

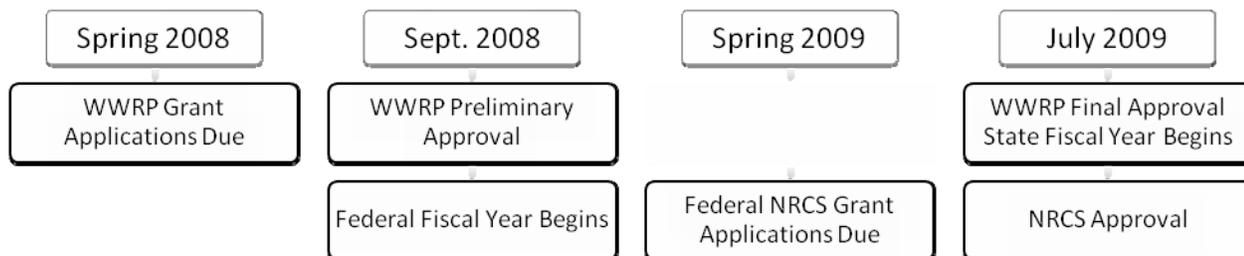


## Background

The Farmland Preservation Program (FPP) account provides funds to acquire development rights on farmland in Washington and to ensure the land remains available for agricultural practices. A secondary goal is to enhance or restore ecological functions on farmland.

From the program's inception in 2005, RCO staff, the board, and other stakeholders have voiced a desire to see state program funds leveraged with federal funds available through the Natural Resources Conservation Service (NRCS) Farm and Ranch Lands Protection Program. Leveraging funds is an effective way to invest state funds, but the differences in state and federal grants cycles, as shown in the example below, can be problematic for grant applicants.

**Example of WWRP and NRCS Grant Cycle Timelines**  
*(actual federal cycle can change annually)*



## Problems Related to Match Funds

Both the WWRP and the NRCS programs require applicants to demonstrate that a matching share is available before awarding a grant.

WWRP project sponsors must certify that their match is available 30 days before the funding meeting<sup>1</sup>. To help sponsors leverage the federal funds, the board has made exceptions to this match certification deadline by funding projects contingent upon subsequent federal awards.

## Current Grant Cycles

In July 2009, the board approved funding for the ranked list of state fiscal year 2010 WWRP Farmland projects (Attachment A). Projects 1 through 11 were fully funded, project 12 was partially funded, and projects 13 and 14 became alternates.

When project sponsors submitted their projects to the NRCS in spring 2009, they learned that the program's evaluation criteria had changed. At this point, the projects already had been approved by the board and submitted to the Legislature. When the NRCS announced its awards in July 2009,

<sup>1</sup> Washington Administrative Code 286 and board policy

many who had expected to do well in both programs learned that, due to the new criteria, they would not receive their anticipated federal match. In August, the NRCS made additional funds available to projects in Washington, but in total only three of the eight WWRP projects that sought federal grants received funds.

Following the federal awards announcement, the RCO encouraged those sponsors who had sought but not received NRCS funding to seek alternate match for the WWRP grant. Of the five projects that did not receive NRCS match, only one (RCO #08-1373A, Ranked #7) was able to do so. Staff and the sponsors are requesting more time to secure matching funds for the projects ranked 2, 4, 9, and 11 on the WWRP list.

### **Analysis**

As noted above, the board has adjusted the timing of match certification to reflect the federal timelines in the past. In addition, in 2008, the board responded to a cancelled federal grant cycle by giving sponsors whose projects were dependent on the federal match an additional 180 days to secure an alternate source of match. That extension applied only to that grant round.

Staff believes that several compelling reasons justify consideration of an extension of the match certification deadline for this grant round:

- Adequate funds are available in the WWRP farmland account to fund all projects on the state fiscal year 2010 list, including alternates.
- Changes to the federal fiscal year 2009 grant cycle put several WWRP projects at a disadvantage.
- Proposed changes to the federal fiscal year 2010 grant timeline and criteria will likely result in secured match for at least some of the four WWRP projects that did not receive funds in the last NRCS cycle.

### Availability of Funds

The October 2009 board materials included a staff estimate that the WWRP Farmland account<sup>2</sup>, includes just over \$1 million in returned funds from previous biennia. Staff has since learned that sponsors expect more projects to either be completed under budget or turn back funds because some landowners are deferring action until the real estate market recovers. As a result, the farmland account has adequate resources to fund all projects on the state fiscal year 2010 list, including alternates.

### 2009 Changes to the Federal Farm and Ranch Lands Protection Program

During the WWRP evaluation process, applicants estimated the likelihood that they would receive a matching federal grant based on previous criteria. However, the federal program changed its

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<sup>2</sup> Item #13, after funding \$210,000 in technical assistance grants, as approved by the board, resolution #2009-24

evaluation criteria after the state program projects were evaluated. The changes reduced the likelihood of funding for applicants from counties that have both low population density and a low number of acres of farmland already in protected status. There were other criteria changes but these proved to have the most impact for the WWRP projects. The projects that did not receive federal match dollars ranked relatively well in the state program.

### 2010 Changes to the Federal Farm and Ranch Lands Protection Program

NRCS staff has informed the RCO that the 2010 federal grant cycle will be very different from the past. The NRCS expects to receive their budget allotment for the program by mid-October of 2009, and has asked sponsors to submit applications by the end of December 2009. They will evaluate projects and have a ranked list by the end of January 2010. In addition, they intend to re-examine their evaluation criteria with stakeholders, potentially making adjustments that will better align with the state program. While national mandate governs some of the program criteria, the state office of NRCS has some discretion regarding additional criteria.

As a result, the projects that did not receive federal funding in this cycle can reapply and may be successful in the upcoming NRCS grant round.

### **Next Steps**

If the board approves a revised deadline for affected projects shown on Attachment A, RCO staff will convey the revised deadline to those project sponsors. We will generate agreements for any projects on the state list that receive federal funding or are able to secure an alternate source of match by the revised deadline. After this date, projects that are unable to secure match will be treated as board alternates in an order relative to their current ranked order.

In addition, the RCO will continue to work closely with NRCS regarding the upcoming federal grant round.

### **Attachments**

Resolution #2009-31

A. Ranked list of WWRP Farmland Preservation Program Grants for State Fiscal Year 2010

**RESOLUTION #2009-31**

Extension of Match Certification Deadline in  
WWRP Farmland Preservation Program for Fiscal Year 2009

**WHEREAS**, the Recreation and Conservation Funding Board (board) approved a list of 14 ranked Washington Wildlife and Recreation Program (WWRP) Farmland Preservation Program grants at their July 9, 2009 meeting in Bremerton; and

**WHEREAS**, there are adequate funds in the Farmland Preservation Program account to fund all of the projects on that list; and

**WHEREAS**, changes to the federal grant evaluation criteria occurred after WWRP applications had been evaluated, and these changes led to, or at least contributed to, a failure for some of the state WWRP projects to secure federal match; and

**WHEREAS**, the current federal grant cycle will include adjusted criteria, will be completed by February 15, 2010, and may provide matching funds for projects on the current WWRP Farmland Preservation Program ranked list; and

**WHEREAS**, the board has adopted strategic objectives to fund the best projects as determined by the evaluation process; and

**WHEREAS**, leveraging federal funds as match for these WWRP Farmland Preservation Program grants supports the board's goals to manage funds efficiently and to provide leadership that helps our partners strategically invest public funds;

**NOW, THEREFORE, BE IT RESOLVED**, that the board extends the deadline for these projects to certify the availability of matching funds to February 15, 2010; and,

**BE IT FURTHER RESOLVED**, that the Recreation and Conservation Office shall enter into agreements with the affected projects should they be able to secure federal or other matching shares.

*Resolution moved by:* \_\_\_\_\_

*Resolution seconded by:* \_\_\_\_\_

*Adopted/Defeated/Deferred (underline one)*

*Date:* \_\_\_\_\_

**ATTACHMENT A: RANKED LIST OF WWRP FARMLAND PRESERVATION PROGRAM GRANTS FOR STATE FISCAL YEAR 2010**

Rank	Score	Number	Project Name	Project Sponsor	RCO Amount	Sponsor Amount	Total Amount	Cumulative Amount	Legislature	Staff Recommends
1 of 14	111.833	08-1804A	Smith Farm	Skagit County	\$319,455	\$319,455	\$638,910	\$319,455	\$319,455	\$319,455
▶ 2 of 14	110.833	08-1238A	Nelson Ranch Farmland	Okanogan County	\$616,050	\$646,350	\$1,262,400	\$935,505	\$616,050	\$616,050
3 of 14	108.333	08-1860A	Ebey's Reserve Farmland - Engle II	Island County	\$672,500	\$672,500	\$1,345,000	\$1,608,005	\$672,500	\$672,500
▶ 4 of 14	105.333	08-1638A	Whatcom PDR 2008	Whatcom County	\$379,750	\$384,750	\$764,500	\$1,987,755	\$379,750	\$379,750
5 of 14	103.833	08-1362A	Black River Ranch	Thurston County Parks & Rec	\$1,096,580	\$1,198,500	\$2,295,080	\$3,084,335	\$1,096,580	\$1,096,580
6 of 14	102.833	08-1153A	Finnriver Farm	Jefferson County	\$207,500	\$211,500	\$419,000	\$3,291,835	\$207,500	\$207,500
7 of 14	102.667	08-1373A	Lower Methow Farmland	Okanogan County	\$395,908	\$395,908	\$791,816	\$3,687,743	\$395,908	\$395,908
8 of 14	102.500	08-1324A	Wade Road Farm	Kittitas County	\$175,500	\$199,000	\$374,500	\$3,863,243	\$175,500	\$175,500
▶ 9 of 14	101.667	08-1323A	Triple Creek Ranch 2008	Kittitas County	\$650,425	\$1,395,575	\$2,046,000	\$4,513,668	\$650,425	\$650,425
10 of 14	100.833	08-1111A	Peoples Ranch 2nd Acquisition	Snohomish County	\$343,210	\$343,210	\$686,420	\$4,856,878	\$343,210	\$343,210
▶ 11 of 14	100.333	08-1288A	Finn Hall Farm	Clallam County	\$868,075	\$1,032,075	\$1,900,150	\$5,724,953	\$868,075	\$868,075
12 of 14	99.167	08-1214C	Brown Dairy	Jefferson County	\$395,290	\$395,290	\$790,580	\$6,120,243	\$95,047	\$95,047 P(1)
13 of 14	95.000	08-1281A	Lopez Island Farmland	San Juan County Land Bank	\$300,000	\$348,000	\$648,000	\$6,420,243	Alternate	Alternate
14 of 14	88.667	08-1289A	West Farm	Pierce County	\$273,000	\$273,000	\$546,000	\$6,693,243	Alternate	Alternate
					<b>\$6,693,243</b>	<b>\$7,815,113</b>	<b>\$14,508,356</b>		<b>\$5,820,000</b>	<b>\$5,820,000</b>

**GENERAL NOTES:**

"P" indicates partial funding.  
 Available funds will first go to partially funded projects, then alternates based on statutory/policy requirements.

**ADDITIONAL NOTES:**

(1) Jefferson County's Brown Dairy Project, 08-1214C, partially funded; revised budget based on appraised value reduced total grant award needed to \$95,047.