposal and Application Requirements

This section provides additional information regarding the components of the pre-proposal and application.

Agricultural Conservation Acquisition Pre-proposals

(All components are required unless otherwise noted)

- Acquisition Summary Sheet
- Documentation of Organizational Eligibility* (documents differ for non-profit and governmental applicants)
- Documentation of Organizational Capacity*
- Applicant-Landowner Letter of Intent
- Narrative Questions
- Preliminary Title Report, Underlying Documents, and Assessor's Parcel Maps
- Project Boundary Map
- Priority Population Benefits Table and supporting documentation *(only required if applying for priority population status)*
- Associated Costs Budget Table *(only required if applying for more than \$60,000)*

*Applicant may certify that the most current versions of the starred documents are on file with the Department in lieu of submitting the documents themselves.

Agricultural Conservation Acquisition Applications

(All components are required unless otherwise noted)

- Grant Application Cover Sheet
- Executive Summary (1-page maximum)
- Acquisition Summary Sheet
- Narrative Questions
- Applicant Resolution of Support
- Letter to Planning Director
- Letter from Groundwater Water Sustainability Agency *(only required for projects in critically overdrafted basins)*
- Updated Preliminary Title Report, Underlying Documents,

- and Assessor's Parcel Maps *(if requested)*
- Appraisal or Support for Estimated Easement Value
- Revised Project Boundary Area Map(s)
- Revised Building Envelope Map
- Revised Priority Population
- Benefits Table and supporting documentation *(only required if applying for priority population status)*
- Associated Costs Budget Table *(only required if applying for more than \$60,000)*

Applicants are required to notify the planning director of the county government within which the project is located about the application. Applicants with a project located within a city or city sphere of influence will need to notify both the relevant city and county. For all applications received, SALC will independently notify the local government's planning director. SALC will also notify the regional transportation planning agency responsible for the applicable sustainable communities strategy or regional transportation plan if a sustainable communities strategy is not required by law. These parties will have 30 days to provide comments regarding the application. SALC will make reasonable efforts to address concerns raised by these parties and may consider feedback in evaluating the application.

For applications where the intended holder of the real property interest is not the applicant, the applicant must provide the following from the intended holder of the real property interest in the pre-proposal:

- Certification of Acceptance of Conditions of Funding
- Documentation of Organizational Capacity
- Documentation of Organizational Eligibility

The intended holder of the real property interest may certify that the most current versions of the relevant documents are on file with the Department in lieu of submitting the documents themselves.

The applicant must provide a Resolution of Support from the intended holder of the real property interest in the application.

Application materials can be found in Appendix D.

General Information Regarding Agricultural Conservation Acquisition Requirements

Conditions of Funding

To receive funding from the SALC, the applicant must agree to the following conditions within their application and adhere to these conditions for the entirety of the grant term. Entrance into a grant agreement constitutes acceptance of the conditions of funding. Failure to adhere to these conditions throughout the grant term will result in loss of funding.

SALC's conditions of funding for **easement** acquisitions 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.
- If the Department is funding preparation of a conservation management plan or carbon farm plan, the Department has approved the plan.
- If agricultural intensification restrictions on non-cultivated land are proposed:
 - The restriction will be consistent with the property's continuing agricultural use, and
 - Agricultural use of the property will not be substantially impaired
- For projects where the property includes forest lands, the project will comply with Public Resources Code [4751-4752](#).
- 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 DGS and the Department.

SALC's conditions of funding for **fee** acquisitions are as follows:

- Clean title to the property can be conveyed at close of escrow.
- A Notice of Unrecorded Grant Agreement and an Irrevocable Offer to Convey Title in Fee will be recorded concurrently with the grant deed.
- The title to the property will be encumbered in perpetuity with the following covenants that run with the land:

- The property must actively be used for agricultural uses or, in cases where a tribe or tribal non-profit is the Buyer, the cultivation or maintenance of tribal cultural resources,
 - Prohibits permanent severance of water rights from the fee,
 - Restricts development potential on the property consistent with an agricultural conservation easement,
 - Until such time as the property is sold subject to an agricultural conservation easement, a proportion of the net proceeds from the lease revenue equal to the proportion of SALC funds used to purchase the property will be reinvested only in improvements on the purchased property or in pursuit of agricultural conservation easements in the region,
 - From the subsequent fair market sale of the burdened fee title, the state must be paid its proportionate share of the net proceeds within 30 days of close of escrow,
 - At least once every twelve months, the interest holder shall report to the Department certifying that the conditions of the deed are being upheld. The report must include an account of how each covenant is being upheld, including documentation of income generated from leasing the property and documentation of agricultural use on the property, and
 - At least once every twelve months, the interest holder shall allow the Department access to the property for the purposes of monitoring and verifying compliance with the terms of the deed.
- Except where the buyer is a tribe or tribal non-profit with 501(c)3 status, the buyer agrees to lease the property to one or more private operators for agricultural use or to sell the property to a private operator. The property must be leased within a commercially reasonable time after purchasing the property. If the applicant intends to sell the property as part of this conservation transaction, they must sell the property within 3 years of purchase. This requirement does not preclude the applicant from electing to sell the conserved property, with deed restrictions in place, at a later date.
 - Should the property be resold, it will be sold subject to a conservation easement
 - If the Department is funding preparation of a conservation management plan or carbon farm plan, the Department approves the plan within one year of close of escrow on the purchase.

- If agricultural intensification restrictions on non-cultivated land are proposed:
 - The restriction will be consistent with the property's continuing agricultural use, and
 - Agricultural use of the property will not be substantially impaired. The total purchase price of the proposed acquisition shall not exceed the appraised fair market value of the property.
- The appraisal used to establish the easement value (for the purposes of determining Department funding) and the fair market value of the property must comply with DGS standards and must be approved by DGS and the Department.
- The grant deed, including any exhibits, must be approved by the Department.

Property Restrictions

Deed Language

SALC staff developed deed language to address important terms and conditions that should be contained within each SALC-funded acquisition deed. Applicants are encouraged to review this language and discuss it with landowners and appraisers early in the process. Grantees will be required to obtain Department approval of the deed prior to disbursement of the acquisition funding. This language may be updated periodically and is available on the [Department website](#) or upon request.

Property Valuation

Appraisals

A current appraisal will be required to determine the fair market value of the property interest to be acquired, which will be used to determine the state's contribution to the acquisition.

All appraisals are subject to review and approval by the Department and the California Department of General Services Real Estate Services Section (DGS). The grant will only fund the appraisal that establishes the acquisition value used to complete the transaction. This cost will only be covered if the project is approved for funding, the appraisal is approved by the state, and the grantee requests Department reimbursement of associated costs in the grant application. In no situation shall the purchase price be greater than the appraised fair market value of the interest to be acquired.

The appraisal should be submitted prior to close of escrow, and with sufficient time for Department and DGS review.

If the project is approved, funding is available, and the appraisal contains a value that is higher than the estimate provided in the application, then, upon request by the grantee, awards may be increased:

- up to fifteen percent (15%) of the total grant award at the discretion of the Strategic Growth Council Executive Director. The Executive Director will report any award increases granted to the Council.

In no case shall the SALC contribution to the purchase price exceed ninety percent (90%) of the appraised easement value, except if the project met the requirements for reduced match at the time of award. Funding for any such increases in award amounts will be allocated either from existing non-allocated funds or from future allocations. Projects that receive award augmentations from future allocations will not be required to participate in any additional competitive solicitation processes. Any additional increase in valuation above fifteen percent (15%) will need to be covered by a landowner bargain sale (donation) or by other match funders.

Savings that result from an appraised value that is lower than the applicant's estimated value may be apportioned to the participating funders to preserve the match.

The applicant must select and retain an independent, certified appraiser to appraise the subject property. For both easement and fee purchases, 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 associated with the proposed acquisition with the landowner and appraiser early in the appraisal process. Applicants should advise appraisers and landowners that appraisals are public records under the California Public Records Act of 1968 (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with §6250). Major considerations 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 restrictions or permitted uses may necessitate an update to the appraisal.

If a significant amount of time (24 months) transpires between the effective date of the appraisal and the anticipated escrow closing date, applicants may be required to obtain a new appraisal.

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 timing and requirements of the easement appraisal are critical. See a tax attorney or accountant for more information—the Department is not able to provide the applicant or landowner with assistance relating to this or other tax-benefits. A “special use valuation” and qualified IRS deduction may affect the easement valuation.

Title Considerations

Due Diligence

Clean title is required to protect the state's investment. For the purposes of SALC, clean title refers to an absence of deeds, easements, leases, or other encumbrances that have the potential to undermine the state's investment. Such encumbrances must be resolved 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 SALC's goals and objectives.

Applicants are expected to exercise due diligence to discover and disclose potential title issues in the pre-proposal and application. The Department will also work to identify such issues during its project review. The applicant will be asked to submit an initial plan to address title issues with their pre-proposal. If the Department determines that such a plan is inadequate, the applicant may be required to provide a more detailed plan in the application. The information within this plan will affect the project's Readiness Ranking. Disbursement of funds into escrow for the purchase of an easement or fee interest in the property 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 at least 51% of the underlying minerals, the mineral rights may be addressed through:

1. A Mineral Remoteness Evaluation 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.

Project must also provide deed language that restricts surface access to the mineral rights within the proposed property boundary, or to set aside drilling pads to direct the separated mineral rights holders' extraction to a specific area, to the extent allowable by law.

2. Quiet title action(s) to restrict surface access to mineral rights within the proposed property boundary, to set aside drilling pads to direct the separated mineral rights holders' extraction to a specific area, or to remove the separated mineral interests from title.
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.

Mortgage and Lien Subordination

As part of the acquisition process, any liens or other financial encumbrances on the property are required to be either subordinated to the terms of the deed or paid 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.

Additional Requirements and Considerations

Single Family Residences, Secondary Dwelling Units, and Farm Worker Housing

Each single-family residence reserved in the deed is limited to a maximum living area that is consistent with grantee's policies, local building codes, and the surrounding neighborhood. The residence must not significantly impair the conservation purpose of the deed.

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.

If there are any single-family residences, secondary dwelling units, or farm worker housing units existing at the time of pre-proposal submission, at least one building envelope must be identified in the pre-proposal to contain these structures. If no single-family residences, secondary dwelling units, or farm worker housing units exist at the time of the pre-proposal submission, the applicant shall:

- Identify the size, number, and location of one or more building envelopes to contain these structures in the pre-proposal, or
- Identify the size and number of proposed future building envelopes to contain these structures in the pre-proposal and agree to deed language establishing a process for the identification of the location of the future building envelope(s), including approval of the selected location by the Council.

The size, number, and location of proposed building envelopes is subject to review and approval by the Department.

Other Reserved Rights

Other reserved rights listed here are subject to review and approval by the Department. All other reserved rights must be identified in the application.

Stewardship Fund

Costs related to the acquisition include funds dedicated solely for the long-term stewardship of the encumbered property. For agricultural conservation easements, stewardship typically means annual monitoring of the easement for compliance with easement conditions. A portion of these funds is typically provided by the landowner. SALC funds cannot be used toward stewardship costs.

Within the Grant Agreement, grantees will certify their ability to effectively manage and account for stewardship funds, whether pooled for all acquisitions or held in separate accounts for individual acquisitions funded through the Grant Agreement.

Annual Reporting and Monitoring

Regular monitoring of and reporting on interests acquired with SALC funds is required to ensure compliance with the terms of the deed. Beginning the year after the deed is recorded, the Department requires an annual report from the

interest holder certifying that the conditions of the deed are being upheld. For fee acquisitions, the report must include an account of how each covenant is being upheld, including documentation of income generated from leasing the property and documentation of agricultural use on the property.

For fee acquisitions, SALC staff must be allowed access to the property for the purposes of monitoring and verifying compliance with the terms of the deed at least once every twelve months.

Section 4: Agricultural Conservation Planning Grants

[Section 4 intentionally left blank. Planning grant content can be found in the combined guidelines PDF or in the planning specific packet.]

Section 5: Post-Council Meeting and Grant Administration

This section of the Guidelines applies to all SALC projects.

Strategic Growth Council Approved Projects

All projects awarded by the Strategic Growth Council will only receive funding disbursements if the conditions of funding identified in these Guidelines and any additional conditions identified in the staff report, award letter, and grant agreement are satisfied. The State will not pay for projects that are not completed, although the state may reimburse costs incurred up to the point that the project withdraws, at the Strategic Growth Council's discretion. The Strategic Growth Council reserves the right to recover funds expended for projects that are not completed, at its sole discretion.

Overview of the Process After Grants Are Awarded

Steps in Executing the Grant Agreement

1. The Department notifies applicant of award, detailing additional conditions of funding, if any.
2. Department sends grant agreement and materials to grantee. Grant agreements are based on a standard template and have a standard duration of two to three years. Grant Agreements are attached as Appendices B Capacity Grant Agreement, F Easement Grant Agreement, G Fee Title Grant Agreement, J Planning Grant Agreement. With written justification from the applicant and at the discretion of the Strategic Growth Council's Executive Director, the duration of a grant agreement may be extended. The Executive Director will report any extensions granted to the Council.
3. Grantee must submit all supporting materials and a signed agreement within six (6) months of the Strategic Growth Council award or risk forfeiting the grant award.
4. Grantee signs and returns all required copies back to the State (a fully executed copy will be returned to the grantee).

Steps Upon Signature of the Grant Agreement

1. Grantee commences work.
2. Grantee may submit invoices no more than monthly, beginning sixty (60) days after execution of the grant agreement. The State may withhold payment on the final invoice until final documents are received.
3. Grantee submits progress reports as required by the grant agreement. The Department submits project profiles to CARB for use in CARB's annual

report to the Legislature. Profile may include a unique identifier, project and description, project geographic area, budget information, project dates, estimated GHG benefits and any co-benefits, and if applicable, data on priority population benefits.

4. Grantee submits a final report upon completion of the grant agreement in order to receive its final payment.
5. Interest holder submits post-project annual monitoring reports to the Department certifying that the conditions of the deed are being upheld.

Limited Waivers of Sovereign Immunity

Limited waivers of sovereign immunity are not required for capacity or planning grants paid on a reimbursement basis. For acquisition grants, limited waivers of sovereign immunity may be necessary to ensure the enforceability of agreements. The Department will consult with tribes as needed in the formation of grant agreements.

Funding and Accounting

Payment of Grant Funds

Funds cannot be disbursed until there is a fully executed Grant Agreement between the Department and the grantee. Only those eligible costs incurred during the grant term will be eligible for payment. All costs must be supported by invoices, purchase orders, canceled warrants/checks, or other approved documents. Additional justification of costs may be requested at the Department's discretion.

Organizational Considerations

Subcontractors and Purchasing

Grant recipients (grantees) may make use of their own staff and subcontractor(s). Grantees 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 Certifications 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.

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

Loss of Funding (Not a complete list)

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

- Grantee fails to execute a Grant Agreement within 6 months of project award.
- Grantee withdraws from the grant program.
- Grantee fails to adhere to the conditions of funding specified in these Guidelines.
- Grantee fails to complete the funded work within two years of project award.
- Grantee fails to complete work in a manner that meets the requirements agreed upon.
- Grantee fails to submit all documentation within the time periods specified in the Grant Agreement.
- Grantee changes scope of work without approval of the Department.

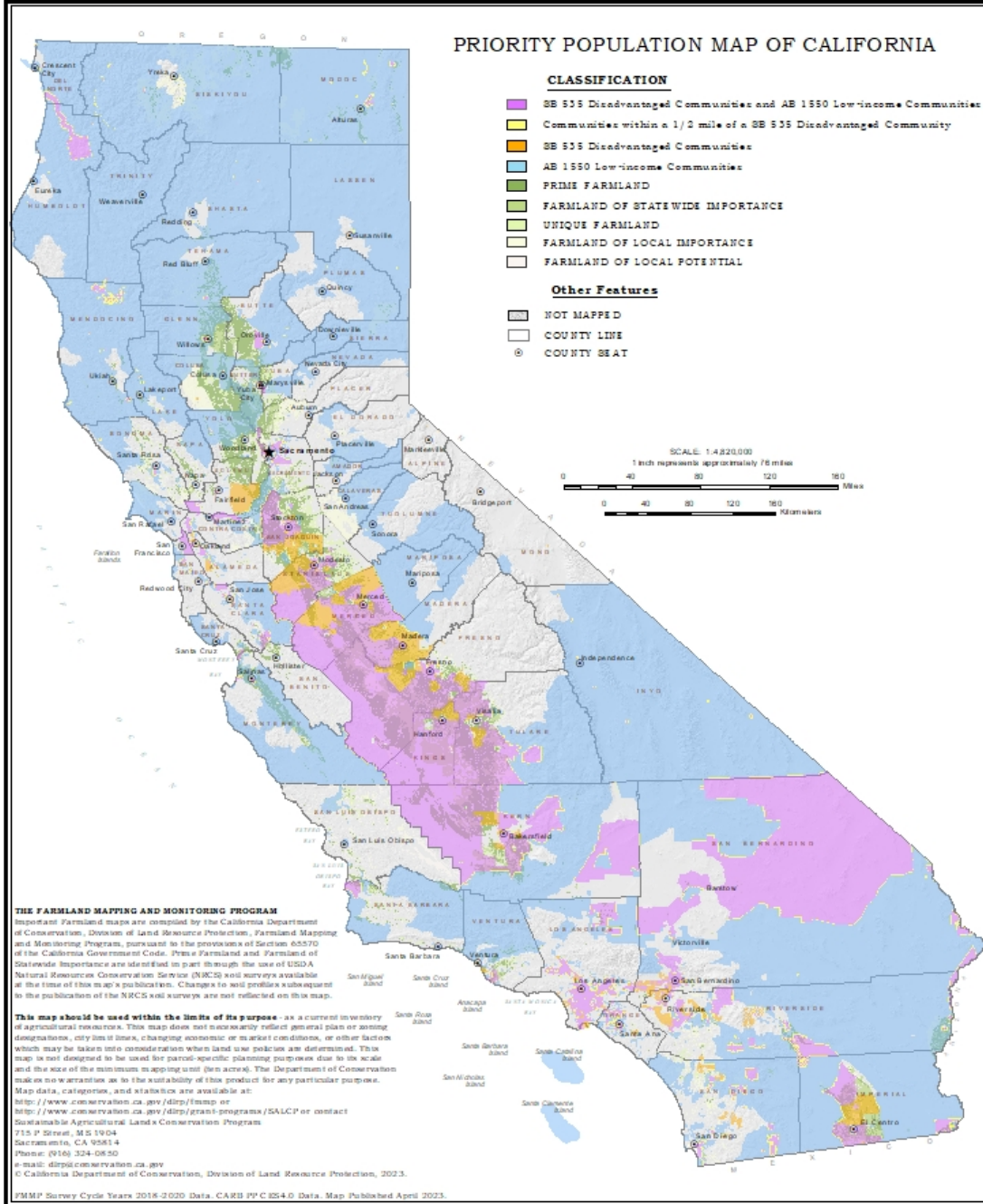
Grantee changes the subcontractor or partner(s) identified in the work plan or application without approval from the Department.

APPENDIX K – Priority Populations-Important Farmland Map



STATE OF CALIFORNIA
 Gavin Newsom, Governor
 THE NATURAL RESOURCES AGENCY
 Wade Crowfoot, Secretary
 DEPARTMENT OF CONSERVATION
 David Shabazzian, Director

CALIFORNIA DEPARTMENT OF CONSERVATION
 DIVISION OF LAND RESOURCE PROTECTION
 SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM



APPENDIX L – Glossary

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

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

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

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

Agricultural Land: For the purposes of this program, agricultural land includes both cultivated and non-cultivated lands that support an agricultural use.

Agricultural use: For the purposes of SALC, agricultural activity, operation or facility or appurtenances thereof shall include the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural commodity including viticulture, apiculture, or horticulture, the raising of livestock, fish, or poultry, and any practices performed by a farmer or on a farm as incident to or in conjunction with those farming operations, including preparation for market, delivery to storage or to market, or delivery to carriers for transportation market. This definition shall also include gathering and

activities that promote healthy trees, shrubs, and perennial forbs for the cultivation of traditional foods, herbal medicine, fibers (such as basketry material), and dyes so long as such activities are led by or conducted in partnership with a California Native American tribe or members thereof.

Applicant: An organization requesting funding from this program to be administered by the State. Eligible applicants for the Agricultural Conservation Easement Grants include local governments, nonprofit organizations, resource conservation districts, or a regional park or open-space district, regional park or open-space authorities, and California Native American tribes as identified in Civil Code Section 815.3.

Applicant's stated purpose: As described in adopted by-laws, articles of incorporation, policy, or resolution of the applicant's governing body (does not include statements on website)

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

Beginning Farmer or Rancher: A farmer or rancher who has listed farmer, rancher, or a similar occupation on their taxes for not more than the last ten years.

Carbon Farm Plan: A whole farm plan that assesses the carbon sequestration potential of the property and describes management practices to reduce greenhouse gas emissions and increase carbon sequestration based on that assessment.

Co-Applicant: An organization or entity that is eligible to apply for funding under the SALC and applies for funding in partnership with a second organization.

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

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

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

Conservation management plan: A plan that describes recommended and required management activities that promote the long-term viability of the land to meet the purposes for which the Acquisition was acquired.

Conservation management practices: Conservation management practices include agricultural management practices that sequester carbon, reduce atmospheric GHGs and improve soil health. These practices can include United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Conservation Practice Standards (CPS), and California Department of Food and Agriculture Healthy Soils Program Practices.

Cost effectiveness: Defined as the greenhouse gas reduction identified by the Quantification Methodology per dollar of California Climate Investment Funding requested.

Employment Outcomes: Employment outcomes include the following categories—the job classification or trade supported, any job training credentials, the number of jobs provided per classification, the number of jobs provided to employees from priority populations, total hours worked on the project, total hours worked by employees from priority populations, average hourly wage, average hourly wage for employees from priority populations, total number of workers that completed job training (if relevant), and a description of job quality.

Fully-Burdened rate: The actual cost of a company to have an employee, aside from the salary the employee earns. Labor burden costs include benefits that a company must, or chooses to, pay for employees included on their payroll. These costs include but are not limited to payroll taxes, pension costs, health insurance, dental insurance, and any other benefits that a company provides an employee.

Fund or Funds: Monies authorized by the California Budget Act from the Greenhouse Gas Reduction Fund (GGRF) to the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Health and Safety Code Section 39719(b)(1)(C), apportions twenty percent (20%) of the GGRF's proceeds on an annual basis to AHSC beginning in FY 2015-16.

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

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

Grant Performance Period: The beginning and ending dates of the Grant Agreement. Eligible costs incurred during this period may be funded from the grant. No work plan should exceed 24 months.

Grant term: The period beginning upon the Department Director's signature of the grant agreement, during which the grantee and the Department execute the work program outlined in said agreement.

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

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

Habitat Transition Zones: Areas along an elevational gradient where two habitats overlap or meet, and that provide opportunities for species migration as climate changes.

Including: Including means "including, but not limited to."

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

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

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

Living Area: Specific to the SALC, living area is defined by the local jurisdiction that oversees permitting of the project area. Please refer to your local jurisdiction for additional information.

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

Natural Resources: The materials and functions that comprise the natural wealth of an area’s ecosystems, including the plants, animals, minerals, air, water, and soil. Among these functions are watershed catchment, wildlife migration and habitation, forestry, grazing, and crop production. Of particular importance for complex, large scale natural resources functions are lands that flood, lands that are farmed, lands dedicated to open space, lands designated for mineral extraction, greenbelts, parks and trails, and lands valued for their aesthetics.

Participating Stakeholder: Cities, counties, local agency formation commissions (LAFCOs), agricultural businesses, agricultural water providers/purveyors, non-governmental organizations (NGOs), community members, and Native American tribes.

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

Project Geographic Area: For purposes of SALC, the physical geographic extent of a proposal assessed to estimate the GHG emission reductions at the application stage; only agricultural lands within the project geographic area that are determined to be at risk of conversion are considered when quantifying the GHG benefit.

Project structure: Attributes that define the agricultural conservation easement project including acreage, boundary, legal access, reserved rights, prohibited uses, fee ownership, mineral estate, and co-benefits.

Reasonable Associated Costs: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

- Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the entity or the proper and efficient performance of the Grant Agreement.
- The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of the Grant Agreement.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to its employees, the public at large, and the State.
- Whether the cost significantly deviates from the acquiring entity's established practices and policies regarding the incurrence of costs.

Regional Plan: Either of the following: 1) A long-range transportation plan developed pursuant to Section 134(g) of Title 23 of the United States Code and any applicable State requirements, OR 2) A regional blueprint plan, which is a regional plan that implements statutory requirements intended to foster comprehensive planning as defined in Section 65041.1 of Chapter 2.5 (commencing with Section 65080) of Division 1 of title 7, and Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7 of the Government Code. If a California Native American Tribe is the applicant, regional plan also includes plans demonstrating a commitment to reduce greenhouse gas emissions, such as an adopted air quality plan, international agreement to which the tribe is signatory, or an agreement with other tribal authorities demonstrating a commitment to reduce greenhouse gas emissions.

Reserved rights: Rights expressly retained or proposed to be retained by the landowner/grantor of an agricultural conservation easement.

Socially Disadvantaged Farmer and/or Rancher: Per California Food and Agriculture Code § 512, a farmer or rancher who is a member of a socially disadvantaged group.

Specific Plan: A tool for local government implementation of all or part of an area covered by a general plan. A specific plan can combine policy statements with development regulations. It is often used to address the development requirements for projects such as urban infill developments or planned communities. Its emphasis is on standards and development criteria for projects within the area of the specific plan. A specific plan may be adopted

either by resolution or by ordinance. Specific plans must be consistent with all facets of the General Plan (§65450, et seq.).

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

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

California's Planning Priorities: As defined under Government Code Section 65041.1: The state planning priorities, which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, including in urban, suburban, and rural communities, shall be as follows:

- A. To promote infill development and equity by rehabilitating, maintaining, and improving existing infrastructure that supports infill development and appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserve cultural and historic resources.
- B. To protect environmental and agricultural resources by protecting, preserving, and enhancing the State's most valuable natural resources, including working landscapes such as farm, range, and forest lands, natural lands such as wetlands, watersheds, wildlife habitats, and other wildlands, recreation lands such as parks, trails, greenbelts, and other open space, and landscapes with locally unique features and areas identified by the State as deserving special protection.
- C. To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:
 - i. Uses land efficiently.
 - ii. Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).
 - iii. Is located in an area appropriately planned for growth.
 - iv. Is served by adequate transportation and other essential utilities and services.
 - v. Minimizes ongoing costs to taxpayers. ([Government code 65041.1\(c\).](#))

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

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

Sustainable Communities Strategy (SCS): A plan that coordinates transportation and land use planning as described in the Sustainable Communities and Climate Protection Act of 2008 in order to meet a region's GHG reduction targets. Each Metropolitan Planning Organization (MPO) shall consider the best practically available scientific information regarding resource areas and farmland in the region when compiling their SCS. Each SCS must be reviewed and accepted by CARB.