



N.C. Department of Agriculture & Consumer Services
N.C. ADFP Trust Fund
Additional Conservation Easement Purchase Funds Information Packet



Overview

Purpose

According to the American Farmland Trust, North Carolina is the second-most threatened state for farmland loss in the United States. According to a 2020 American Farmland Trust study, 732,000 acres of agricultural land in North Carolina were converted from 2001 to 2016. This conversion was the second-most of all the states in the country. In an American Farmland Trust study from 2022, North Carolina was projected to lose the second-most acres of farmland in the United States by the year 2040.

The purpose of the Additional Conservation Easement Purchase Funds Application is to allow grantees with existing conservation easement grant contracts through the Standard Conservation Easement Appraisal Program to add funds to the conservation easement purchase line item if partner funding is not awarded or there is an increase in appraisal value.

The mission of the N.C. Agricultural Development and Farmland Preservation (ADFP) Trust Fund's competitive grant opportunities aim to fund projects that encourage the preservation of qualifying agricultural, horticultural, and forestlands to foster the growth, development, and sustainability of family farms. The Additional Conservation Easement Purchase Funds application process is how the ADFP Trust Fund assesses and ranks requests for additional funding for open grant contracts if partner funding is not awarded or there is an increase in appraisal value.

For additional resources, go to

<https://www.ncagr.gov/divisions/farmland-preservation/applicants>

Eligibility

- Eligible applicants must meet the following criteria:
 - Currently hold an existing conservation easement grant contract.
 - Applicant must be considered Low Risk according to the N.C. ADFP Trust Fund Grantee Risk Assessment Guide.
 - Additional funds were not previously awarded on the easement application.
- Grantees are ineligible for additional funds if the request increases the percentage of easement purchase value without a formal denial of a grant application for conservation easement purchase funding from federal, local, nonprofit, or private sources.
- All applications are restricted to the conservation easement purchase line item. Grant awards cannot exceed 50 percent of the estimated or appraised value of the conservation easement purchase.
- The ADFP Trust Fund grants for the purchase of the conservation easement are limited to 50 percent or less of the appraised value of the conservation easement purchase.



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- This application provides a one-time opportunity to add easement purchase funds to an existing conservation easement contract.

Acceptable Justifications for the Request

- The following justifications are acceptable reasons for additional funds:
 - The rejection or deferment of a grant application for conservation easement purchase from federal, local, nonprofit, or private sources.
 - The results of a Certified Development Rights Appraisal determine that the conservation easement purchase value exceeds the contracted line item.

Application Format and Documentation

Application Summary

The following items must be included in the application for Additional Conservation Easement Purchase Funds:

- Current Conservation Easement Grant Contract Number and ADFPTF Tracking Number
- Additional Conservation Easement Purchase Funds Request
 - May not exceed 50 percent of the estimated or appraised value of the conservation easement purchase
- Documentation of Additional Conservation Easement Purchase Funds calculation
 - Certified Development Rights Appraisal during the open contract period, or an acceptable appraisal update or recertification of value.
- Justification for Additional Conservation Easement Purchase Funds
 - Rejection or deferment of a grant funds application from federal, local, nonprofit, or private sources
 - Results of a Certified Development Rights Appraisal determined that the conservation easement purchase value is higher than the contracted line item.
 - The conservation easement values must be determined by a Certified Development Rights Appraisal and must be dated within the contract period and with an effective date of valuation dated less than 365 days before closing. If the appraisal falls outside of these dates, one of the following options must be completed:
 - An appraisal update that brings forward the effective date of the appraisal by the appraiser. This update will validate the appraisal for an additional 365 days after the new effective date of the valuation.
 - An appraisal update that certifies the value but does not bring forward the effective date of valuation. This option will result in an additional 60 days of appraisal approval to reach closing.
 - A recertification of value. A recertification of value does not change the effective date of the value opinion. Appraisers may perform a recertification of value to confirm whether the conditions of a prior appraisal have been met. This option will



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result in an additional 60 days of appraisal approval to reach closing.

- **NOTE:** All update options are considered "new assignments" for an appraiser and may incur additional costs. It is important to discuss appraisal requirements before engaging an appraiser to reduce confusion and subsequent fees.
- Certification of the same ownership as the existing grant contract
- Certification of current working lands use
- Certification of up-to-date open contract reports and post-award monitoring reports
- Contract deliverables update

Application Structure

The ADFP Trust Fund staff reviews each application. The Additional Easement Funds review process consists of two parts, each with its own deadline. After all parts of the application have been received in full, the applicant will be contacted to schedule an interview. Once a form is submitted, it cannot be edited or resubmitted. Late submissions, or failure to complete either part by its deadline, may result in the application being deemed ineligible.

Part 1: Intent to Apply

- Opens: First Business Day of August
- Closes: Last Business Day of August
- Purpose: This short form confirms basic programmatic eligibility and identifies the award being proposed for additional funds.

Part 2: Eligibility, Background, and Purpose

- Opens: Second Monday of September
- Closes: Last Monday before Christmas
- Purpose: This form captures additional information on the proposed budget update.

Evaluation

All eligible applications may be subject to an on-site farm visit or check-in call with the applicant during the evaluation period. The purpose of the on-site farm visit or call is to ensure that the information in the grant contract is current and accurate.

Basic eligibility requirements, such as private ownership and minimum acreage, will be verified by ADFP Trust Fund staff.

- If the variance is greater than 5 percent of the contracted acres and is less than the acres listed in the grant contract, the grant funds for conservation easement purchase will be reduced proportionally based on the new acreage.
- If the land in the grant contract is under new ownership or is no longer in working lands use, the grant application will be denied.



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Ranking

The following parameters will rank eligible applications:

- Applications reducing or maintaining the easement purchase percentages set in the original contract budget.
- Applications with confirmed partner funding.
- Applications that did not receive matching funds or have a 50% or higher secured donation.
- Applications will be prioritized by the grant cycle of the original award.
- Funding Priorities are as follows:
 - Priority 1: Funding request reduces easement purchase percentage, prioritized by grant cycle
 - Priority 2: Funding request will maintain easement purchase percentage, projects have confirmed partner funding, prioritized by grant cycle
 - Priority 3: Project did not receive partner funding or had an increase in appraised value, funding request will maintain easement purchase percentage, prioritized by grant cycle
 - Priority 4: Funding request will maintain easement purchase percentage, projects applying for partner funding, prioritized by grant cycle
 - Priority 5: Funding request will increase easement purchase percentage due to the rejection or deferment of a grant application for conservation easement purchase from federal, local, nonprofit, or private sources, prioritized by grant cycle

Budget

Grant Amount Requests

- All applications are restricted to the conservation easement purchase line item. Grant awards cannot exceed 50 percent of the estimated or appraised value of the conservation easement purchase.
- This grant category will be limited to 15 percent of the available funding for the grant cycle. Additional funding may be available if there are unused funds from other grant categories for the cycle.
- In the event there are not sufficient funds to cover all the requests, ADFP Trust Fund staff reserve the right to award additional funds up to a certain percentage of the request.

Additional Easement Funding Budget Instructions

The budget instructions follow those of the Agricultural Conservation Easement. Applicants are required to submit budget information based on the current grant award information, as well as the additional funds being requested.



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The additional conservation easement purchase request is the difference between the adjusted cash contribution from the ADFP Trust Fund and the existing conservation easement purchase funds in the grant contract.

Additional Conservation Easement Purchase Funds Request Example

	ADFPTF Grant Funds	Partner Match	Total Easement Purchase Value
Contracted Budget for Conservation Easement Purchase	\$100,000	\$100,000	\$200,000

- Total conservation easement purchase value based on an updated appraisal: \$300,000
- Maximum allowable conservation easement purchase value based on an updated appraisal: \$150,000
- Maximum allowable additional conservation easement purchase funds request: \$50,000

	ADFPTF Grant Funds	Partner Match	Landowner Donation	Total Easement Purchase Value
Updated Budget with Additional Funds Award	\$150,000	\$100,000	\$50,000	\$300,000

Match Requirements

The match requirements follow those of the Agricultural Conservation Easement. The required match percentage will remain the same from the original grant award.

Allowable Costs

The allowable costs follow those of the Agricultural Conservation Easement.

Funding Periods and Extensions

Applying for additional conservation easement purchase funds will extend your grant contract by at least 10 months, and there is no guarantee of a grant award. Funding is based on the availability of grant funds, the number and request amounts of other applications, and how each application aligns with the priority ranking order.

It is essential to discuss this timeline and the competitive nature of the application with the landowners.



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It is important to review the terms and timeline of the existing grant contract. Conservation easement grant contracts are for two or three-year terms. In certain circumstances, extensions are granted to amend the grant contract to a total of four years.

If the conservation easement grant contract is in or approaching the third year, please contact the Farmland Preservation Director and the assigned Farmland Preservation reviewer to discuss project details.