



Washington State
**Conservation
Commission**

2022 Supplemental Capital Package



Washington State Conservation Commission

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TAB A



STATE OF WASHINGTON
CONSERVATION COMMISSION

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September 13, 2021

TO: David Schumacher, Director
Office of Financial Management

FROM: Carol Smith, Executive Director
Washington State Conservation Commission

SUBJECT: Fiscal Year 2022 SCC Capital Budget Request

The Washington State Conservation Commission (SCC) is submitting one supplemental capital budget request to launch a collaborative and time-sensitive program to protect farmland in danger of development and facilitate transfer to new and beginning farmers:

I. FarmPAI - \$2,000,000

The Farmland Protection and Affordability Investment (FarmPAI) Program is a proposed program to support protection of high priority agricultural land at imminent risk of development. This critical and necessary program supports Washington farmers and keeps land in production. The program also facilitates land access to underserved producers including young and beginning farmers, people of color, and veterans. FarmPAI's revolving low interest loan program for fee simple land acquisition would be managed by the Washington State Housing Finance Commission with the SCC acting as a program advisor. Supplemental budget funds are necessary as FarmPAI's success requires ready sources of conservation easement funding to permanently protect the land and make it affordable for the next generation farmer. The SCC's agricultural conservation easements program is a strategic complement to FarmPAI in alignment with the Office of Farmland Preservation statutory goals (RCW 89.10.010).

We request \$2,000,000 for the easement account (RCW 89.08.540) through the supplemental budget.

Thank you for considering this request.

Sincerely,

Carol Smith Executive Director

471 - State Conservation Commission
Ten Year Capital Plan by Project Class
 2021-23 Biennium
 *

Version: SS FY 22Supplemental

Report Number: CBS001

Date Run: 9/10/2021 4:15PM

Project Class: Grant

Agency Priority	Project by Account-EA Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2021-23	New Approp 2021-23	Estimated 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31
1	40000020 2021-2023 Farmland Protection and Land Access									
	057-1 State Bldg	38,000,000				2,000,000	6,000,000	10,000,000	10,000,000	10,000,000
	Constr-State									

Total Account Summary

Account-Expenditure Authority Type	Estimated Total	Prior Expenditures	Current Expenditures	Reapprop 2021-23	New Approp 2021-23	Estimated 2023-25	Estimated 2025-27	Estimated 2027-29	Estimated 2029-31
057-1 State Bldg Constr-State	38,000,000				2,000,000	6,000,000	10,000,000	10,000,000	10,000,000

Ten Year Capital Plan by Project Class

*

Report Number: CBS001

Date Run: 9/10/2021 4:15PM

<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2021-23	2021-23
Functional Area	*	All Functional Areas
Agency	471	471
Version	SS-A	SS-A
Project Classification	*	All Project Classifications
Include Enacted	No	No
Sort Order	Project Class	Project Class
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

Policy #	15-02 Cultural Resources Policy
Applies to:	All Conservation Districts
Effective Date:	July 1, 2015 as approved by the Commission

PURPOSE

The Washington State Conservation Commission (WSCC) is sensitive to the cultural resource concerns of the tribes in Washington State and in an effort to help preserve and protect those cultural resources, the Commission encourages each District to communicate with their local tribes regarding the conservation work that they do, in an attempt to develop a working relationship that supports their conservation activities while protecting important cultural resources.

The WSCC for its part, will ensure that future activities of the Washington State Conservation Commission (WSCC) are compliant with the [Governor's Executive Order 0505](#) regarding the preservation and protection of our statewide Archeological and Cultural Resources in the disbursement of State funds to conservation districts for capital construction projects to conserve the state's natural resources.

POLICY

Before a Conservation District can be reimbursed for conservation practices (capital construction projects) with WSCC managed funds (regardless of the source, such as Operational Funds or Capital funds), a District must provide documentation to WSCC that:

1. a GEO-0505 review has been completed or
2. the project/practice is exempted from the GEO-0505 review or
3. a GEO-0505 review is not needed.

PROCEDURE

Procedural guidance to implement this policy is attached and also posted to the WSCC Cultural Resource Website at: <http://scc.wa.gov/cultural-resources-2>.

Current updated cultural resource information will be maintained on the website.

EFFECTIVE PERIOD

This policy is effective July 1, 2015

Attachments

GEO-0505 Complied statement,
Options for Cultural Resource Review
Cultural Resource review procedure with WSCC assistance
Flow Chart of CR Review with WSCC assistance



Governor's Executive Order 05-05 Complied Statement

(Use when requesting reimbursement from WSCC)

1. Identify the Practice/project that this statement applies to: _____

2. Please check one below and complete the blanks:

_____ **Another State or Federal agency**

Cultural Resource Review was completed by: _____ (BPA, WDFW, etc)

_____ **District Completed**

Cultural Resource Review was completed by: _____ Conservation District

_____ **WSCC assisted compliance**

Cultural Resource Review was completed by: _____ Conservation District with WSCC assistance.

_____ **Exempted**

Cultural Resource Review is exempted by a statewide exemption or other exemptions known as _____ (reference other exemption or provide a copy)

_____ **Does Not apply**

Cultural Resource Review does not apply because: _____

_____ **Prior to Policy**

This practice was completed prior to July 1, 2015, and is not covered under policy recently approved and effective July 1, 2015. (Attached documents for reimbursement are being submitted after 7/1/15)

_____ **Substantially completed prior to policy**

This practice was substantially completed before the Cultural Resource Review Policy took effect on July 1, 2015

3. Submitted by:

Authorized District Signer or a Professional Archeologist

Date

(must be provided to WSCC Financial Staff prior to eligibility for grant reimbursement)



Washington State Conservation Commission

District Options for Cultural Resource Review when using WSCC funds

PROCEDURE:

I. Cultural Resources Goal:

The WSCC goal for the Cultural Resources Review process is to comply with GEO-0505, minimize the impact of any conservation work on Cultural Resources, and to get conservation practices implemented in a cost effective manner.

II. Final Authority:

Because the Governor's Executive Order 0505 holds WSCC accountable for Cultural Resource reviews for Projects funded by WSCC, the WSCC Executive Director will make final decisions regarding whether a Cultural Resource Site Survey or any additional Cultural Resource activities are required prior to WSCC grant reimbursement.

III. Applicability:

This process applies to all District construction projects that are funded in whole or in part with WSCC managed funds.

The cost of complying with the Cultural Resources review process is eligible for grant reimbursement.

IV. Cultural Resources review can be completed in one of three ways:

Option A. Another State or Federal agency completes the review which is documented by a:

1. "GEO-0505 complied statement" signed by an authorized District signer.
(Statement would say: Cultural Resources Review completed by the Bonneville Power Administration (BPA), or Washington Department of Fish and Wildlife (WDFW), etc.

Option B. District completes the review which is documented by a:

1. "GEO-0505 complied statement" signed by an authorized District signer or
2. "GEO-0505 complied statement" signed by a Professional Archeologist

Option C. WSCC assisted compliance with GEO-0505, if requested by District

The WSCC has a procedure to assist districts with the Cultural Resources review of the District's cost shared practices, if assistance is requested by the District.

The WSCC will notify the District when the Cultural Resources review is completed and the District will document the completion by a:

1. "GEO-0505 complied statement" signed by authorized District signer, based upon the report from WSCC.



Washington State Conservation Commission

V. Compliance documentation before WSCC payment.

District must provide a signed "GEO-0505 Complied Statement" to financial staff prior to eligibility for grant reimbursement.

*A standard "GEO-0505 Complied Statement" template is to be used for Options A, B, and C above in which an applicable box (i.e. Complied, Exempted, Does not apply, or Cultural Resources Review completed by another agency) is checked.

VI. Internal Cultural Resources documentation:

Each District is responsible for internally documenting their GEO-0505 compliance which would be subject to review by a responsible agency, such as WSCC.



Option C – Procedures for WSCC Assisted Cultural Resource Reviews

-In order to comply with GEO-0505, the WSCC will use the following procedures when WSCC assists districts with their District's CR review.

Step 1. The District will determine if the project involves any ground disturbing activities or involves any structures 50 years or older and if a CR Review is needed (considering authorized exemptions).

- If the answer is "NO", the District must document this in their practice file.
- If the answer is "YES", go to step 2 and/or 3.

Step 2. For any activities involving structures 50 years or older, the district fills out a Historic Property Inventory (HPI) form on DAHP's Historic Property Inventory online database for DAHP's review. Department of Archeology and Historic Preservation (DAHP) may require more intensive investigation or mitigation of impacts to the structure depending on the historical significance of the building. The district may need assistance from a Professional Archeologist or WSCC staff when dealing with Historic Properties.

Step 3. For any ground disturbing activity, the District must complete DAHP's EZ-1 form to describe the project.

If the District chooses to go ahead and have a professional archeologist do a site specific cultural resources survey (with the archeologist following DAHP guidelines), then the complete survey report will accompany the EZ1 form. (A district may choose to have a Cultural Resource Site Specific Cultural Resource Survey done at any time the District thinks one is warranted.)

-DAHP EZ forms available at: <http://www.dahp.wa.gov/governors-executive-order-05-05>

-DAHP CR Report Cover Sheet at: http://www.dahp.wa.gov/sites/default/files/CRSURVEYcoversheet_Aug2011.doc

Note: This step could certainly be augmented by the District working with any Tribe that is interested and willing to work with the district. Any tribal agreement concerning the project, verbal or otherwise, should be documented and included with the EZ1 report.

Step 4. The District will submit a copy of the EZ-1 Form electronically, and if available, a site specific cultural resources survey, and any previous tribal or DAHP correspondence regarding the project to the WSCC.

Step 5. The WSCC will compile and process all of the appropriate forms and correspondence:

a. If an EZ-1 Form is submitted by the District, the following will be sent out by the WSCC:

- 1) WSCC tribal cover letter with the Director's signature and the EZ1 form to all potentially interested tribes.
- 2) An email to DAHP for review with the EZ1 form and all project correspondence including and tribal, WSCC, and District correspondence.

b. If both an EZ1 form and a Site Specific Cultural Resources Survey have been submitted by the District, the following will be sent out by the WSCC:

- 1) WSCC tribal cover letter with the WSCC Director's signature and only the Cultural Resource Survey (and no other correspondence unless necessary) asking for concurrence to implement to all potentially interested tribes.
- 2) WSCC's email requesting DAHP's review with electronic versions of all WSCC letters, any tribal or district correspondence, and the survey.

Step 6. The WSCC will send DAHP's and the tribes' correspondence and responses, or a lack of response notice to the District,

- a. If DAHP and tribes respond that there will be no effect to cultural resources or do not respond within the 30 day request period then the WSCC will notify the district that the project will be considered to have complied with GEO-0505 and the project may be implemented.

The District will insure that every person working on the project site be familiar with the District's Inadvertent Discovery Plan (IDP) procedures in case any cultural resources are discovered.

The District will consider all mitigation measures into the project that are mentioned in any responses.

- b. If DAHP or a tribe requests more information, the District will be asked to compile required information and submit to WSCC and the cultural resources review process will continue.

c. If DAHP or a tribe suggests that a Site Specific CR Survey is warranted, then the District in consultation with WSCC will decide if a survey is to be done. If one is done then go back to Step 4 and proceed.

d. If the District, DAHP, or the tribes determine there will be a negative effect on cultural resources or historic properties, that cannot be avoided or adequately minimized, then go to step 7.

Step 7. The WSCC Executive Director's may make a determination that a project will have an effect on Cultural Resources or historic properties that would trigger a process of formal consultation regarding whether the effect is adverse or not. Or the WSCC Executive Director may determine that a project will have no effect or minimal effect on CR or historic properties. Due to the potential risk to the agency, the WSCC Executive Director will review a project with the Commission's prior to making a no effect or minimal effect decision.

The WSCC will coordinate the formal consultation process, if formal consultation is needed.

Formal consultation can result in a memorandum of agreement detailing how the adverse effects will be resolved. The CR process is complete after the MOA has been signed by the appropriate consulting parties and then the District/Landowner may proceed with project activity.

WSCC may ask for a professional archeologist to provide input into the process at any time, if needed.

Useful References

-The WSCC Coordinator will maintain tribal contact information and provide it upon request.

-The WSDOT web site also has a current list of tribal contacts at:

<http://www.wsdot.wa.gov/tribal/TribalContacts.htm>

-Tribal cultural resources contact information at:

<http://www.dahp.wa.gov/sites/default/files/Washington%20Tribes%20Contact%20List.pdf>

-Washington Department of Archaeology and Historic Preservation (DAHP) EZ forms at:

<http://www.dahp.wa.gov/governors-executive-order-05-05>

-Governor's Office of Indian Affairs at: <http://www.goia.wa.gov/>

-Tribal information map at: <http://www.goia.wa.gov/Tribal-Information/Map.htm>

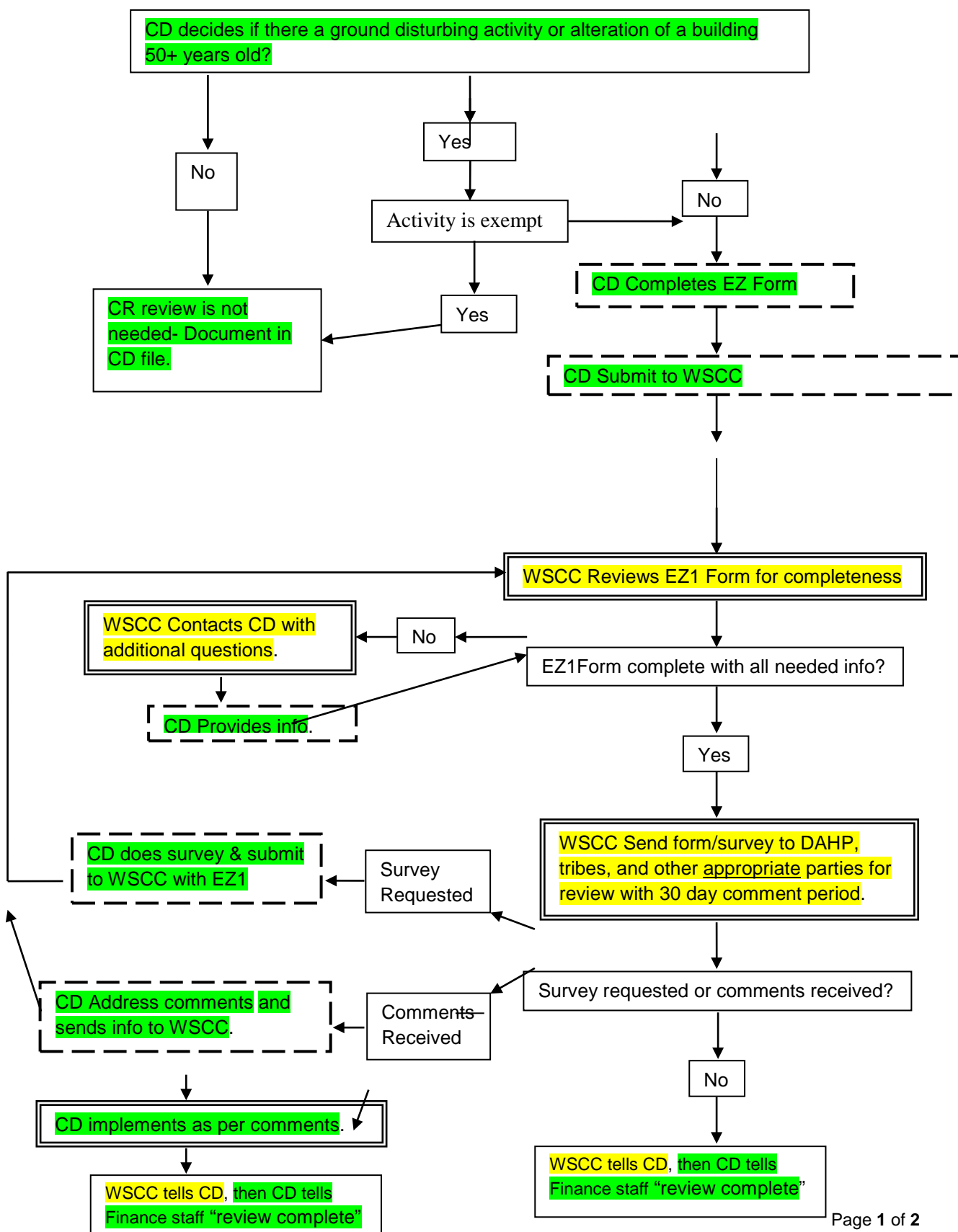
-National Historic Preservation Act, 16 USC 470: <http://www.usda.gov/rus/water/ees/pdf/nhpa.pdf>

-Protection of Historic Properties, 36 CFR 800: <http://www.usda.gov/rus/water/ees/pdf/36cfr800.pdf>

-Advisory Council for Historic Preservation: <http://www.achp.gov/>

-National Register of Historic Places at: <http://www.cr.nps.gov/nr>

Procedural Flow Chart for WSCC Assisted Cultural Resource Reviews (Option C) (6-24-15 version)



Continued: Procedural Flow Chart for WSCC Assisted Cultural Resource Reviews (Option C)(3-6-15)

Section 106 versus Governor's Executive Order 05-05

- Section 106 of the National Historic Preservation Act is applied to actions funded by federal agencies.
 - If Section 106 has been conducted for a project by a federal agency, it may be accepted by WSCC for compliance with GEO-0505.
- Governor's Executive Order 0505 is required for all state funded capital construction projects. This includes projects with both state operating and capital funds provided by the WSCC.
 - GEO-0505 cannot be adopted to meet Section 106 requirements for federally funded projects.
 - The Conservation Commission can accept another state agency's GEO-0505 process to meet WSCC cultural resources review requirements.

Correspondence: Washington State Conservation Commission is responsible, as the funding agency, for contacting the Department of Archaeology and Historic Preservation (DAHP), affected tribes, and other interested parties to meet cultural resource review requirements. Previous approval from DAHP nor the tribes does not necessarily fulfill these requirements but may be considered. WSCC may delegate this to a District with the capacity to do their own GEO-0505 compliance.

EZ Forms: found at <http://www.dahp.wa.gov/governors-executive-order-05-05>

- EZ-1: This form is to provide information about ground disturbing activities.
- EZ-2: This form is to provide information about alterations to buildings 50 years or older.

Ground Disturbing Activities: This refers to any work that impacts the soil or ground from its current conditions. There is no threshold for this criterion. If the activity requires any work that goes below the surface of the ground, it requires a cultural resources review, unless exempted by agreement with DAHP

Changes to Project Design or Project Area: If there are any changes made to the project area or design after cultural resources review has been completed, review will have to be reinitiated in order to capture the changes. It is suggested that cultural resources review begin only after the final design is complete to expedite the process.

Timing: The time period it takes for cultural resources review occurs cannot change. Please plan ahead to ensure enough time is permitted prior to implementation, which could be 45 days or more.

Eligibility

- All activities associated with cultural resources review are grant eligible.
- Construction or BMP implementation that occurs prior to cultural resources review may not be eligible for reimbursement.

Questions? Contact WSCC at email at: commission@scc.wa.gov or call 1.360.407.6200

**** NOTE:** In cases where practices or projects are done involving other state agency funds or federal funds, those other agency CR guidelines should be followed and may be considered to have taken care of WSCC CR requirements.

TAB B

TAB C

TAB D

471 - State Conservation Commission Capital Project Request

2021-23 Biennium

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Version: SS FY 22Supplemental

Report Number: CBS002

Date Run: 9/10/2021 5:08PM

Project Number: 40000020

Project Title: 2021-2023 Farmland Protection and Land Access

Description

Starting Fiscal Year: 2022

Project Class: Grant

Agency Priority: 1

Project Summary

Between 2002 and 2017, Washington lost 640,000 acres of farm and ranch land. This loss has accelerated during the COVID pandemic. One major reason for this loss is the aging farmer population. As farmers retire, it's difficult to bring young farmers onto the land due to cost. This year, the Washington State Housing Finance Commission is developing the Farmland Protection and Affordability Investment program. This program provides funding for new and beginning farmers. The Office of Farmland Preservation will support this program with match funding in this supplemental request.

Project Description

Between 2002 and 2017, Washington lost 640,000 acres of farm and ranch land (USDA Agricultural Census). This represents a loss roughly the size of Rhode Island. Farm and ranch land is the foundation of agriculture; without quality agricultural land Washington would not have a strong agricultural sector contributing over \$10.6 billion in the market value of crops and livestock and over \$21.8 billion in food processing revenue to the state's economy. However, Washington does not have the necessary resources to prevent the conversion of high quality farmland to residential, industrial, or commercial development.

Farmland loss is caused by myriad factors which are often intertwined. Reasons for the loss of agricultural land in Washington include challenges with farm profitability; the ever increasing cost of farmland; conversion to residential, commercial, or industrial development; and the lack of a farm successor.

Washington's farmers are aging with the average age of Washington farmers at 58 years old. There are more than five times as many producers over 65 than under 35 years old (USDA Agricultural Census, 2017). More than 70% of retiring farmers in Washington have not named a successor, placing more potential land at risk (USDA CSREES, Farmland Transition Update). Washington's farmer age demographics signal that a significant portion of our state's agricultural land will change hands in the next two decades. Farms often face the highest risk of conversion during ownership transitions.

Young and beginning farmers cite the cost of land as the number one barrier to starting or expanding their farm businesses. Multigenerational farmers also cite land access as their top challenge (Building A Future with Farmers, National Young Farmers Coalition, November 2017). Agricultural producers in Washington are disproportionately White (96%) and male (58%) when compared to the population as a whole. Black, Indigenous, and People of Color (BIPOC) producers make up less than 4% of Washington agricultural producers. No racial group (American Indian or Alaska Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander) other than White constitutes more than 1% of agricultural producers in Washington (USDA Agricultural Census, 2017). New affordability tools are necessary to increase land access and opportunity across Washington.

An agricultural conservation easement is one tool that can prevent farmland loss by ensuring quality farmland stays open and available for agriculture now and into the future. Through an agricultural conservation easement an agricultural landowner voluntarily sells the right to develop or use their property in ways that would be incompatible with farming (e.g. turning the farm into a housing development or warehouse facility) to a conservation entity such as a land trust, conservation district, or other government agency. By removing the speculative development value, an agricultural conservation easement increases affordability and promotes land access for farmers who otherwise would be priced out of farmland ownership.

Current Situation

The existing federal, state, and local funding sources for agricultural conservation easements are not sufficient to reverse Washington's farmland loss trends. Current programs typically have a timeline of between two and five years to complete a

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Description

conservation easement transaction. This lengthy timeline acts as a barrier for program usage. Existing programs all require a conservation entity to cobble together multiple funding sources to fully fund a transaction. However, only 13 of Washington's 39 counties have authorized a Conservation Futures tax levy, a key source of local funding for farmland protection. Without a local funding source, the majority of Washington counties are severely constrained or outright excluded from participating in agricultural conservation easement funding programs. This creates geographic disparity and unequal access to state programs.

Recognizing the critical need to protect high quality farmland from development and make land access more equitable, the Washington State Housing Finance Commission (WSHFC) is developing the Farmland Protection and Affordability Investment (FarmPAI) program. FarmPAI is a low-interest revolving loan fund for the fee simple acquisition of high -quality farmland at imminent risk of development. To advance equity and reduce disparity, the degree to which the proposed project will provide affordable farmland access to a farmer or rancher eligible and planning to pursue the Beginning Farmer and Rancher Loan program or to a historically underserved farmer and rancher as defined by USDA will be included in the project selection criteria.

FarmPAI's success requires a ready source of conservation easement take out dollars to ensure the farmland is permanently protected, the land is made affordable to the next generation farmer, and the revolving loan funds can be recycled into the program to help the next farmer access land, many of whom will be eligible for the WSHFC Beginning Farmer and Rancher program.

Proposed Solution

In order to support the emergent FarmPAI program begun this year by the WSHFC, the Washington State Conservation Commission requests funding for the Farmland Protection and Land Access (FPLA) program within the Office of Farmland Preservation to address critical gaps and reduce inequitable access to farmland protection programs. The statutory authority for FPLA already exists under RCW 89.08.530 and 89.08.540. The need is urgent and Washington cannot wait. Farmland loss trends have been exacerbated by COVID -19 as disruptions in agricultural markets threaten farm profitability and dramatic increases in low density residential development in rural areas continue to drive up land prices. FPLA would be a strategic complement to FarmPAI to reduce disparities in land access and promote economic opportunity for young, beginning, and underrepresented farmers and ranchers. These costs could not have been anticipated at the time the agency biennial budget was developed as FarmPAI did not yet exist.

Funding FPLA is necessary as FarmPAI's success requires a ready source of conservation easement funding to ensure the fund can revolve and serve more aspiring farmers. While FarmPAI covers the fee simple land acquisition cost, FPLA funds would be available to purchase the agricultural conservation easement to permanently protect the farm from development and make it affordable for the next generation farmer.

Selling the agricultural conservation easement is a crucial step in the overall financing of FarmPAI projects. Selling the agricultural conservation easement allows the conservation entity to repay a portion of their FarmPAI loan so funds can be recycled for new projects. Once the farm is permanently protected through a FPLA agricultural conservation easement, the conservation entity will sell the protected farm to the next generation farmer at its agricultural value and repay their FarmPAI loan in full. This transaction, referred to as Buy -Protect-Sell, is a proven and effective way to transfer priority and high quality farmland to a new farmer when the outgoing farmer does not have an identified successor. It creates an opportunity for a new farmer to come onto the land rather than having the farm be sold to a real estate developer.

FPLA will work with landowners on a voluntary basis to ensure farmland stays open and available now and into the future. FPLA will provide access to land to farmers who otherwise would not be able to afford it. FPLA will protect Washington's productive farmland from development, reduce rural sprawl and the number of residential exempt wells, support fish and wildlife habitat, and help sustain the future of agriculture in Washington.

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Project Title: 2021-2023 Farmland Protection and Land Access

Description

Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service. Please include annual expenditures.

N/A

Package Justification and Impacts

What specific performance outcomes does the agency expect ?

Describe and quantify the specific performance outcomes the agency expects as a result of this funding change.

The primary performance outcomes will be the number of acres of agricultural land permanently protected and the number of farmers or farm businesses who are supported in accessing land.

Fully describe and quantify expected impacts on state residents and specific populations served.

FPLA will permanently protect productive agricultural land and expand land access opportunities. Protecting agricultural land from conversion to more intensive uses benefits all of Washington. Farmland provides many ecosystem services enjoyed by all state residents including open space, scenic views, water storage and filtration, aquifer recharge, carbon sequestration, and fish and wildlife habitat. Critically, farmland is also a requirement for the production of local food and fiber. Access to high quality local food requires a critical mass of agricultural land. FPLA will also bolster rural communities and economies by ensuring land can stay in production, on the tax rolls, and generating income.

FPLA will support young, beginning, and underrepresented farmers who face additional barriers to land access. FPLA will increase farmland affordability and create new opportunities for agricultural business to begin or expand.

FPLA supports the following of the Governor's priorities:

- **Equity** – Funding will increase land access opportunities for young farmers who are part of historically underrepresented communities. These groups represent the fastest growing segment of new farmers in Washington. But they face challenges with affordable financing to acquire farmland. The proposed funding for FPLA at OFP will support implementation of FarmPAI, benefiting these communities.

- **Climate** – Farmland provides the opportunity for many climate benefits including carbon sequestration, lower greenhouse gas (GHG) emissions through the shorter supply chains supported by local food production and consumption, and lower GHG emissions when compared to urban areas. A report from California by American Farmland Trust found that on average urban areas emit 58 times more GHGs per acre than the state's farmland. Conserving farmland by preventing its development is an effective strategy for alleviating climate change. Protecting the agricultural land base ensures the opportunity to implement climate friendly agricultural practices into the future.

- **Salmon recovery**: Salmon require cool, clean water to thrive. When compared to more intensive development, farmland provides the potential to provide water filtration, floodwater storage, and riparian habitat. Conservation Commission programs to restore and enhance salmon habitat, such as CREP, rely on continued engagement with agricultural land owners. Protecting agricultural land ensures the opportunity to implement salmon friendly practices into the future.

- **Prosperous economy**: Farmland protection ensures a future for agriculture in our rural and urban fringe communities where farming is a/the primary economic driver. COVID -19 has driven rural land prices up to historic levels which in turn is increasing the development pressure on prime farmland and high quality ranchland. Keeping land in production not only benefits the farm business, it supports all the local businesses farmers rely on (e.g. feed and farm stores, tractor and equipment dealers, community banks, processors, etc.)

- **Sustainable energy and clean environment**: In addition to the climate benefits listed above, farmland provides Washington communities with critical ecosystem services such as open space, scenic views, water storage and filtration, aquifer recharge, carbon sequestration, and fish and wildlife habitat

What are other important connections or impacts related to this proposal ?

Impact(s) To:

Identify / Explanation

Regional/County impacts ?

Yes

Identify:

FPLA would provide the 26 counties without access to local Conservation Futures funds with a clear pathway for responding to the pressure to convert high-priority farmland.

471 - State Conservation Commission Capital Project Request

2021-23 Biennium

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Version: SS FY 22Supplemental

Report Number: CBS002

Date Run: 9/10/2021 5:08PM

Project Number: 40000020

Project Title: 2021-2023 Farmland Protection and Land Access

Description

This request provides additional financial resources to permanently protect high quality agricultural land and bolster local agricultural communities in alignment with Comprehensive Plans and regional planning documents. The requested funds would be eligible to be used as match to leverage local dollars such as those available through County Conservation Futures programs.

Other local gov't impacts ?

Yes

Identify: This request provides additional financial resources to permanently protect high quality agricultural land and bolster local agricultural communities in alignment with Comprehensive Plans and regional planning documents. The requested funds would be eligible to be used as match to leverage local dollars such as those available through County Conservation Futures programs.

FPLA would provide the 26 counties without access to local Conservation Futures funds with a clear pathway for responding to the pressure to convert high-priority farmland.

Tribal gov't impacts ?

Yes

Identify: These programs will be available to Tribal members seeking to acquire farmland to support Tribal food security needs.

Other state agency impacts ?

Select Y/N

Identify: This funding request would support the success of the FarmPAI program at the Washington State Housing Finance Commission. The request is in alignment with and complimentary to the Washington Wildlife and Recreation Program, Farmland Preservation Account at the Recreation and Conservation Office and the Department of Ecology's farmland easement funding under Floodplains by Design. Furthermore, the program would provide additional financial resources toward meeting the Growth Management Act requirement of conserving natural resource lands, such as farms and forests.

Responds to specific task force, report, mandate or exec order ?

Yes

Identify: The [Food Policy Forum's Early Implementation Action Report](#) includes a consensus recommendation to "implement a cooperative program between Washington State Conservation Commission and the Washington State Housing Finance Commission to provide low interest loan capital for practitioners to buy agricultural ground at high risk of conversion." The report further states: "In periods of economic uncertainty such as caused by COVID -19, agricultural land with significant development potential is more likely to be placed on the open market on short notice. By providing non -profits or other entities the loan funds to secure these important properties, this land can ultimately be protected with a conservation easement before being sold to low-income or new and beginning farmers through alternative financing models. The framework and transactional details of such a revolving loan program have been developed by key stakeholders and are ready for rapid implementation with additional agency collaboration." (Early Implementation Action Report, August 5, 2020, pg. 25) The Food Policy Forum also recommends providing "\$100 million in funding to existing WSCC programs for the purchase of conservation easements or development rights to secure multi -benefit agricultural lands owned by producers most impacted by COVID-19. These tools not only provide direct cash support for producers in need but also reduce land costs for the next generation of farmers while protecting the conservation values of the property in perpetuity. The SCC's Office of Farmland Preservation has developed the flexible administrative structure, technical expertise, and relationships with conservation practitioners necessary to get significant funding on the ground quickly to support farmers in dire need." (Early Implementation Action Report, August 5, 2020, pg. 25)

Facility/workplace needs or impacts ?

No

Identify: This work would be undertaken by existing SCC staff. No additional staff would need to be hired.

Capital Budget Impacts ?

Yes

Identify: The WSCC is requesting \$2,000,000 in capital budget funds.

Is change required to existing statutes, rules or contracts ?

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2021-23 Biennium

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Version: SS FY 22Supplemental

Report Number: CBS002

Date Run: 9/10/2021 5:08PM

Project Number: 40000020

Project Title: 2021-2023 Farmland Protection and Land Access

Description

No

Identify: The Agricultural Conservation Easements Account is already established under RCW 89.08.540.

Is the request related to or a result of litigation?

No

Identify lawsuit (please consult with Attorney General's Office):

Is the request related to Puget Sound recovery?

Yes

If yes, see budget instructions Section 14.4 for additional instructions. This request directly supports the Action Agenda's Desired Recovery Outcome Agenda outcome 1.2: "Protect agricultural lands and working forests from conversion" and 1.2.1 "conversion of agricultural lands and working forests to more intensive land uses (residential or commercial development) prevented." (<https://pspwa.app.box.com/s/lwk71kpaao9off1iw5ancj3m7xrcp45>)

Identify other important connections

What alternatives were explored by the agency and why was this option chosen?

No other funding alternatives were explored.

FarmPAI was approved at the August 26, 2021 Washington State Housing Finance Commission meeting and was still under development at the time the agency biennial budget was developed as the program was under development.

What are the consequences of not funding this request?

If this proposal is not funded, the loss of high -quality agricultural land will continue at its current pace, keystone farms in agricultural communities will be lost to development, and unequal access to farmland will continue.

Not funding this proposal will make it more difficult to meet the Governor's climate and salmon recovery goals and prosperous economy, sustainable energy and clean environment, and DEI in service delivery goals in Results Washington.

How has or can the agency address the issue or need in its current appropriation level?

The WSCC cannot address this need with its current appropriation level.

Other supporting materials: Please attach or reference any other supporting materials or information that will help analysts and policymakers understand and prioritize your request.

· **Equity impacts to under-represented communities (i.e., demographic, geographic, and economic groups that are historically or currently underrepresented that may be affected by the policy, program and potential decision).**

o FPLA will increase land access opportunities for young farmers who are part of historically underrepresented communities. These groups represent the fastest growing segment of new farmers in Washington. But they face challenges with affordable financing to acquire farmland. The proposed funding for FPLA at OFP will support implementation of FarmPAI, benefiting these communities.

o FPLA will expand opportunity and access for farmers to acquire land by making farmland more affordable. The program will support farmers who otherwise may not be able to afford land or meet the requirements of conventional lenders. Working in conjunction with FarmPAI, FPLA will support young, beginning, female, and BIPOC farmers access land. These groups experience historic and existing barriers in accessing capital and landownership.

· **Populations benefiting from or burdened by the proposal (i.e., program or policy expands or reduces opportunities and access for individuals who have historically been excluded or underserved; change in policies or practices that perpetuate racial disparities and/or institutional racism; and availability and accessibility of benefits and resources distributed to communities that need it).**

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471 - State Conservation Commission Capital Project Request

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experience historic and existing barriers in accessing capital and landownership.

· **Only the highest priority policy enhancements or resource reprogramming operating and transportation budget proposals, consistent with Governor Inslee's priority goals.**

FPLA supports the following of the Governor's priorities:

· **Equity** – Funding will increase land access opportunities for young farmers who are part of historically underrepresented communities. These groups represent the fastest growing segment of new farmers in Washington. But they face challenges with affordable financing to acquire farmland. The proposed funding for FPLA at OFP will support implementation of FarmPAI, benefiting these communities.

· **Climate** – Farmland provides the opportunity for many climate benefits including carbon sequestration, lower greenhouse gas (GHG) emissions through the shorter supply chains supported by local food production and consumption, and lower GHG emissions when compared to urban areas. A report from California by American Farmland Trust found that on average urban areas emit 58 times more GHGs per acre than the state's farmland. Conserving farmland by preventing its development is an effective strategy for alleviating climate change. Protecting the agricultural land base ensures the opportunity to implement climate friendly agricultural practices into the future.

· **Salmon recovery**: Salmon require cool, clean water to thrive. When compared to more intensive development, farmland provides the potential to provide water filtration, floodwater storage, and riparian habitat. Conservation Commission programs to restore and enhance salmon habitat, such as CREP, rely on continued engagement with agricultural land owners. Protecting agricultural land ensures the opportunity to implement salmon friendly practices into the future.

· **Prosperous economy**: Farmland protection ensures a future for agriculture in our rural and urban fringe communities where farming is a/the primary economic driver. COVID -19 has driven rural land prices up to historic levels which in turn is increasing the development pressure on prime farmland and high quality ranchland. Keeping land in production not only benefits the farm business, it supports all the local businesses farmers rely on (e.g. feed and farm stores, tractor and equipment dealers, community banks, processors, etc.)

· **Sustainable energy and clean environment**: In addition to the climate benefits listed above, farmland provides Washington communities with critical ecosystem services such as open space, scenic views, water storage and filtration, aquifer recharge, carbon sequestration, and fish and wildlife habitat

Location

City: Statewide

County: Statewide

Legislative District: 098

Project Type

Grants

Grant Recipient Organization: Conservation Districts statewide

RCW that establishes grant: 89.08

Growth Management impacts

Implementation projects support GMA critical area protection requirements within respective project areas. The program would provide additional financial resources toward meeting the GMA requirement of conserving natural resource lands, such as a farms and forests.

Funding

Acct Code	Account Title	Estimated Total	Expenditures		2021-23 Fiscal Period	
			Prior Biennium	Current Biennium	Reappropriations	New Appropriations
057-1	State Bldg Constr-State	38,000,000				2,000,000
	Total	38,000,000	0	0	0	2,000,000

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		Future Fiscal Periods			
		2023-25	2025-27	2027-29	2029-31
057-1	State Bldg Constr-State	6,000,000	10,000,000	10,000,000	10,000,000
	Total	6,000,000	10,000,000	10,000,000	10,000,000

Operating Impacts

Total one time start up and ongoing operating costs

Acct Code	Account Title	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
FTE	Full Time Employee			1.0	1.0	1.0
057-1	State Bldg Constr-State	20,000	20,000	125,000	125,000	125,000
	Total	20,000	20,000	125,000	125,000	125,000

Narrative

For FY22-23 as the program is getting established the work can be done with in existing staff resources, however as the program grows we will need an FTE to support and manage the program.

Capital Project Request

2021-23 Biennium

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<u>Parameter</u>	<u>Entered As</u>	<u>Interpreted As</u>
Biennium	2021-23	2021-23
Agency	471	471
Version	SS-A	SS-A
Project Classification	*	All Project Classifications
Capital Project Number	40000020	40000020
Sort Order	Project Priority	Priority
Include Page Numbers	Y	Yes
For Word or Excel	N	N
User Group	Agency Budget	Agency Budget
User Id	*	All User Ids

Expected Use of Bond/COP Proceeds

Agency No:	4710	Agency Name	State Conservation Commission
Contact Name:	Sarah Groth		
Phone:	(360) 407-6205	Fax:	(360) 407-6215
Fund(s) Number:	057	Fund Name:	State Building Construction Account
Project Number:	40000020	Project Title:	Farmland Protection and Land Access

Agencies are required to submit this form for all projects funded with Bonds or COPs, as applicable. OFM will collect and forward the forms to the Office of the State Treasurer.

1. Will any portion of the project or asset ever be owned by any entity other than the state or one of its agencies or departments? ☒ Yes ☐ No
2. Will any portion of the project or asset ever be leased to any entity other than the state or one of its agencies or departments? ☐ Yes ☒ No
3. Will any portion of the project or asset ever be managed or operated by any entity other than the state or one of its agencies or departments? ☒ Yes ☐ No
4. Will any portion of the project or asset be used to perform sponsored research under an agreement with a nongovernmental entity (business, non-profit entity, or the federal government), including any federal department or agency? ☐ Yes ☒ No
5. Does the project involve a public/private venture, or will any entity other than the state or one of its agencies or departments ever have a special priority or other right to use any portion of the project or asset to purchase or otherwise acquire any output of the project or asset such as electric power or water supply? ☒ Yes ☐ No
6. Will any portion of the Bond/COP proceeds be granted or transferred to nongovernmental entities (businesses, non-profit entities, or the federal government) or granted or transferred to other governmental entities which will use the grant for nongovernmental purposes? ☐ Yes ☒ No
7. If you have answered "Yes" to any of the questions above, will your agency or any other state agency receive any payments from any nongovernmental entity, for the use of, or in connection with, the project or assets? A nongovernmental entity is defined as

a. any person or private entity, such as a corporation, partnership, limited liability company, or association;
 b. any nonprofit corporation (including any 501(c)(3) organization); or
 c. the federal governmental (including any federal department or agency).

☐ Yes ☒ No
8. Is any portion of the project or asset, or rights to any portion of the project or asset, expected to be sold to any entity other than the state or one of its agencies or departments? ☐ Yes ☒ No
9. Will any portion of the Bond/COP proceeds be loaned to nongovernmental entities or loaned to other governmental entities that will use the loan for nongovernmental purposes? ☐ Yes ☒ No
10. Will any portion of the Bond/COP proceeds be used for staff costs for tasks not directly related to a financed project(s)? ☐ Yes ☒ No

If all of the answers to the questions above are "No," request tax-exempt funding. If the answer to any of the questions is "Yes," contact your OFM capital analyst for further review.