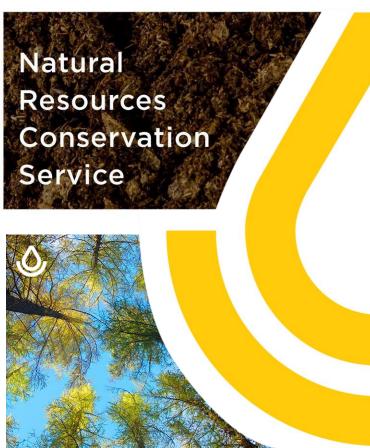


**United States Department of Agriculture** 





VaULT Federal Funding Webinar Series April 11, 2023

Natural Resources Conservation Service

nrcs.usda.gov/



#### **United States Department of Agriculture**

#### **Diane Dunaway**

Natural Resources Conservation Service Easement Specialist <a href="mailto:diane.dunaway@usda.gov">diane.dunaway@usda.gov</a>



#### **Peter Hujik**

Piedmont Environmental Council Senior Field Representative <a href="mailto:phujik@pecva.org">phujik@pecva.org</a>

#### **Parker Agelasto**

Capital Region Land Conservancy Executive Director <a href="mailto:parker@capitalregionland.org">parker@capitalregionland.org</a>



Natural Resources Conservation Service

For support related to this conference, contact EasementSupport@usda.gov

#### What does NRCS VA do?

- Puts conservation on the ground
- Supports agricultural practices in-person, on the farm
- Provides Technical Support & Funding

#### How?

- Funding from U.S. Farm Bill for easements
   & other agricultural cost-share programs
- Technical staff include easement specialists, soil scientists, engineers, cultural resources
- Every county served by a USDA Service Center with an NRCS Field Office, 40+ offices in VA
- Richmond State Office staff provide support to Field Offices, directly coordinate easement programs



# **Easement Funding Available:**

- ACEP Agricultural Conservation Easement Program has 2 Components:
  - ALE Agricultural Land Easements Entity Held
  - WRE Wetland Reserve Easements U.S. Held
- RCPP Regional Conservation Partnership Program
  - Covers a range of conservation, including easements
  - Both Entity & U.S. Held



# **VA NRCS Easement Summary**

- 10 ALE acquisitions underway
   (3 historically underserved landowners)
- 9 ALE New applications in FY23
- 2 RCPP projects with easements in progress
- 2 RCPP large projects with multiple easements beginning
- 2 WRE wetland restorations in progress



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# VA NRCS Easements Recorded



82 easements 14,104 acres (ALE, FRPP, GRP)

Wetlands

64 easements 3,008 acres (WRE, WRP)

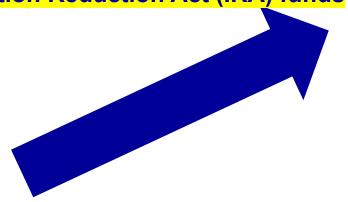
**Total Funded** 

**146 easements 17,112 acres** 



# VA NRCS Funding Upward Trend

- FY22 \$5.6 million was awarded
  - Record amount VA has received in one year
- Four ALEs covering 1,692 acres
- Increasing Funding for ALE, WRE & RCPP
  - New Chesapeake Bay States' Partnership Initiative for ALE FY
     23
  - Inflation Reduction Act (IRA) funds for FY 24-FY 27









# ACEP – WRE at a Glance Wetland Reserve Easements

#### Purpose:

- Restore, protect, & enhance wetlands, maximize wetland functions & values, restore degraded wetlands
- Maximize wildlife habitat benefits

#### **Payment:**

- Pays 95% of land fair market value
- Pays 100% of wetland restoration
- Up to \$16,000 per acre may be paid in 32 counties due to significant ecological value
  - 18 Chesapeake Bay Watershed counties
  - 2 Great Dismal Swamp adjacent counties
  - 12 Lower Rappahannock Watershed counties



### **WRE Partners**

Landowners





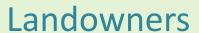


# Agricultural Land Easements ACEP – ALE: Purpose

- Purpose is to protect Agricultural use, future viability, related conservation values
- Help farmers keep working farms in agriculture
- Funding to land conservation organizations with established farmland protection programs, for purchasing easements.
- Eligible partners include tribes, state agencies, local government, NGO/ NPOs



### **ALE Partners**



**Entity** 



Optional Partners



# **ACEP-ALE Highlights**



- NO Cash Match is required.
  - Match can be landowner's donated value, OR
  - In-kind acquisition-related expenses, OR
  - Cash from non-federal source, e.g. state (plus REPI funds)
- Simplified agreement/ contract structure with
  - Program Agreement (Scope of Work)
  - Parcel Contract (Funds obligation)



## **ALE Funding Awards**

- Competitive Ranking system
- Purchased conservation easement value approx. 50 to 75% of fair market value
- NRCS ALE funds up to 50% of easement value
- Remaining value ("match") from state, private sources and/or donated value (potential tax benefits)



## **Sentinel Landscapes**

Initiative of U.S. Dept. of Defense, Dept. of Interior, USDA

Can receive funding to match ALE for **Potential 100% cash payment to landowner.** 

#### **Current & Upcoming Designations**

- Middle Chesapeake Sentinel Landscapes now designated.
   Parts of VA Northern Neck, Maryland, Delaware
- VA Security Corridor Sentinel Landscapes designation under review.
   Eastern VA (links Maryland & North Carolina)

#### **Upcoming VaULT Webinar will focus on**

- Readiness and Environmental Protection Integration (REPI)
- Army Compatible Use Buffer Program (ACUB)
- Sentinel Landscapes

Date to be announced!



## **ALE Budgets**

- NRCS 50%
- Match (VLCF, REPI or other) 25%
- Donated Value <u>25%</u> 100%



## **ALE Budgets**

- NRCS 50%
- Match (VLCF, REPI or other) 25%
- Donated Value <u>25%</u> 100%
- NRCS \$ 500,000
- Match (VLCF, REPI or other) \$ 250,000
- Donated Value \$ 250,000 \$1,000,000



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- Match (VLCF, REPI or other) \$ 250,000
- Donated Value <u>\$ 250,000</u>

\$1,000,000

**Bargain Sale = 75% or \$750,000** 





# **Example of ALE Potential Timeline**

#### 2023 Partner activity through application

- SummerPartner works with landowner
- Early Fall Preliminary application due from Partner to NRCS
- Fall Full application package due to NRCS



#### **ALE Potential Timeline**



#### 2024 Partner & NRCS after application

- January May NRCS evaluations, site visit, environmental reviews, ranking
- Late Spring Award notification to partner
- Summer Parcel Contract obligates funds; partner begins acquisition





# **ALE Application Process, Potential Timeline**

#### 2025 Reviews, Closing

- Fall Spring Deed & Appraisal sent to NRCS for reviews; internal audit
- Summer Closing

Some past partners closed one year after Parcel Contracts signed.

This is 18 months after application to NRCS.

Funds typically awarded 7 months after full application.



# **ACEP-ALE Efficiencies**

- Deed Templates for faster review option
- Certification of Partner/ Eligible Entity option



## ALE Entity Certification ( ) ( ) ( ) ( ) ( )



#### **Benefits – Highlights**

- Flexibility based on demonstrated experience in NRCS Farmland Protection Program (FPP), Farm and Ranch Land Protection Program (FRPP), or ACEP-ALE
- **Greater independence** without significant NRCS involvement.
- Close without NRCS prior approval on deed, appraisal, title, policy commitment
- Note that NRCS reviews transactions after closing.

#### **Certification Requirements – Easiest Path**

- **LTA Accredited**
- Holds and monitors 10 or more ACEP-ALE, FRPP, or FPP funded easements in good standing.

#### **Details**

ACEP-ALE Eligible Entity Certification, Part 528 Subpart H (Title 440 – Conservation Programs Manual; 440-528-M, 1st Ed., Amend. 131, Feb 2020) https://directives.sc.egov.usda.gov/OpenNonWebContent.aspx?content=44659.wba





## **Program Options**



- Buy-Protect-Sell to protect land under threat – option
- Regional Conservation Partnership Program (RCPP)

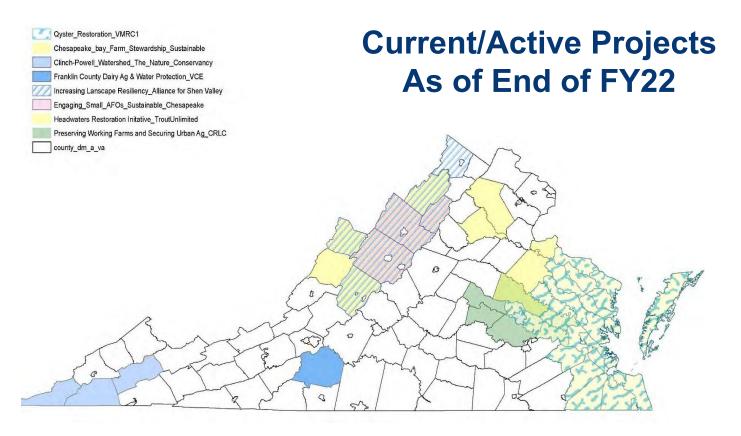


# RCPP at a Glance Regional Conservation Partnership Program

- Regional projects with multiple partners & focused goals
- Covers a range of conservation, including easements
- Funding for multiple easements in one award
- Minimum deed terms are more flexible
- Easements can be Entity-held or U.S.-held
- Easement steps similar to ALE
- Contact <u>Stacey.Bradshaw@USDA.gov</u>
   Farm Bill Program Specialist & VA RCPP Coordinator



# RCPP at a Glance Regional Conservation Partnership Program





Capital Region Land Conservancy \$2,080,000

Alliance for Shenandoah Valley \$4,125,000 Natural Resources Conservation Service

nrcs.usda.gov

# Regional Conservation Partnership Program (RCPP)

- Similar purposes to ALE for purchase of conservation easement but more flexible criteria for eligible parcels
- Competitive program
- Purchased conservation easement @ 50%
- NRCS funds = 50%
- Remaining portion = donated value or other grants such as purchase of development rights, VLCF, VOF





#### **RCPP Easements**



- New RCPP guidelines permit purchase of conservation easements and buy-protect-sell
- RCPP eligibility has more flexibility such as size of farm & focus on underserved communities / urban ag
- RCPP has entity-held easements or US government-held easements



#### RCPP vs ALE



- RCPP has 5-year programmatic agreements
- RCPP grants fund lump amount that is not based on any individual parcel contract values
- ALE is one parcel contract pre-award versus RCPP that allows for multiple parcel contracts after award
- RCPP has technical assistance and enhancement funding for innovative initiatives such as mapping, etc.
- RCPP has more administrative responsibilities such as setting up supplemental agreements, scoring criteria, regular reporting, etc.



Conservation

#### **RCCP Partners**

#### Landowners















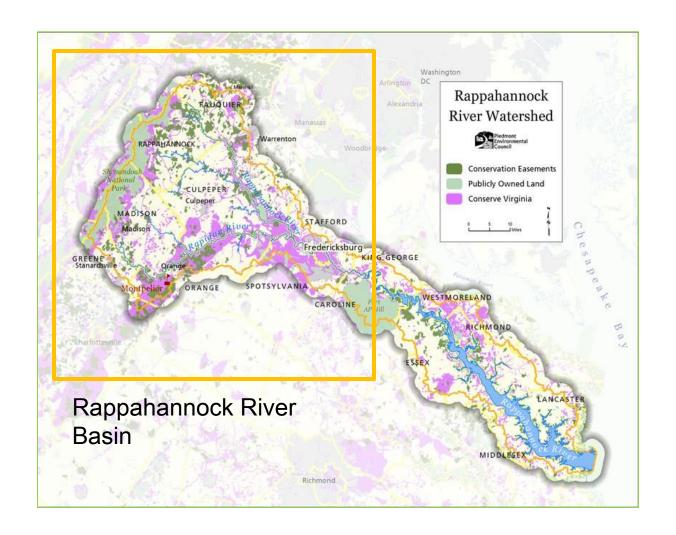
### **ALE Case Studies**



- Rappahannock Conservation Partnership
- Conservation Partners Land Trust of Virginia (LTV)
   Partnership



# Rappahannock Conservation Partnership





### **ALE Partners**

#### Landowners



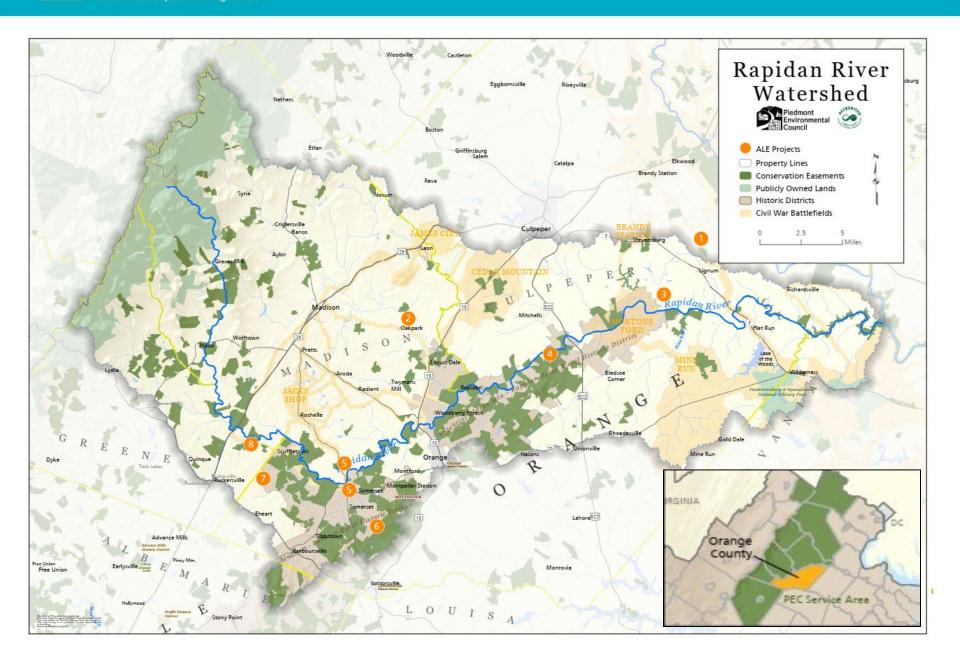




























#### Goodall Farm Prime Soils





Goodall Farm

Property lines

All areas are prime farmland - 181

Farmland of statewide importance - 151

0.1 0.2 L JMiles















High Ag Value 239 acres\*

Property lines

Goodall Farm

0 0.1 0.2

\*Class 5 (Highest Suitabilility) from Virginia Conservation Vision Agrucultural Model which represents the relative suitability of lands for agricultural activity in Virginia.









# Conservation Partners – Land Trust of Virginia Partnership

### "ALE Facilitator" - A Case Study 2022-2023

Partnered to submit six ALE applications for current fiscal year 2023, with continued Conservation Partners support through the NRCS process.

#### **Steps by Conservation Partners**

- Identified and reached out to landowners of high conservation value farms, woodlands, wetlands, other key open spaces.
- Introduced ALE program to landowners, educating them on various options for land protection.
- Completed most ALE application documents, coordinating with landowners, LTV & NRCS staff.
- Coordinated with landowners and their professional legal, tax, and financial advisors.

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# Conservation Partners – LTV Partnership

#### **Provided by Conservation Partners**

- Comprehensive explanations of financial and tax benefits
- Proformas prepared for each option
- Comprehensive mapping
- Ownership structure consulting
- Bank subordinations and refinances
- Debt structure restructuring

#### **Looking forward**

- LTV is working on ALE applications for the next funding round.
- Conservation Partnership working with additional land trusts, with 10 new ALE applications in the pipeline.

#### **Questions & Contacts**

- www.LandTrustVa.org, Ashton Cole, 540.687.8441
- www.ConservationPartnersLLC.com Taylor Cole & Tori Kennedy @ 540.464.1899



# **ALE Partners**

# Landowners







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# **Presenter Contact Information**

#### **NRCS Contacts:**

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Diane.Dunaway@USDA.gov

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Realty Specialist
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Leticia.Jackson@USDA.gov

Virginia NRCS Easements website - application & resources

#### **Partner Contacts:**

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Executive Director
parker@CapitalRegionLand.org



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