



Agriculture, Environment and Natural Resources Policy Committee

Tuesday, November 18, 2014 • 9:00 – 11:00 a.m.

120th Annual Meeting * Disneyland Hotel * Orange County, CA
Magic Kingdom 1

AGENDA

Supervisor Linda Seifert, Solano County, Chair
Supervisor Judy Morris, Trinity County, Vice-Chair

- | | |
|---------------|---|
| 9:00 a.m. | I. Welcome and Introductions
<i>Supervisor Linda Seifert, Solano County, Chair</i> |
| 9:05 - 9:20 | II. Clean Air Legacy: Improving Air Quality in California
<i>Alan Abbs, Air Pollution Control Officer, Tehama County</i> |
| 9:20 - 9:45 | III. Sustainable Agricultural Lands Conservation Program
<i>John Lowrie, Assistant Director, Department of Conservation</i> |
| 9:45 - 10:05 | IV. Water Energy Nexus: Opportunity or Next Crisis
<i>Charles Wilson, Senior Policy Manager, Southern California Edison</i> |
| 10:05 - 10:30 | V. Community Choice Aggregation (CCA): Greening the Grid
<i>Shawn Marshall, Executive Director, Lean Energy U.S.</i> |
| 10:30- 10:50 | VI. Update on Stormwater Funding Initiative
<i>Mitch Avalon, Water Resources Consultant</i>
<i>Karen Keene, Senior Legislative Representative, CSAC</i>
<i>Supervisor John Gioia, CSAC President, Contra Costa County</i> |
| 10:50- 11:00 | VII. Closing Comments & Adjournment |

ATTACHMENTS

- Attachment One Sustainable Agricultural Land Conservation
(SALC) Program Proposed Guidelines
- Attachment Two..... CSAC Comments on the SALC Proposed
Guidelines
- Attachment Three.....Water Energy Nexus: Opportunity or next crisis
for counties?
- Attachment Four..... CSAC ANER 2014 Review & 2015 Legislative
Preview

Attachment One
Sustainable Agricultural Land Conservation (SALC) Program Proposed Guidelines

**CALIFORNIA
SUSTAINABLE AGRICULTURAL LANDS CONSERVATION PROGRAM**

GRANT GUIDELINES & APPLICATIONS

FUNDED BY

THE GREENHOUSE GAS REDUCTION FUND

STATE OF CALIFORNIA

STRATEGIC GROWTH COUNCIL

PRELIMINARY DRAFT

September 22, 2014

**GUIDELINES FOR APPLICATIONS
SUBJECT TO SOLICITATION**

Please direct comments to:

Sustainable Agricultural Lands Conservation Program

AHSC_AG@sgc.ca.gov

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Section 1: Sustainable Agricultural Lands Conservation Program

Introduction and Program Summary

These 2014 Guidelines serve as the Request for Grant Applications, and application forms, for the Sustainable Agricultural Lands Conservation Program (SALCP).

The primary purpose of the SALCP is to support the State's climate adaptation and greenhouse gas (GHG) emission goals by making strategic investments that protect agricultural lands. Preventing the conversion of critical agricultural lands to urban or rural residential development will promote smart growth within existing jurisdictions, ensure open space remains available, and support a healthy agricultural economy. A healthy and stable agricultural sector will become increasingly important to meet the challenges anticipated as a result of climate change.

There are three major elements to the long term investments proposed for the SALCP:

- Sustainable Agricultural Land Strategy Plans—grants to counties, cities, and partners to inventory and evaluate which agricultural lands are most highly productive and critically threatened.
- Agricultural Conservation Easements—provide funding to leverage the permanent protection of strategically located agricultural conservation easements on highly productive and critically threatened agricultural land.
- Land Management Incentives—leverage USDA and other funding to incentivize management practices designed to reduce GHGs or sequester carbon on working agricultural operations.

The third of these elements is not included within the 2014 SALCP, but will be addressed in future years as the planning efforts are completed.

Program Goals and Objectives

The principal goal of this grant program is to fund the plans, conservation acquisitions, and management incentives that lead to reductions in greenhouse gas emissions associated with agricultural lands, consistent with AB 32: the California Global Warming Solutions Act of 2006.¹ Recent University of California research estimates that land in agricultural and healthy open space use sequesters up to 70 times more carbon than any form of urban development.²

Conserving agricultural land contributes towards goals to reduce GHG emissions by:

- Limiting opportunities for expansive, vehicle dependent forms of development in favor of more focused, compact, transit oriented development within discrete growth boundaries.
- Reducing GHG emissions and increasing soil carbon sequestration through the implementation and use of farm-scale conservation management practices.

The SALCP will complement California's existing farmland conservation efforts, including the Land Conservation (Williamson) Act, the California Farmland Conservancy Program (DOC-CFCP), and the many local and regional policies in place throughout the state.

¹ Legislative information and other background resources are available in Appendices A (Glossary) and B (Online Resources) in this document.

² See Jackson et al, listed in Appendix C (Additional Resources).

Co-benefits

Conservation of agricultural land provides the opportunity for a series of co-benefits. Examples of these benefits may include, but not be limited to:

- Water conservation, through on site efficiencies, groundwater recharge, or flood control.
- Energy conservation, through on farm practices, local markets or local processing of commodities.
- Nutrient cycling that decreases potential for water pollution.
- Ecosystem services, in support of species of concern.
- Open space values.

Source of Funds and Statutory Authority

The Budget Act of 2014 appropriates \$130 million from the Greenhouse Gas Reduction Fund (GGRF) during the FY 2014-15 budget to the Strategic Growth Council (Council) to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16. The AHSC Program will support on going climate adaptation and mitigation objectives and provide substantial co-benefits by, in part, "[p]reventing the conversion of agricultural lands by making strategic investments that protect agricultural lands to reduce greenhouse gas emissions."

The SALCP was identified by the Council as most appropriately administered by the California Department of Conservation (DOC) in conjunction with the Natural Resources Agency (Agency). The SGC approved the roles of DOC and the Agency at its July 10, 2014 meeting.

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

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

SB 732 (Chapter 13, Statutes of 2008) established the Council and added California Government Code Sections 75127 and 75128, which direct the Council to manage and award financial assistance to support the planning and development of sustainable communities that achieve sustainability objectives. Government

What is Cap and Trade?

The California Global Warming Solutions Act of 2006, AB 32 (Chapter 488, Statutes of 2006), is a multi-year program to reduce Greenhouse Gas (GHG) emissions in California to 1990 levels by 2020. One key strategy to achieve this goal is a 'cap and trade' market system. The 'cap' creates a limit on carbon dioxide equivalent emissions, while a corresponding number of allowances within the cap can be 'traded'. The allowances are purchased by utilities and businesses at quarterly auctions. Over time, as the cap lowers, businesses that aggressively reduce emissions can trade their surplus allowances to firms that find it more expensive to reduce emissions. The auction proceeds are then used to further the goals of AB 32.

Cap and trade auctions began in November 2012. The majority of auction proceeds are required by the California Public Utilities Commission (PUC) to benefit rate payers of investor owned utilities. The smaller 'state portion' of auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF).

GGRF investments are primarily targeted at clean transportation and sustainable community plans; commensurate with the impact transportation has on GHG emissions. Improvements to energy efficiency and natural resources management also contribute, but at lesser levels than transportation oriented factors.

Code Section 75126 states that these funded activities must be consistent with the State’s Planning Priorities³, and Section 75125 states that the Council shall develop guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

The activities funded under SALCP will primarily rely upon DOC’s existing statute to fund agricultural conservation easements and planning grants. The funded activities must also meet the goals of reducing greenhouse gas emissions consistent with AB 32. A series of stakeholder meetings in August 2014 informed Agency and DOC staff in the development of these Guidelines.

These Guidelines address both agricultural conservation easement and planning grant funding. Due to the significant differences between the two elements, they are addressed separately throughout much of the Guidelines document.

Disadvantaged Communities

Senate Bill 535 (Chapter 830, Statutes of 2012) directs State and local agencies to make significant investments that improve California’s most vulnerable communities. The statute requires that the GGRF investment plan allocate a minimum of 25 percent of available moneys to projects that provide benefits to disadvantaged communities (DACs) and a minimum of 10 percent to projects located within DACs. The target for DACs investment established under CalEPA’s interim guidance for FY 2014-15 is 50 percent for the overall Sustainable Communities and Affordable Housing Program allocated to the Strategic Growth Council (out of \$130 million total).

CalEPA has provided interim guidance for State agencies administering GGRF investments to quickly begin implementation of programs funded by FY 2014-15 GGRF appropriations.

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

- A. Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses.; or
- B. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a DAC.; or
- C. Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications.

CalEPA’s interim guidance was used to develop these Guidelines; as a result, the SALCP Guidelines may be modified after final CalEPA guidance is available. The present SALCP proposal is to provide 5 additional points toward the total score for planning grant applications impacting DACs.

Grant Application and Administration

The Department of Conservation (DOC) administers the SALCP grant program in conjunction with the Agency, on behalf of the Council.⁴ Grant applications will be submitted as a digital version via email, along with one hard copy of the entire application.

³ See the Glossary, Appendix A, for these Government Code Section 65041.1 priorities.

⁴ These entities in whole or in part may be referred to later in this Guidelines document as the State.

The mailing address for applications will be listed in the final version of these Guidelines. A separate address has been established by the Council for comments on the Draft Guidelines. Please see the Council website or email announcements for further information.

For more information about the grant administration process see Section 5.

Section 2: Sustainable Agricultural Land Strategy Grants

In the initial years of the SALCP, funds will be awarded to support collaborations of local entities that develop a shared vision of agricultural conservation in their communities. Counties, cities, and partners will identify the criteria to evaluate or identify their most important or critically threatened agricultural lands, and strategies that can guide protection of these lands into the future. In conjunction with housing and transportation investments being made in cities, this effort supports a balanced approach to sustainable communities in California.

Eligible Applicants

Counties and/or cities in collaboration with other partners.

Application Funding

\$1,000,000 in FY 2014-15 is allocated to grants for Sustainable Agricultural Land Strategy planning efforts. Individual grants are limited to \$100,000 each. It is anticipated that applications for this program element will be accepted during FY 2014-15 and FY 2015-16. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined. Funds not awarded under this SALCP element may be used to increase available funding for award in another SALCP element.

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

Eligible Projects

Sustainable Agricultural Land Strategy Plans might include, but not be limited to:

- Development of the criteria used to define the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Delineation of agricultural lands with the greatest local priorities for conservation, decreased GHG emissions, or those that may result in enhanced carbon sequestration.
- Community consensus-building to develop a strategy for agricultural land preservation.
- Development and adoption of a Sustainable Agricultural Land Strategy, which may include a farmland mitigation program.
- Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition.⁵
- Planning for critical agricultural infrastructure needs to support sustainability in existing rural and agricultural communities.
- Development of innovation incentives for GHG reduction in local communities through financial or technical tools.

Ineligible Projects

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

- Do not meet the intent of the SALCP.
- Do not contain adequate documentation and applicable materials.
- Do not clearly state objectives and deliverables.

⁵ Applicable for counties that have adopted a Sustainable Agricultural Strategy or farmland mitigation program.

- Are not received by the application deadline.
- Are submitted by jurisdictions that do not participate in the Williamson Act.

General Information Regarding Sustainable Agricultural Land Strategies

Agriculture is one of California’s most important industries, but because of geographic and economic factors, the nature of agricultural land resources varies widely from region to region. Sustainable Agricultural Land Strategies must account for and should represent the values of local communities. These examples elaborate on the list of eligible projects found on the previous page.

1. The development of criteria to define, or the delineation of, agricultural lands with the greatest local priorities for conservation. This may include but not be limited to those that are under pressure of being converted to nonagricultural uses, particularly those adjacent to areas most at risk of urban or suburban sprawl or those of special environmental significance, or those that may result in enhanced carbon sequestration depending on the cropping and management of the protected lands:
 - Identify criteria that will be used to establish local priorities for agricultural land conservation.
 - Map and inventory of all agriculturally zoned lands within the county as of 2014. County-level maps of agricultural land developed by DOC’s Farmland Mapping and Monitoring Program, general plan maps, or other available local and state maps and resources may be used.
 - Identify lands that are already permanently protected. These include agricultural conservation easements, habitat conservation easements, and other permanently protected lands. Sustainable Agricultural Land Strategy Plans should consider the connections between these lands and others identified in the Plan.⁶
 - Develop tables and maps showing the location of lands enrolled in the Williamson Act, lands zoned for agricultural use, and related information; and post on the county’s Internet Web site.

2. Community consensus-building activities to develop a strategy for agricultural land preservation:
 - Provide general education and outreach about agricultural land preservation to farm bureaus, service clubs and other organizations with close farmer affiliations.
 - Hold stakeholder meetings among organizations such as the county board of supervisors, agricultural and conservation groups, cities, and local agency formation commissions (LAFCOs) toward the development of a Sustainable Agricultural Land Strategy. These meetings should consider the compatibility between the existing plans and policies of the county, cities, and LAFCO including adopted Spheres of Influence (SOIs), and municipal service boundaries, in development of the Sustainable Agricultural Land Strategy.
 - Develop a process to resolve compatibility issues among the various plans.
 - Use existing agricultural land inventories/maps, existing policies and ordinances, and the process(es) to resolve compatibility, to inform development of a Sustainable Agricultural Land Strategy.
 - Develop urban/rural or public/private partnerships to preserve and protect agricultural land as part of an infill development strategy.

⁶ Refer to the following databases: California Protected Area Database and California Conservation Easement Database (both located at <http://www.calands.org/>) ; the National Conservation Easement Database (<http://nced.conservationregistry.org/>) and the California Conservation Easements Registry (<http://easements.resources.ca.gov/>). Your county’s local land trust or conservancy may also be found at the <http://www.calandtrusts.org/land-trusts/>.

- Post the complete Strategy and a summary to the county's Internet Web site.
3. Development and adoption of Sustainable Agricultural Land Strategy which may include a farmland mitigation program:
- Describe the goals, strategies, policies and ordinances to retain agriculturally zoned land, where practical, and mitigate the loss of agriculturally zoned lands to nonagricultural uses or nonagricultural zones.
 - Adopt a resolution determining that the existing county goals, policies, ordinances, inventory and maps comprise a farmland mitigation program which supports agricultural land retention and mitigation for agricultural land when converted to non-agricultural uses.
 - Develop and post the Sustainable Agricultural Land Strategy including all relevant maps, goals, related policies and ordinances, on the county's Internet Website.
 - Conduct nexus studies for agricultural land preservation and farmland mitigation ordinances.
 - Update County General Plans to include an Agricultural Element and the adoption of a farmland mitigation program, including ordinances.
4. Development of potential agricultural conservation easement projects by conducting appraisals, surveys, title review, and other activities directly related to the funding application and acquisition:⁷
- For jurisdictions which have enacted Sustainable Agricultural Land strategies, identify landowners interested in permanent agricultural conservation easements.
 - Conduct due diligence (appraisals, surveys, title review, etc) to prepare potential projects for applications to various funding sources.
5. Planning for critical agricultural infrastructure needs to support sustainability in existing rural and agricultural communities:
- Conduct an inventory of support businesses, processing facilities, and markets serving local growers. Identify threats to local production due to potential facility closures or other factors; and opportunities to take advantage of changes in the marketplace that could improve local farming sustainability as well as decrease GHG emissions.
 - Develop plans to achieve improvements in conjunction with local agricultural organizations and businesses, particularly those that would result in GHG reduction from more efficient facilities operation.
6. Development of innovation incentives for GHG reduction in local communities through financial or technical tools:
- Collect data documenting on-farm agricultural management practices targeted to reduce GHG emissions and enhance biological carbon sequestration, and their results.
 - Develop regional technical assistance expertise to improve GHG and carbon sequestration performance on farms.
 - Conduct planning or studies towards development of agricultural carbon markets, the valuation of agricultural lands, or the county tax base as these relate to implementation of agricultural GHG reduction measures or other farmland conservation tools.

⁷ For counties that have adopted a resolution for a Sustainable Agricultural Land Strategy as stated in Goal 3.

Eligibility and Selection Criteria for Sustainable Agricultural Land Strategy Grants

Priority Considerations

Consistent with the goals of the SALCP, the following areas have been identified as priorities in awarding grants:

- The proposal enhances or aligns elements of a county or regional plan toward long-term conservation of agricultural lands.
- The proposal demonstrates collaboration with various levels of government (including federal, state, regional, local and special districts); internal coordination amongst applicant departments; and collaboration with diverse external stakeholder groups such as agricultural businesses, non-governmental organizations (NGOs) and community members towards conserving agricultural land or increasing carbon sequestration on agricultural land.
- The proposal creates best practices to serve as models for communities across the state or region.
- The proposal is leveraged with additional resources.

More detailed information on eligibility and selection criteria is located on the following two pages.

Grant Application Review Process

1. Applicants submit a complete grant proposal to the Department of Conservation (DOC) by the deadline.
2. Proposals are reviewed for completeness and eligibility. (Incomplete or ineligible proposals may not be evaluated or considered for funding at the sole discretion of the State.)
3. Grant Committee (Committee) reviews proposals using selection criteria and makes recommendations for awards.
4. The Committee recommends the final projects for award to the SGC for Council approval.
5. The Council determines final project awards.

All information submitted in the application package will be used by grant reviewers for evaluation and should demonstrate how effectively the proposal will meet SALCP goals and objectives. Proposals will be reviewed by DOC and Agency staff for completeness and eligibility, followed by technical review and scoring by the Grant Committee. Each area is awarded points on a sliding scale from zero to the listed number.

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

Sustainable Farmland Strategy Grants Scoring Criteria	
Need for the Proposed Plan or Strategy	40 points
Integration of Entities and Existing Resources	25 points
Community Involvement and Participation	20 points
Disadvantage Community Impacts	5 points
Organizational Capacity (10 points)	10 points
Total Available Points	100 points

Sustainable Agricultural Land Strategy Grants
Eligibility Criteria

- The proposal will reduce, on as permanent a basis as is feasible, GHG emissions or sequester carbon consistent with California’s Global Warming Solutions Act of 2006 and any applicable regional plan.
- The county or city (lead applicant) can document farmland conversion issues within the jurisdiction.
- The county participates in the Williamson Act Program.
- The proposal demonstrates collaboration between County government, other levels of local government, and external stakeholder groups such as agricultural businesses, NGOs, and community members.
- The proposal seeks to align local policies and ordinances to protect, preserve, and enhance agricultural lands, promote infill development, and encourage location- and resource-efficient development.
- The proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc).
- The proposal represents an innovative approach to agricultural land conservation that may serve as a model to other jurisdictions.
- The proposal contains clear, reportable objectives, measures of progress, and deliverables.
- The proposal provides specific detail on the types of data that will be used to evaluate agricultural resources, evaluation criteria, data gaps, and how the final product will be used in connection with the existing planning structure within the county.
- The proposal includes a minimum ten percent (10%) match. At least five percent (5%) of the requested grant amount must be a cash match; the balance may be in-kind.
- The proposed project can be completed within a 2 year time-frame. (State Administrative Manual).

Sustainable Agricultural Land Strategy Grants Selection Criteria

- The degree to which the proposal documents a linkage between local policies and plans with potential reductions in GHG emissions consistent with California’s Global Warming Solutions Act of 2006.
- The degree to which a need for the proposal is documented based on farmland conversion rates, age of planning documents, or other factors.
- The degree to which the proposal seeks to integrate planning regarding permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easements, flood corridor easements, or parks), or provide buffers to specified uses (SOIs, city boundaries, military facilities, etc).
- The degree to which the proposal demonstrates a collaborative approach to addressing agricultural land conservation.
- The specificity with which the proposal identified the types of data that will be used to evaluate agricultural resources, the local policies and ordinances it seeks to align, and the methods that will be used to resolve compatibility issues between these policies and ordinances, if any.
- The degree to which the proposal documents the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions.
- The specificity and reasonableness of the timeline, reportable measures of progress, and deliverables.
- The degree to which the proposal can leverage cash and in-kind match funds.
- The degree to which the proposal documents that the project lead and its partners have the capacity to successfully execute proposed work on time and within budget, using recent examples from similar projects.
- Proposals that are located in or provide benefits to Disadvantaged Communities, as defined by CalEPA, will receive 5 points toward the total maximum score of 100 points.

The Sustainable Agricultural Land Strategy Application

The grant application package for this program component is composed of a Cover Sheet and three sections: Application Questions, Work Plan, and Supporting Documents. The application form is located in Appendix D.

Application Questions

This narrative section addresses the need for the proposal, and the plans for collaboration, integration, and organizational capacity.

Need for the Proposed Plan or Strategy

1. Describe why a sustainable farmland plan or strategy is needed for the area covered by this application. Provide supporting information in the form of agricultural land resource conversion studies or other data.
2. Describe the existing state of agricultural land use planning policies within the area, including Williamson Act status. Discuss any documents in need of update or replacement, or policy gaps that would be informed by the results of this proposal.
3. Describe how the proposed plan will serve areas that are especially vulnerable to development pressures or climate change impacts.
4. Describe the anticipated effects of climate change (e.g., physical, ecological, or economic forces) that are likely to impact the community represented by the application and its agricultural land resources.
5. Describe any aspects of the proposal that provide the potential for innovative approaches to agricultural land conservation that may serve as a model to other jurisdictions.

Integration of Entities and Existing Resources

1. Describe how the proposed plan will provide linkages between existing local policies and plans to reduce GHG emissions.
2. Describe what agricultural and land resource factors will be evaluated as part of this proposal, including opportunities for integrating agricultural land conservation efforts with other protected land strategies.
3. Describe the local policies and ordinances the plan will seek to align. What methods will be used to resolve compatibility issues between these policies and ordinances?
4. Describe what is planned to foster interagency relationships among levels of local government in the development of agricultural resource plans or strategies.
5. Describe how the proposed plan will be consistent with the State's planning priorities. Describe how the proposal will consider integrating currently permanently protected agricultural land or other permanently protected lands (e.g., habitat conservation easement, flood corridor easements, or parks).

Community Impact and Participation

1. Identify the specific community, citizen, and/or agricultural organizations that will participate in and those which will be consulted regarding the development of the plan or strategy.
2. What steps are planned to ensure continued involvement of these organizations in the implementation of the plan or strategy?

DISADVANTAGED COMMUNITY IMPACTS

Answers to questions 3 and 4 do not affect eligibility but may affect selection based on final application scores. A total of 5 points within the final score will be attributed to Disadvantaged Community impacts and benefits.

3. Is the majority (50% or more) of the proposed project area located within one or more Disadvantaged Community (DAC), as defined by CalEPA for the Affordable Housing and Sustainable Communities Program? Please use the CalEnviroScreen tool to make this determination, located at the following address: [currently <http://oehha.ca.gov/ej/ces2.html>]
4. If the answer to question 3 is no, will the project meet at least one of the following criteria for providing direct, meaningful, and assured benefits to a DAC?
 - Project is accessible by walking within ½ mile of a DAC and reduces vehicles miles travelled, and is designed to avoid displacement of DAC residents and businesses, or
 - Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 25% of project work hours performed by residents of a DAC, or
 - Project includes recruitment, agreements, policies or other approaches that are consistent with federal and state law and result in at least 10% of project work hours performed by residents of a DAC participating in job training programs which lead to industry-recognized credentials or certifications.

Organizational Capacity

1. Describe the applicant's experience in developing plans or working on similar projects.
2. Does the applicant have the professional staff qualified to develop the plan? If not, how will this expertise be acquired? Please describe the qualifications and plan, if any, to acquire the expertise.
3. What partnerships does the applicant have in place to implement the plan or strategy?
4. Citing the Work Plan Budget, what resources does the proposal leverage beyond the minimum match requirements?

Work Plan

Applicants must provide a detailed work plan that specifies what steps will be taken to develop the farmland strategy or plan, including establishing benchmarks with target completion dates and a cost estimate. The project cost estimate and schedule should be of sufficient detail to allow assessment of the progress of the work plan at regular intervals. This plan will be a component of the Grant Agreement should the project be selected for funding.

The work plan should clearly address:

- The goals and objectives including implementation (e.g., strategy, timeline, committed resources, partner support)
- The plan deliverables
- The target completion dates
- Work Plan Summary -- A tabular summary (example on next page) indicating the specific benchmarks of the work plan must be included. The estimated cost for each benchmark and when these benchmarks will be completed are to be specified in this summary. Total estimated costs should equal grant amount requested plus other funders' contributions.

Plan Element/Deliverable/Benchmark	Estimated Cost	Target Completion Date
Total		

Budget and Match Contributions

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

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

Eligible Costs

For Sustainable Agricultural Land Strategy Grants, the direct costs, including staff and benefits to implement the work, during the performance period specified in the Grant Agreement will be eligible for reimbursement. All eligible costs must be supported by appropriate documentation. Costs incurred outside of the performance period, Indirect/Overhead Costs, and costs for CEQA document preparation are not eligible for reimbursement.

Indirect/Overhead Costs are defined as: expenses of doing business that are of a general nature and are incurred to benefit two or more functions within an organization. These costs are not usually identified specifically with a grant, Grant Agreement, plan or activity, but are necessary for the general operation of the organization. Examples of indirect costs include salaries and benefits of employees not directly assigned to the work program; functions such as personnel, business services, information technology, and salaries of supervisors and managers; and overhead such as rent, utilities, supplies, etc. Indirect costs cannot be included in the Budget and Work Plan and will not be funded.

What to Submit: Supporting Documentation

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

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

Submit one (1) unbound printed original and one digital version of items 1-8 below.

1. Application Form Cover Sheet
2. Application Questions – no more than eight (8) numbered pages, on 8 ½” x 11 paper, using twelve-point easy-to-read font
3. Work Plan

4. Work Plan Summary (timeline with benchmarks)
5. Area Map – A map of the area covered by the proposed plan (the geographical purview of the plan). Maps or images must fit into an 8 ½” x 11” folder.
6. Signed Authorizing Resolution from Governing Body
 - A sample resolution indicating the format and content of an authorizing resolution is available on the SALCP web site.
 - For agencies without a governing board, provide a Certification Letter from Chief Executive Officer.
 - The resolution may be submitted subsequent to the application, if the board meeting schedule prevents the applicant from obtaining a signed resolution before the filing deadline. Submit the draft resolution with the application package and indicate the board meeting date when the resolution will be adopted.
7. Disadvantaged Communities (DACs) – if applicable, provide printouts or other evidence of DAC status.
8. Support/Collaboration Letters – provide copies of letters from entities with jurisdiction over the plan service area and from the local community demonstrating support and/or willingness to participate in development of the strategic farmland plan.

Additional Components and Certifications

Relevant Portions of County General Plan

Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation may be attached to the application. Provide the adoption date(s) of these policies along with internet links to them, or the applicant may certify on the form that the current version of these documents is on file with the Department of Conservation as part of another grant project.

Documentation of Organizational Eligibility

Documentation of Internal Revenue Service 501(c)3 status for nonprofit applicants, if applicable, should be provided with the application. The organization’s Articles of Incorporation and By Laws documenting the principal charitable or public purposes of the nonprofit organization, a statement describing the organization’s goals and purposes, the beneficiaries of its programs, and a statement describing the organization’s commitment to conservation of agricultural land resources should also be provided.

Applicants who have previously submitted these documents to the Department of Conservation may certify that the existing documents remain current, or submit updated documents with the application.

Section 3: Agricultural Conservation Easement Grants

Under the 2013 Cap-and-Trade Auction Proceeds Investment Plan⁸, the purchase of agricultural conservation easements (ACEs) on strategic agricultural land was designated as one way to ensure sustainable communities by strengthening the land use planning process and supporting agricultural viability.

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

Eligible Applicants

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

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

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

Application Funding

\$3,750,000 is allocated in FY 2014-15 to grants for agricultural conservation easement acquisition. Easement grants do not have a maximum dollar figure; proposals will be rated relative to one another to maximize conservation outcomes with available funding. The critical nature of the property, proportion of match funding, and degree to which the proposal satisfies the selection criteria will be taken into consideration to optimize agricultural conservation easement acquisitions in furtherance of the SALCP goals and objectives.

In order to leverage the limited amount of Greenhouse Gas Reduction funding available, the SALCP will require a match of 50% or more toward the direct easement acquisition cost. Funds not used under this SALCP component may be used under the other program components. The amount of funds available for the SALCP in FY 2015-16 and beyond has not yet been determined.

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

Applications for ACEs will be accepted at any time, and will be reviewed periodically for approval at future Council meetings. It is anticipated that projects will be reviewed three times per year. Due to timing constraints associated with approval of the SALCP Guidelines, the application cycles of funding partners, and

⁸ http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/final_investment_plan.pdf

State fiscal year end deadlines, there will be a single review of applications in FY 2014-15. This date will be published in the final version of the SALCP Guidelines.

Eligible Projects

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

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

Ineligible Projects

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

- The local government applicant has acquired, or proposes to acquire, the proposed ACE through the use of eminent domain, unless requested by the owner of the land (PRC §10232).
- The proposed ACE would restrict agricultural husbandry practices (as defined in PRC §10218) on the land (PRC §10238).
- The applicant or seller of the ACE do not agree to restrict the use of the land in perpetuity (Civil Code §815.2(b)).
- The proposed ACE is part of a local government's condition placed upon the issuance of an entitlement for use of a specific property (PRC §10243).
- Clear title to the proposed ACE cannot be conveyed (PRC §10264(b)).
- Once entered into a Grant Agreement, the easement acquisition cannot be completed within a two-year timeframe. The two-year timeframe reflects State Contracting Manual requirements.
- The purchase price of the proposed ACE exceeds the appraised fair market value (PRC §10260(a)).
- The ACE appraisal is determined to be unacceptable (PRC §10260). Please see the section on appraisals on the next page.

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

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

General Information Regarding Agricultural Conservation Easement Requirements

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

PROPERTY VALUATION

Appraisals

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

Applicants are encouraged to thoroughly discuss the restrictions and permitted uses of the proposed ACE with the appraiser early in the appraisal process⁹. Major issues such as reserved home sites or other areas that will not be utilized exclusively for agriculture must be confirmed prior to the appraisal, and be identified in the appraisal, as they will likely affect ACE valuation. Subsequent changes to the proposed ACE’s restrictions or permitted uses may necessitate an update to the appraisal.

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

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

If a significant amount of time (6 months or more) transpires between the effective date of the appraisal and the submission of the grant application, applicants may be required to obtain a letter of certification from the appraiser, stating that the easement value has not changed since the appraisal was conducted. Grant recipients may be required to obtain an updated appraisal if the effective date is not within 12 months of the escrow closing date.

Use-Based IRS Deductions

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

⁹ Applicants should advise appraisers and landowners that appraisals may be subject to disclosure under the Public Records Act of 1968 (Chapter 3.5 of Division 7 of Title 1 of the Government Code, commencing with §6250).

EASEMENT DOCUMENTS AND TITLE CONSIDERATIONS

Model Agricultural Conservation Easement

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

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

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

Due Diligence / Clear Title

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

Mortgage and Lien Subordination

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

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

ADDITIONAL REQUIREMENTS AND CONSIDERATIONS

Match Contributions

In order to leverage the limited amount of Greenhouse Gas Reduction funding available, the SALCP will require a match of 50% or more toward the direct easement acquisition cost. The match may be provided directly by the applicant, or from other funding sources (e.g., other grant funds, local government contributions, or donations of easement value by the landowner of the subject property). Up to 50 percent of stewardship endowment contributions may be applied toward the match requirement.

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

Stewardship Fund

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

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

Project Monitoring

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

Additional Conservation Values

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

Some portions of properties may provide an opportunity to protect additional resource values such as riparian habitat. These areas may be considered for purchase of nonagricultural conservation easements which protect resources in addition to the agricultural values. Applicants may specify if portions of a proposed easement meet this criteria and the other funders that may participate in protection of the overall property.

Potential Publicity

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

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

Eligibility and Selection Criteria for Agricultural Conservation Easements

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

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

Projects will be evaluated on their overall characteristics, taking into consideration the goals and objectives for the SALCP, and the extent to which the proposed project satisfies the selection criteria. Due to the complex nature of the property characteristics among applications, a numeric scoring criteria is not recommended for ranking.

Grant Application Review Process

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

The grant manager will contact the applicant in order to schedule a site visit of the property. Grant applicants will make arrangements for a tour of the property, which must be attended by a representative of the applicant and by the property owner.

After grant managers visit the site and clarify any outstanding questions, project summaries and briefings to staff and management will be undertaken. All eligible proposals will be rated on the factors above, with projects evaluated on a qualitative scale relative to the pool of applications. The highest rated or most consistent proposals will be brought forward to the Council for to be recommended for funding.

**Agricultural Conservation Easement
Eligibility Criteria
*Description and Code Citations*¹⁰**

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

¹⁰ Public Resources Code (PRC) for the California Farmland Conservancy Program.

**Agricultural Conservation Easement
Selection Criteria**

***Grant applications will be evaluated based on the overall value of the project,
on the extent to which they satisfy the following characteristics:***

- The property's size is typical of agricultural operations in the vicinity, and is surrounded by other parcels with sizes and land uses likely to support long-term commercial agricultural production.
- The size of the parcel or parcels comprising the property are above their current minimum zoning.
- The property is greater than 40 acres in size.
- The property is in active agricultural production.
- The property is within 2 miles of a city Sphere of Influence.
- The agricultural conservation easement would act as a community separator or green-belt.
- The property has adequate water availability and water quality for agricultural purposes.
- The property has no known agricultural constraints due to soil or water contamination.
- The property is not encumbered with third party mineral interests.
- The nature and extent of structural improvements are in proportion to the agricultural operation.
- Protection of the property will enhance the opportunity for protecting neighboring agricultural properties or will be a part of a larger, comprehensive permanent protection plan.
- The property is adjacent to other permanently protected property (e.g., other agricultural conservation easements, habitat conservation easements, or land conserved/protected under fee-title).
- The farmland portion of the property is not within a flood zone and not on highly erodible land as designated by the Natural Resources Conservation Service.
- The property provides additional conservation values (e.g., open space, view shed, habitat, riparian corridor).
- The project has potential to contribute to carbon sequestration or to decrease greenhouse gas emissions through its cropping patterns or management practices.
- The proposal shows wide support as evidenced by the level of match funding contributions.
- The proposal demonstrates an innovative approach to agricultural land conservation with a potential for wide application in the state.
- The price of the proposed acquisition is cost-effective in comparison to the fair market value.
- The applicant is eligible to hold agricultural conservation easements and has the technical and fiscal capacity to secure and steward the easement.

Response Time

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

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

Approved Agricultural Conservation Easement Projects

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

The Agricultural Conservation Easement Application

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

Agricultural Conservation Easement Applications	
Required Components:	Additional Components and Certifications: <i>These supporting documents are required if applicable*</i>
<ul style="list-style-type: none"> ○ Easement Grant Application Checklist ○ Easement Grant Application Cover Sheet ○ Executive Summary (1 page maximum) ○ Budget ○ Easement Project Summary Sheet ○ Project Characteristics (6 pages maximum) ○ Documentation of Public Notice ○ Preliminary Title Report and Assessor’s Parcel Map ○ Appraisal ○ Landowner Letter of Support ○ Conflict of Interest Certification ○ Easement Monitoring Plan (3 page maximum) 	<ul style="list-style-type: none"> ○ Relevant Portions of the County General Plan ○ Documentation of Organizational Eligibility (documents differ for nonprofit and governmental applicants) ○ Letters of Support from Partners ○ Accreditation documents ○ Location Map showing parcel boundaries, nearest Sphere of Influence, and Protected Lands ○ Implementation Schedule (approved proposals will require this as part of the Grant Agreement process) <p>*Applicant will provide current documents and/or certify that documents on file with DOC-CFCP are current.</p>

REQUIRED COMPONENTS

Easement Grant Application Checklist and Cover Sheet

These pages provide the applicant’s contact information and a checklist to ensure all components of the application are attached.

Executive Summary

This section, not to exceed one page, should provide a brief but thorough description of the proposed project and its scope (farmland quality, location, size, and type of agricultural use). It should explain the potential or actual development pressure impacting the surrounding area, and the contributions the easement might make toward

meeting AB 32 goals and objectives. Please also include any information regarding the landowner’s need to meet any critical deadlines for concluding the transaction.

Budget

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

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

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

Eligible Costs include, but are not necessarily limited to:	Ineligible Costs include, but are not necessarily limited to:
<ul style="list-style-type: none"> ○ Easement purchase price ○ Reasonable costs associated with the acquisition, including but not limited to applicant staff time for easement negotiations, technical and legal consulting, appraisal, preliminary title report, baseline conditions report, escrow fees, and title insurance fees. Payment of these costs are subject to DOC-DOC-CFCP review and shall not exceed 10 percent of the value of the easement for which the costs were incurred (PRC §10231). ○ Stewardship Funds 	<ul style="list-style-type: none"> ○ Indirect overhead costs ○ Ceremonial expenses (including food and beverages) ○ Expenses for publicity ○ Bonus payments of any kind ○ Interest expenses ○ Damage judgments 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.

Easement Acquisition Summary Sheet

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

Easement Project Characteristics

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

Documentation of Public Notice and Local Government Resolution of Support

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

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

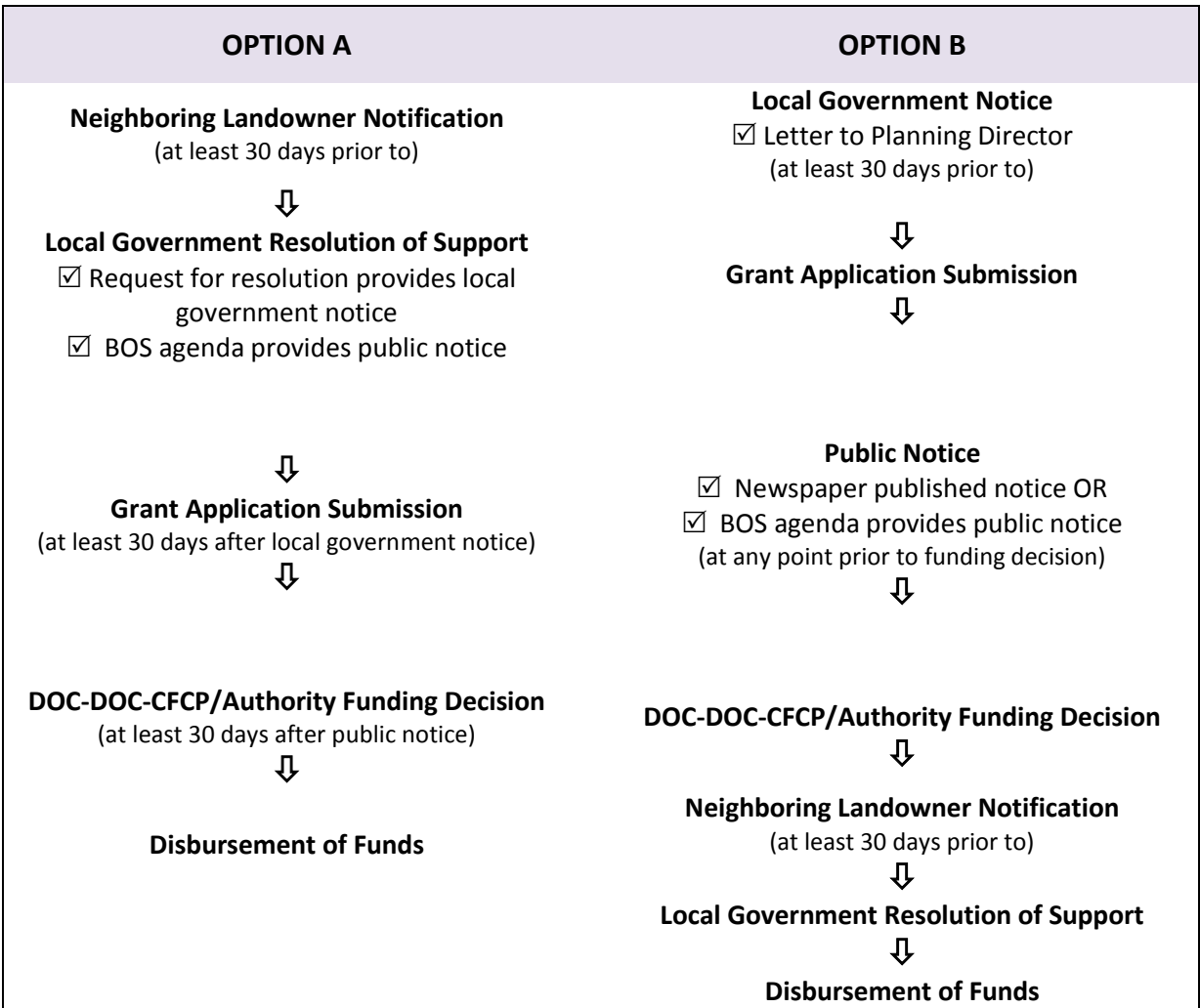
The timing of public and neighboring landowner notice is important. Written notice to adjacent landowners must occur no less than 30 days prior to the expected date of the local government's consideration of the resolution of support. Notice to the county or city shall occur no less than 30 days before the applicant submits a grant application (PRC §10254). Because of the importance of notification timelines, applicants are encouraged to work with DOC-CFCP staff to ensure that the process is completed in the correct order.

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

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

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

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



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

These required documents are critical in evaluating the suitability of a property for an agricultural conservation easement. Resolution of outstanding title issues in order to obtain clear title can be time consuming for the applicant and the landowner. Similarly, an accurate appraisal ensures both the landowner and DOC-CFCP that fair market value will be paid for the easement.

Landowner Letter of Support

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

Conflict of Interest Certification

Nonprofit applicants must provide certification that no conflict of interest or appearance of conflict of interest exists for any members of their Board of Directors or Staff as it relates to the proposed ACE. In evaluation of potential conflicts of interest, land trust applicants are encouraged to consider the Land Trust Alliance sample conflict of interest policies.¹¹ DOC-CFCP provides sample conflict of interest certification forms on its web site.

Easement Monitoring Plan

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

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

ADDITIONAL COMPONENTS AND CERTIFICATIONS

Relevant Portions of County General Plan

Documentation of local government goals, objectives, policies, and implementation measures that support a long-term commitment to agriculture and agricultural land conservation is required under PRC §10251(b).

To meet the requirements, applicants may attach the current version of these documents or state on the Easement Grant Application Checklist the adoption date(s) of these policies along with internet links to them.

Documentation of Organizational Eligibility

DOC-CFCP requires documentation of Internal Revenue Service 501(c)3 status for nonprofit applicants, along with the organization's Articles of Incorporation and By Laws documenting the principal charitable or public purposes of the

¹¹ Available at <http://www.landtrustalliance.org/training/publications/topics#governance>

nonprofit organization, a statement describing the organization's goals and purposes, the beneficiaries of its programs, and a statement describing the organization's commitment to conservation of agricultural land resources. Applicants who have previously submitted these documents to DOC-CFCP may certify that the existing documents remain current, or submit updated documents with the application.

Letters of Support from Partners

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

Accreditation Documents

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

Project Location Map

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

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

Implementation Schedule

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

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

Section 4: Land Management Incentives

Planning for and protecting California's valuable farmland resources are important steps toward meeting greenhouse gas reduction goals. How these lands are managed provides an additional opportunity to leverage those investments with incentives for proven management practices that can increase carbon sequestration and an array of co-benefits. The SALCP long term plan is to use a portion of the GGRF funds allocated for the program for this purpose.

This effort, planned to be phased in as the planning phase of the SALCP winds down, will take advantage of existing delivery systems for on-farm conservation practices. The USDA Natural Resources Conservation Service (NRCS), local Resource Conservation Districts (RCDs), and similar local entities have known and trusted relationships with landowners. By providing targeted funds over and above what NRCS allocates in its Environmental Quality Incentive Program (EQIP)¹², California's SALCP will efficiently focus conservation investments on those practices with the greatest potential to further GHG reductions, increase carbon sequestration, and other co-benefits.

NRCS scientist have been actively evaluating land management practices and their potential to produce these benefits. A portal to access data and tools has been developed:

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/>

In particular, NRCS provides a list and description of management practices:

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/climatechange/?cid=stelprdb1044982>

Applicability to Other Components of the Program

The management practices outlined by NRCS may be relevant to applications for Sustainable Agricultural Land Strategy or Agricultural Conservation Easement grants. Applicants who can document that their proposal involves lands or landowners who actively participate in these practices and who have committed to long term conservation may be more successful than those that lack such information.

Metrics, Markets, and Co-benefits

Working with NRCS will provide an opportunity to collect and evaluate data regarding management practice participation, the GHG reduction value of these practices, and other metrics that support ongoing GGRF investments. Over time, there may be potential for landowners to benefit from long term agreements to use these practices supported by privately-administered carbon markets, or other markets established to provide co-benefits.

Working Toward Implementation

Over the next two years, the Department of Conservation will work with NRCS, the Agency, and the Council to develop and implementation plan for the Land Management Incentives component of the SALCP. Information will be provided as it becomes available. Please contact the Department of Conservation with your thoughts and suggestions.

¹² <http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/eqip/?cid=stelprdb1242633>

Section 5: Grant Administration

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

OVERVIEW OF THE PROCESS AFTER GRANTS ARE AWARDED

Steps in Executing the Grant Agreement

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

Steps Upon Signature of the Grant Agreement

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

FUNDING AND ACCOUNTING

Payment of Grant Funds

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

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

- Payments will be made on a reimbursement basis (i.e. the grantee pays for services or staff then is reimbursed).
- Ten percent (10%) of the amounts submitted for reimbursement will be withheld and issued as a final payment upon work program completion, at the sole discretion of the Department of Conservation.
- Advanced payments are not allowed.

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

Accounting of Grant Funds

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

Accounting of Stewardship Funds—Agricultural Conservation Easements

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

Auditing of Fund Expenditures

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

ORGANIZATIONAL CONSIDERATIONS

Subcontractors

Grant recipients (grantees) may make use of their own staff and such subcontractor(s) as are mutually acceptable to the grantee and the Department of Conservation (Department). All contracts between the grantee and subcontractors are subject to approval of the Department. All subcontractors are governed by and must adhere to all provisions of the Grant Agreement. In the event that a change in subcontractor(s) is necessary, a written change request must be submitted to the grant manager, along with the justification for the change. Subcontractor change requests are subject to approval by the Department and are formalized through either a grant amendment or written change order. Competitive bidding requirements apply to changes in subcontractors, please see below.

Competitive Bid Requirements

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

Workplace Certifications and Insurance

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

Grantees must obtain and keep Worker's Compensation, commercial general liability, and automobile liability insurance policies compliant with specifications provided by the Department in force for the term of the Grant Agreement. The insurance specifications are included within the standard Grant Agreement template and posted

on the the Department web site. These policies shall cover any acts or omissions of the grantee or its employees engaged in the provision of service specified in the Grant Agreement.

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

Materials and Publicity

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

Loss of Funding (Not a complete list)

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

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

APPENDIX A – GLOSSARY

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

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

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

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

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

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

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

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

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

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

Fund or Funds: monies authorized from the The California Budget Act of 2014 from the Greenhouse Gas Reduction Fund (GGRF) to the Strategic Growth Council to develop and administer the Affordable Housing and Sustainable Communities (AHSC) Program. Accompanying legislation, SB 862, apportions 20 percent of the GGRF's proceeds on an annual basis to the AHSC program beginning in FY 2015-16.

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

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

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

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

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

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

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

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

Local Agency Formation Commission (LAFCO): The Cortese-Knox Local Government Reorganization Act (Government Code Section 56000, et seq.) established Local Agency Formation Commissions in each county, empowering them to review, approve or deny proposals for boundary changes and incorporations for cities, counties, and special districts. One of their primary planning tasks is the establishment of "spheres of influence" for the various governmental bodies within their jurisdictions.

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

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

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

Specific Plan: a tool for local government implementation of all or part of an area covered by a general plan. A specific plan can combine policy statements with development regulations. It is often used to address the development requirements for projects such as urban infill developments or a 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. One of the primary planning tasks of each county's LAFCO is the establishment of SOIs for the governmental bodies within their jurisdictions.

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

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

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

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

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

(c) To encourage efficient development patterns by ensuring that any infrastructure associated with development, other than infill development, supports new development that does all of the following:

(1) Uses land efficiently.

(2) Is built adjacent to existing developed areas to the extent consistent with the priorities specified pursuant to subdivision (b).

(3) Is located in an area appropriately planned for growth.

(4) Is served by adequate transportation and other essential utilities and services.

(5) Minimizes ongoing costs to taxpayers.

(Amended (as added by Stats. 2002, Ch. 1016) by Stats. 2002, Ch. 1109, Sec. 1. Effective January 1, 2003.)

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

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

APPENDIX B –Online Resources

Legislation	
AB32: California Global Warming Solutions Act of 2006 http://www.leginfo.ca.gov/pub/05-06/bill/asm/ab_0001-0050/ab_32_bill_20060927_chaptered.pdf	State Planning Priorities (Government Code 65041.1) http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=65041.1
SB 375: Regional greenhouse gas emission reduction targets http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=200720080SB375	SB 226: CEQA Streamlining Opportunities http://leginfo.ca.gov/pub/11-12/bill/sen/sb_0201-0250/sb_226_bill_20111004_chaptered.html
SB 732: Strategic Growth Council Statute http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0701-0750/sb_732_bill_20080930_chaptered.pdf	Senate Bill 535 (De León, Chapter 830, Statutes of 2012) Investments to Benefit Disadvantaged Communities http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201120120SB535&search_keywords=
State Planning Documents	
Air Quality and Climate	
State Implementation Plans Air Resources Board http://www.arb.ca.gov/planning/sip/sip.htm	California Climate Adaption Planning Guide Natural Resources Agency http://resources.ca.gov/climate/safeguarding/adaptation_policy_guide/
AB 32 Scoping Plan Air Resources Board http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm	Climate Adaptation Strategy Natural Resources Agency http://www.climatechange.ca.gov/adaptation/index.html
SB 375 Implementation Air Resources Board http://www.arb.ca.gov/cc/sb375/sb375.htm	Long Term Energy Efficiency Strategic Plan California Public Utilities Commission http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/eesp
Cap-and-Trade Auction Proceeds Investment Plan CalEPA/GO/Legislature http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/auctionproceeds.htm	Vision for clean air: A framework for air quality and climate planning Air Resources Board http://www.arb.ca.gov/planning/vision/vision.htm
Datasets and Databases including Geographical Information System Layers	
Farmland Mapping and Monitoring Program Department of Conservation http://www.consrv.ca.gov/DLRP/fmmp/Pages/index.aspx	Healthy Communities Data and Indicators Project Department of Public Health http://www.cdph.ca.gov/programs/Pages/HealthyCommunityIndicators.aspx
National Conservation Easement Database U.S. Endowment for Forestry and Communities http://nced.conservationregistry.org/	Natural Community Conservation Plan Map Department of Fish and Wildlife http://www.dfg.ca.gov/habcon/nccp/status.html
California Protected Area Database Strategic Growth Council http://www.calands.org/data	Geoportal Public Access Department of Technology http://portal.gis.ca.gov/geoportal/catalog/main/home.page
California Conservation Easement Database Strategic Growth Council http://www.calands.org/cced	GHG Emission Inventory –Query Tool for 2000-2012 CAL EPA http://www.arb.ca.gov/app/ghg/2000_2012/ghg_sector.php

LAND Conservation Programs	
California Council of Land Trusts http://www.calandtrusts.org/	California Resource Conservation Districts Department of Conservation http://www.consrv.ca.gov/dlrp/wp/Pages/Index.asp
California Farmland Conservancy Program Department of Conservation http://www.conservation.ca.gov/dlrp/cfcp/Pages/Index.aspx	California State Conservancies Natural Resources Agency http://resources.ca.gov/conservancies.html
Habitat Conservation Planning Programs Department of Fish and Wildlife http://www.dfg.ca.gov/habcon/	Wildlife Conservation Board

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

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

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

Guidance and Indicators	
Climate	
CEQA and Climate Change / Climate Action Planning Technical Advisories CalEMA, Natural Resources, FEMA http://resources.ca.gov/climate_adaptation/local_government/adaptation_policy_guide.html	Climate Change and Climate Action Planning Technical Advisories Office of Planning and Research http://opr.ca.gov/s_ceqaandclimatechange.php
Indicators of Climate Change in California Office of Environmental Health Hazard Assessment http://www.oehha.ca.gov/multimedia/epic/pdf/ClimateChangeIndicatorsReport2013.pdf	Ecosystem Services and Forestry US Forest Service http://www.fs.fed.us/ecosystemservices/carbon.shtml

Resource Websites and Tools	
ARB Cool California: Local government assistance website Air Resources Board http://www.coolcalifornia.org/article/climate-action-planning	California Local Energy Assurance Planning Tool (CaLEAP) CalEPA https://caleap.icfwebservices.com/
CERES Planning and Natural Resource Information Natural Resources Agency http://www.ceres.ca.gov	SEEC GHG Inventory and Forecast Tools Update Air Resources Board/OPR http://californiaseec.org/resources-guidance/resources-guidance-collection/#b_start=0
CalEnviroScreen 2.0 (not yet final?) Office of Environmental Health Hazard Assessment http://oehha.ca.gov/ej/ces2.html California Communities Environmental Health Screening Tool (CalEnviroScreen 1.1) (older version) http://oehha.maps.arcgis.com/apps/OnePane/basicviewer/index.html?appid=1d202d7d9dc84120ba5aac97f8b39c56ll	Environmental Goals and Policy Report Governor's Office /Office of Planning and Research http://opr.ca.gov/s_egpr.php

Appendix C – Additional Resources

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

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

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

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

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

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

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

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

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

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

Appendix D – Sustainable Agricultural Land Strategy Grant Application

Reserved for the Application Form.

Appendix E – Agricultural Conservation Easement Grant Application

Reserved for the Easement Application Form

Attachment Two
CSAC Comments on the SALC Proposed Guidelines

October 31, 2014



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Mr. Mark Nechodom, Director
California Department of Conservation
801 K Street, MS 24-01
Sacramento, CA 95814
Transmittal Via Email: ahsc_ag@sgc.ca.gov

RE: Comments on Sustainable Agricultural Lands Conservation (SALC) Program Draft Guidelines

Director Nechodom:

On behalf of the California State Association of Counties (CSAC), we appreciate the opportunity to comment on the draft guidelines for the Sustainable Agricultural Lands Conservation (SALC) program. CSAC is the Association that represents county government before the California Legislature, administrative agencies and the federal government. Representing all 58 of California's Counties, CSAC places a strong emphasis on educating the public about the value and need for county programs and services critical for healthy communities.

Counties recognize the dramatic impact that climate change will have on our society and the need for immediate action to reduce California's greenhouse gas (GHG) emissions. We support efforts to develop strategies and actions that will drive progress forward, investing our Cap and Trade dollars in effective programs to help the State reach its climate and energy goals. We applaud the State for recognizing the importance of agricultural land conservation as part of the overall Sustainable Communities Strategy. California's agricultural lands are some of the most productive in the world and agriculture is a significant contributor to California's economy. Thus, protection of this resource is critical to our state's economy and the food security of California and the rest of the nation. Moreover, agriculture has tremendous potential to provide offsets in the form of carbon sequestration in soil and permanent crops, and as a method to limit urban sprawl and curb the associated increases in GHG emissions related to transportation and energy use.

California counties have long supported programs to preserve and protect our agricultural lands, namely in the form of support for the California Land Conservation Act (Williamson Act). For many years, the Williamson Act was the single most effective state agricultural land preservation program in California, protecting roughly 16.5 million acres of farmland across California. Since its inception, the program has worked to preserve California's vital food-producing farm and grazing land as well as open space and wildlife habitat, and key watersheds. However, the Governor suspended subvention payments to local governments in the 2009-10 Budget and has not funded the program since that time.

CSAC supports the SALC linkage to the Williamson Act. We understand that Cap and Trade funds, by law, must be used to reduce GHG emissions and cannot be used to backfill subvention payments, which are unencumbered county general fund dollars. However, we would submit that additional agriculture preservation strategies should be linked to the current program that already protects millions of acres of farmland in California. We would also argue that funding for the Land Strategy Grants should be augmented in this first round to maximize efforts to develop strategies to protect

California's farmland. While conservation easements are an effective tool, we support an increase in planning funds to local governments to first help identify which areas should be protected, to maximize efforts to link local planning policies with GHG reductions and to develop potential reforms to the Williamson Act, the State's existing agricultural land conservation program. We would also suggest a change to the eligibility requirement for the Land Strategy Grants related to Williamson Act contracts. As just four counties do not have Williamson Act contracts, we do not see the need for the requirement that states that a county must already participate in the Williamson Act to be eligible for Land Strategy Grants.

CSAC understands that the SALC program is part of the larger Affordable Housing and Sustainable Communities (AHSC) Grant Program, which is focused on the reduction of Vehicle Miles Traveled (VMT) and the implementation of regional Sustainable Communities Strategies (SCS). However, as we move forward we urge the Department of Conservation and the Strategic Growth Council to consider a broader strategy to protect all working landscapes, recognizing that there are important agricultural lands outside of the urban periphery that are worthy of protection. Millions of acres of farm and ranch land in rural California are just as critical to protect as they serve multiple purposes. They are the landscapes that will help serve as the foundation for meeting California's growing water quality needs and climate change goals via carbon sequestration now and into the future.

Thank you for the opportunity to submit these comments. Please do not hesitate to contact me via email at cmartinson@counties.org or by phone at 916-327-7500 ext. 504 should have any questions about CSAC's comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cara Martinson', written in a cursive style.

Cara Martinson
CSAC Legislative Representative

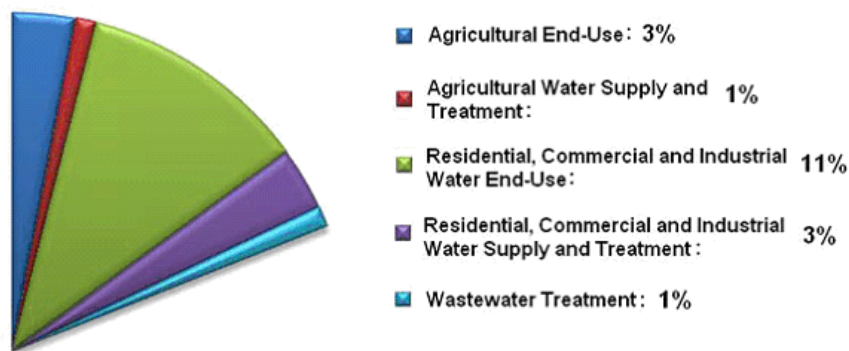
Attachment Three

Water Energy Nexus: Opportunity or next crisis for counties?

Water Energy Nexus, Opportunity or next crisis for counties?

Research performed by the Energy Commission has found that water and energy resources are inextricably connected, and this is known as the Water-Energy Nexus. Transportation and treatment of water, treatment and disposal of wastewater, and the energy used to heat and consume water account for nearly 20 percent of the total electricity and 30 percent of non-power plant related natural gas consumed in California. Demand for water resources is expected to rise primarily due to population growth and also as a result of external factors such as climate change and more strict regulatory rules protecting water quality.

Water-related electricity use is 48 terawatt-hours (TWh) per year and accounts for nearly 20% of California's total electricity consumption.



A shortage of water can inhibit energy production since power plants in California, as we are seeing, during the current drought. A shortage of water readily available to a power plant can also result in more energy being used to pump water from faraway sources or from deeper wells.

Water is essential to California's ability to grow food and produce electricity. Current agricultural policy relies on a plentiful supply of water for irrigation and a plentiful supply of the fossil fuels used for fertilizer-intensive crops and the machinery used to raise them. Changes in global precipitation patterns due to climate change threaten the balance of water available for agriculture. At the same times fossil fuels are becoming a less viable source of energy, due to depletion, cost, and environmental damage.

Water and energy policy, planning and management are an emerging focus of state legislators and California regulators. The California Public Utilities Commission is currently examining the water energy nexus. These two critical life sustaining elements must be integrated to encourage conservation, motivate innovation and ensure sustainable use of water and energy. End users, such as businesses and households, also have an important role to play. By reducing the amount of water they consume, end users conserve not just water but energy, too. This in turn can save money on utility bills.

As state and federal legislators and regulators address public policy on the water energy nexus, how the water energy nexus impacts counties, and how counties engage will have direct impact on future land use, energy production, agriculture and end use consumers.

Attachment Four
CSAC ANER 2014 Review & 2015 Legislative Preview



Agriculture, Environment & Natural Resources Looking Back on 2014 & 2015 Legislative Preview

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Looking Back on 2014

Water – Drought & Groundwater. CSAC played a key role in water policy development this year, engaging in high-level negotiations over the landmark groundwater legislation, participating in educational forums and briefings related to the drought, and engaging in water bond discussions. Following the Governor’s declaration of a drought emergency in early January, CSAC was involved with a number of statewide educational forums and briefings related to drought funding and the emergency rulemaking that was adopted in July of this year. This is the rulemaking that mandates minimum actions to conserve water supplies both for this year and into 2015.

With the drought straining water supplies and setting off an increase in well drilling, the Administration and members of the Legislature engaged CSAC and other stakeholders to discuss the development of a statewide sustainable groundwater management strategy. The Administration was particularly interested in county engagement and feedback on strategies to improve groundwater management. County officials were able to provide this feedback via a series of webinars facilitated by the California Water Foundation and jointly sponsored by CSAC, the Rural County Representatives of California (RCRC) and the Urban County Caucus (UCC).

After additional meetings and workshops, two bills were introduced, SB 1168 by Senator Fran Pavley and AB 1739 by Assembly Roger Dickinson. Both bills and an additional clean-up measure, SB 1319 (also by Senator Pavley) were ultimately passed by the Legislature, and signed by the Governor. These measures require certain water-basin managers to develop groundwater plans guarding against overdrafts. The bills require the State to review plans, and provide the State the authority to intervene if plans are not properly developed or enforced.

CSAC and RCRC were successful in negotiating several amendments to the bills that addressed a majority of our concerns, including the protection of local control and recognition of local police powers; recognition of local plans and comments from local governments on groundwater sustainability plans; protection of local well permitting authority; and, the ability of a county to be a groundwater sustainability agency. As a result of these amendments, CSAC was able to take a position of neutral on all three measures. The Administration and authors have committed to CSAC’s involvement in any future discussions regarding clean-up legislation.

Cap and Trade. The Legislature approved and the Governor signed California’s first Cap and Trade Expenditure plan this year, totaling \$872 million in investments to reduce Greenhouse Gas (GHG) emissions in California. CSAC began the year with two active proposals for the investment of Cap and Trade dollars at the local level. These proposals would have dedicated a portion of revenues to two local competitive grant programs geared at GHG reducing investments in the transportation and natural resources sectors. CSAC was successful in securing \$130 million from the 2014-15 allocation for one of these proposals related to transportation investments through the Affordable Housing and Sustainable Communities

Program. In addition, we were able to secure funding for Waste Diversion Programs and Open Space and Farmland Preservation. While the 2014-15 allocation does not include a specific local government program for non-transportation, local governments are eligible for funding from several categories within the FY 14-15 investment plan and CSAC is working with the Administration to ensure that local governments are eligible for additional revenues in the 2015-16 budget.

Agriculture and Farmland Protection. As anticipated, legislation was introduced this year related to farmland conservation. AB 1961, by Assembly Member Susan Eggman, would have required each county with significant agricultural land resources to develop a sustainable farmland strategy. While laudable, the bill's requirements would have imposed significant cost pressures on counties to adopt complex strategies that included lengthy requirements. Given the costs associated with its implementation, CSAC opposed AB 1961. The bill died on the Assembly Appropriation Committee's Suspense File. However, CSAC was able to advance other efforts to protect agriculture and farmland through the state's Cap and Trade Expenditure Plan passed through the budget this year. As mentioned above, a portion of the funds that are dedicated to the Sustainable Communities and Affordable Housing Program include funding for open space and agricultural lands that are under the threat of development. While a small step in the larger effort to protect all of California's valuable agricultural lands, this program represents a positive move forward as we continue to highlight the need for protection against permanent conversion of our agricultural lands.

Solid Waste – Advancing Waste to Energy Policies and Alternatives to Landfills. Building off momentum achieved through SB 804 (Lara), CSAC and Los Angeles County co-sponsored a follow-up measure on biomass and conversion technology this year. SB 498, by Senator Lara, is the product of consensus among stakeholders and the Administration, taking heed from the Governor's veto message of SB 804 in 2013. The bill provides incentives and a permitting path for solid waste conversion technologies, providing local governments with additional tools when managing their waste stream and seeking alternatives to landfills. In addition to conversion technology, CSAC was successful in negotiating amendments to several solid waste bills, AB 1826 by Assembly Member Chesbro and AB 1594 by Assembly Member Williams. Both bills seek, in various ways, to divert organic materials from our landfills. While supportive of this goal, CSAC was able to negotiate amendments that allow for workable timeframes and approaches to ease the regulatory burden on local governments.

Regulatory Issues. CSAC continued to engage in the regulatory process on a number of different fronts with particular focus on rulemakings before the State Water Resources Control Board (Water Board), the Department of Fish and Wildlife and the U.S. EPA. Early in the year, CSAC joined with other private and public stakeholders in expressing concern with the Water Board's Revised Preliminary Draft Wetland Area Protection Policy. Of particular concern to counties are the proposed requirements that would cause more delays in the permitting and maintenance of public projects, and potentially conflict with local land use decisions. Whether the Water Board is responding to the concerns raised is unknown at this time as they have yet to release a public draft. Regarding state storm water requirements, CSAC was invited to become a member of the Water Quality Task Force (Task Force) of the California Council for Environmental and Economic Balance. The Task Force, which is comprised of private sector entities and individual cities and counties, is providing direct feedback to Water Board members and staff regarding the State's Storm Water Strategy Initiative.

CSAC worked closely with the County Engineers Association of California (CEAC) in drafting comments on DFW's Draft Bird Nesting Regulations and the U.S. EPA and Army Corp. of Engineers' Waters of the U.S. Rulemaking. In both instances, the proposed regulations would result in delayed maintenance of public works facilities, such as flood control channels and debris basins. All of the regulatory measures described above are on-going and may not be resolved until next year.

2015 Legislative Preview

Groundwater Legislation Clean-up & Implementation. CSAC will work closely with counties, the Administration and the Legislature regarding needed changes to the new groundwater sustainability laws that will facilitate county implementation without threatening the intent of groundwater sustainability. The Administration and the authors of the groundwater bills have expressed a willingness to consider modest clean-up legislation and legislation that would streamline the groundwater adjudication process. Senate Pro Tempore Kevin De Leon and Assembly Speaker Toni Atkins will likely share the same perspective. However, given their opposition to the legislation, the Republican Caucus and Central Valley Legislators will be more likely to support aggressive changes to the law, contrary to the interests of leadership and the authors of the bills. The Administration is fully dedicated to moving forward with implementation of the groundwater legislation. CSAC serves as the county representative contact at the Administration's regular meetings on the groundwater legislation implementation. CSAC is also committed to organizing several educational forums in 2015 for county officials on the groundwater legislation.

Stormwater Funding. Counties throughout California are experiencing dramatic cost increases in their stormwater permits, as these permits are coming with increasingly restrictive pollutant discharge limits. For most, the cost of compliance is raising budgets beyond the reach of existing funding sources. Counties are also experiencing difficulty in raising revenues to support these fee increases as obtaining voter approval for increasing certain utility service fees, as required by Proposition 218 proves challenging. CSAC, in collaboration with other public and private stakeholders, will support legislation that would amend Proposition 218 to allow fees and charges for stormwater and flood control to be modified consistent with fees and charges for water and wastewater. The Administration has issued two reports that allude to their support for potential changes to Proposition 218 - the *California Water Action Plan* (January, 2014) and the *State's Flood Future Report* (April, 2013).

Medical Marijuana Regulation. Similar to last year, the California Police Chiefs Association and the California Cannabis Industry Association are planning to sponsor separate pieces of legislation that would, in differing ways, establish a statewide regulatory framework for the cultivation, processing, transportation, testing, recommendation and sale of medical marijuana. As directed by CSAC policy on medical marijuana, CSAC will continue to advocate for strong local control and environmental protections in the legislation relative to cultivation activities and dispensary operations. In addition, CSAC will continue to oppose requirements that would impose unreasonable enforcement responsibilities on counties. It is unclear what the Governor and legislative leadership's position will be on the establishment of a statewide medical marijuana regulatory framework.

Rural County Initiative & Infrastructure Funding. Rural and small counties have been impacted by specific programs cuts over the last decade that, when taken together, present a cumulative disproportionate impact on these jurisdictions. In addition to continuing to advocate for a restoration of funds for programs such as the Williamson Act and Payments in Lieu of Taxes (PILT), CSAC will advocate for additional funding for a Rural Infrastructure Program to provide funding to California’s smallest counties for critical infrastructure investments that ensure the health and safety of California’s rural communities. Investments will support projects focused on transportation, telecommunications, and water infrastructure.

Cap and Trade. The Legislature approved and the Governor signed California’s first Cap and Trade Expenditure plan this year, totaling \$872 million in investments to reduce Greenhouse Gas (GHG) emissions in California. In addition, the budget created a framework for how the Legislature will allocate future Cap and Trade auction revenues with 60% of all futures funds dedicated to continuous appropriations for a variety of different program areas. However, 40% of Cap and Trade funds have been secured for natural resource investments in future budget years, upon annual appropriation of the Legislature. CSAC will continue to advocate for local government eligibility for these funds, with a focus on programs in the waste management, energy and water resources sectors.