Easement Funding: ACEP-ALE & More from VA NRCS

VaULT Federal Funding Webinar Series
April 11, 2023
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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
VA NRCS Easements Recorded

**Agricultural/ Farmland**
- 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

Natural Resources Conservation Service

nrcre.org
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

Landowners

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 25%
- 100%
ALE Budgets

- NRCS 50%
- Match (VLCF, REPI or other) 25%
- Donated Value 25%

100%

- NRCS $ 500,000
- Match (VLCF, REPI or other) $ 250,000
- Donated Value $ 250,000

$1,000,000
ALE Budgets

• NRCS 50%
• Match (VLCF, REPI or other) 25%
• Donated Value 25%

100%

• NRCS $500,000
• Match (VLCF, REPI or other) $250,000
• Donated Value $250,000

$1,000,000

Bargain Sale = 75% or $750,000
Example of ALE Potential Timeline

2023 Partner activity through application

- **Summer**: Partner 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
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


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 Stacey.Bradshaw@USDA.gov
  Farm Bill Program Specialist & VA RCPP Coordinator
RCPP at a Glance
Regional Conservation Partnership Program

Current/Active Projects
As of End of FY22

Capital Region Land Conservancy
$2,080,000

Alliance for Shenandoah Valley
$4,125,000
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.
RCCP Partners

Landowners

[Logos of Capital Region Land Conservancy, NRCS, VCU, Henricopolis SWCD, and Monacan SWCD]
ALE Case Studies

• Rappahannock Conservation Partnership

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

Landowners

Piedmont Environmental Council

NRCS
Natural Resources Conservation Service

VLCF
Virginia Land Conservation Foundation

CULPEPER SOIL AND WATER
CONSERVATION DISTRICT

DCR
Virginia Department of Conservation & Recreation

nrcs.usda.gov/
Goodall Farm
Prime Soils

- Goodall Farm
- Property lines
- All areas are prime
  - farmland - 181
- Farmland of statewide importance - 151

Area of Detail

Note: Map is not to scale and is for informational purposes only. Data sources: USDA, NASS, and local government agencies. Map is not intended for navigation. Map created using ArcGIS.
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.
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.ConservationPartnersLLC.com](http://www.ConservationPartnersLLC.com) Taylor Cole & Tori Kennedy @ 540.464.1899
ALE Partners

Landowners

Land Trust of Virginia

Conservation Partners LLC

NRCS

Natural Resources Conservation Service
Presenter Contact Information

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[Virginia NRCS Easements website - application & resources](#)