

POTENTIAL FUNDING SOURCES

Federal

Federal Land and Water Conservation Fund

Government funds can come from the federal, state and local level. At the federal level, the major source of acquisition funding is the Land and Water Conservation Fund (LWCF). Each year, Congress appropriates funds from revenue received from offshore oil development to various federal projects such as national parks, forests, and wildlife refuges. In addition, a specific portion of the funding is usually allocated among the states for state and local projects that meet certain criteria. The LWCF is authorized to provide up to \$1 billion a year for the federal acquisition of open space lands, and federal grants to states and localities for recreation land purchases and facility development. More recently however, less than \$150 million a year has been allocated nationwide with \$5 million or less available annually to California counties, cities and special districts. While none of this funding can be allocated directly to them, land trusts may seek to have the state use LWCF money to purchase lands the trust has reacquired or pursue the political process to have the state directly acquire a targeted property. LWCF funds provided to state or local government for the acquisition and development of open space and recreational areas require a 50-50 match in state or local funds which the land trust can help raise.

Intermodal Surface Transportation Efficiency Act

Federal transportation funds for recreational facility development can be obtained through several ISTEA programs including the Environmental Enhancement and Mitigation Program (EEMP) which in recent years has provided up to \$30 million annually to California for bicycle and pedestrian facilities and the acquisition of scenic easements. While renewal of ISTEA by Congress has not yet occurred, previous congressional approval for extending associated enhancement program funding ensures that at least some EEMP funds will be available in the future.

The Cooperative Endangered Species Conservation Fund

The U.S. Fish & Wildlife Service (USFWS), authorized by Section 6 of the Endangered Species Act (ESA), provides money to states and territories to participate in a wide variety of voluntary conservation projects affecting listed species, as well as species proposed for inclusion. In addition to existing programs, four new programs have been instituted:

- (1) Recovery Land Acquisition Grants (\$11 million) - Acquire habitat for endangered species.
- (2) Habitat Conservation Plan Grants (\$7 million) - Support the development of Habitat Conservation Plans, which allow landowners to harm or kill members of protected species in exchange for taking long term conservation measures.
- (3) Safe Harbor Grants (\$5 million) - Support development and implementation of Safe Harbor agreements for listed species on non-federal lands with incentives for landowners to manage their properties to benefit and attract listed species.

- (4) Candidate Conservation Agreement Grants (\$5 million) - Support development and implementation of Candidate Conservation agreements to conserve threatened species before they decline.

More information is available at <http://endangered.fws.gov/landowner/grants.pdf>

Department of Education – 21st Century Learning Centers

This Program was established to award grants to rural and inner-city public schools, or consortia of such schools, to enable them to plan, implement, or expand projects that benefit the educational, health, social services, cultural and recreational needs of the community. School-based community learning centers can provide expanded learning opportunities for children, youth and their families as well as safe, drug-free, supervised and cost-effective after-school, weekend or summer-haven. For more information contact Amanda Clyburn at (202) 260-3804 and check the web site:

<http://www.ed.gov/offices/OESE/21stcclc/>

U.S. Environmental Protection Agency – Environmental Education Grants

The EPA is soliciting grant proposals from education institutions, environmental and educational public agencies, and non-for-profit organizations for environmental education projects. Projects should "design, demonstrate, or disseminate environmental education practices, methods, or techniques, including assessing environmental and ecological conditions or specific environmental issues or problems."

NOAA Coastal Services Center (CSC)

Funding Opportunities for Coastal Managers - This service will provide you with links to a variety of agencies and organizations that post information about grant funding for coastal and natural resource management related projects.

State/Local

General Funds/Bonds

State and local government fund the purchase of open space lands and the development of associated recreational facilities through a combination of general fund or general obligation bond appropriations and taxes at the state and local level. However, there are two fundamental differences between state and local bonds that present added challenges to local government. First, while the principal and interest on state bonds are paid for from the State General Fund, local bonds are generally tied to an increase in property taxes. Second, the issuance of local bonds requires a two-thirds vote within the local jurisdiction whereas approval to issue state bonds requires a simple majority vote.

At the state level almost all funds for land conservation are appropriated by the Legislature to state agencies. Although funds are almost never appropriated to private land conservation groups, and only rarely to local agencies, state agencies can authorize a grant to a local agency or private land trust to carry out the intent of the appropriation. Below are descriptions of the government agencies and their funding sources that local agencies and nonprofits can approach to obtain funding for local open space and recreational facility development projects.

State Grants/Low Interest Loans

The state can provide matching grants or low interest loans to local government for land acquisition. However, as discussed above, such funds will remain very limited until a

significant new source is created through passage of a statewide park bond act and/or legislative approval of a State General Fund appropriation. At present, the Legislature is work with the Governor to place a major coast and park bond act on November ballot which, if approved by voters, will provide a new source of funds for the acquisition and development of open space and recreational land both statewide and within project area.

The State Department of Parks and Recreation

The State Department of Parks and Recreation has two land acquisition functions: acquiring and preserving property for the state park system, and making grants to local agencies. The Department will evaluate any proposed addition to the State Park System and, while wary of new additions due to associated increases in maintenance costs, is nonetheless interested in certain properties. The Department also has a division of local assistance which runs the grant programs that distribute funds to local agencies. Such funds usually come from state bond acts, although the division also oversees funding made available to local agencies through the federal Land and Water Conservation Fund and the Proposition 117 Habitat Conservation Fund described below.

Unfortunately, government funding for park and open space acquisitions at the state and local level has steadily diminished over the past fifteen years. Since 1981-82, annual acquisition expenditures by the State Department of Parks and Recreation have dropped over 90% from \$40 million to less than \$4 million while State Park grants for local park projects have declined 95% from \$107 million to \$5 million during the same period. At the same time, to address shortfalls in local revenues, many cities and counties have made deep cuts in their local budgets. In many cases, local park budgets have taken a disproportionate share of the cuts, making it more difficult to fund local park projects and maintain existing facilities. As a result, purchases of new parkland by local government have been very limited.

California Coastal Conservancy

The Coastal Conservancy operates programs to support the goals of the California Coastal Act. The Coastal Conservancy makes grants to nonprofit agencies, land trusts, and local governments for the acquisition, protection, and restoration of lands in the Coastal Zone and to develop public access. Projects include construction of trails and other public access facilities, restoration and enhancement of wetlands and other wildlife habitat, and restoration of public piers and urban waterfronts. The Conservancy may purchase property directly before eventually transferring ownership to another state or local agency or land trust; it is one of the few state agencies that will fund the acquisition of development rights or other interests in coastal farmland.

Today, the Conservancy obtains funding from a variety of sources, with the bulk of funds coming from the Habitat Conservation Fund (described below). In addition, recent state legislation has established a new coastal access fund for the development of access-related facilities. This fund is estimated to provide the Conservancy with \$600,000 each year beginning this year. These funds are raised through impact fees assessed by the state Coastal Commission as a condition of permit approval for impacts on shoreline access stemming from private coastal development. Conservancy staff can also help land trusts determine which of the various funding sources are appropriate to pursue for a given project with the subregion.

The Coastal Conservancy's current programs include:

The Resource Enhancement Program provides capital funds and technical assistance for the preservation, enhancement and restoration of wetlands, watersheds, riparian corridors, and other wildlife habitat lands, including, where necessary, acquisition of interests in land, and for technical and scientific services necessary to design and implement such projects. The Conservancy has helped preserve more than 90,000 acres of wetlands, dunes, wildlife habitat, recreational lands, farmland, and scenic open space.

The Public Access Program provides capital funds and technical assistance for the construction of public access stairs, trails, limited-mobility-access projects, hostels, interpretive signs and other facilities that serve state and regional coastal access needs, and for the acquisition of interests in land necessary to enable the provision of access facilities.

The Urban Waterfront Program provides capital funds and technical assistance to protect, restore and expand coastal-dependent recreational, commercial and industrial facilities and to expand opportunities for public access and use of urban waterfronts in conjunction with new development, including the provision of technical assistance to landowners and local governments and through land acquisition and the construction and restoration of facilities.

Habitat Conservation Fund

Today, the Habitat Conservation Fund (HCF) represents the state's single most important funding source for acquiring and protecting open space and wildlife habitat. Established in 1990 when voters approved Proposition 117, the California Wildlife Protection Act requires the state to allocate at least \$30 million each year through the year 2020 to the HCF to purchase wildlife habitat lands. In implementing Proposition 117, the Legislature can use a wide variety of funding sources to achieve the required \$30 million annual goal including a new bond act, any of the state funding sources described above, or any new source created by the Legislature. The one fixed source of annual funds comes from the Tobacco Tax Fund that contributes roughly \$10 million each year.

Because only state and local public agencies can apply for HCF funds, a nonprofit group or land trust must convince a state or local agency to apply for funds on their behalf. Within the project area, the Coastal Conservancy represents the best agency to approach for this purpose because they must receive a specific amount of HCF money each year within their geographic area. If a project is located in or near a state park or recreation area, the superintendent of that park should also be contacted. State Parks receive at least \$1 million per year for habitat acquisition and restoration in and near state parks.

One of the most flexible sources of funding created by Proposition 117 is the requirement that at least \$2 million a year must be granted to local park, recreation and open space agencies on a matching grant basis by the Department of Parks and Recreation. A land trust needs to first generate interest in their project by their local parks department, identify public and/or private sources of matching funds, and convince the local agency to apply to the State Department of Parks and Recreation for a grant to undertake the project. The Department has prepared a handbook for local agencies and land trusts to

use in understanding the Proposition 117 HCF Program. See Appendix D for address information.

Wildlife Conservation Board

The Wildlife Conservation Board (WCB) oversees the expenditures under Proposition 117 Habitat Conservation Funds, and has direct control of the Wildlife Restoration Fund (described below). The WCB purchases fish and wildlife areas for the state Department of Fish and Game and also makes grants directly to land trusts and local governments. Like the other state resource agencies the annual appropriations that allow WCB to purchase and protect important open space lands have declined by 80% over the past decade to less than \$8 million today

The Wildlife Conservation Board, which receives most of the funds from Proposition 117, evaluates grant proposals based on input from the Department of Fish and Game (DFG). DFG is divided into five regions and each has a biologist on staff who can work with local agencies or land trusts to review proposed land acquisition projects to help determine if it meets the minimum requirements of Proposition 117. Because there are a wide variety of funds available to the Department both within and outside the scope of Proposition 117, local agencies and land trusts should investigate all possible funding sources, including those outside the scope of Proposition 117, to ensure that every funding source is examined as a possibility either by the Department or the Legislature.

California Department of Transportation

Caltrans administers the Environmental Enhancement and Mitigation Program.¹ The purpose of the EEM Program is to mitigate environmental impacts of new or modified public transportation facilities beyond the mitigation level required by the project's environmental document. The annual program funding level is \$10 million. Eligible applicants can demonstrate a direct or indirect relationship with the environmental impact of modifying an existing transportation facility, or construction of a new facility, after January 1, 1990. There are three categories for EEM funding:

Highway Landscape and Urban Forestry – projects are designed to offset vehicular emissions of carbon dioxide through the planting of trees and other suitable plants. Projects may be within or outside the right of way of the related transportation facility. However, projects within the roadway right of way are limited to trees, and are not intended to take place of landscaping that would normally be funded by the responsible public agency.

Resource Lands – Projects include the acquisition, restoration, or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within or near the right of way acquired for proposed transportation improvements. Resource lands include natural areas, wetlands, forests, woodlands, meadows, streams, or other areas containing fish or wildlife habitat. Additionally, such areas may contain features of archaeological or historical value. Enhancement of resource lands may include the restoration of wildlife corridors.

¹ Source: <http://www.kcbx.net/~ipslocog/forms/state/eemstate.pdf> [accessed January 22, 2004].

Roadside Recreational - Projects that provide roadside recreational opportunities, such as roadside rests, scenic overlooks, trails, trailheads, and parks.

Locally, Natural Resources Services (a division of Redwood Community Action Agency) received EEM program funding for partial construction of the Hammond Trail. Completed in the summer of 1995, this portion of the trail included Murray Road to Widow White Creek section, with spur trails to the Mad River's edge at Murray Road and just south of Widow White Creek.
