



N.C. Department of Agriculture & Consumer Services
N.C. ADFP Trust Fund
*Requests for Proposal Guidelines for Conservation Easement
Resubmissions*



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.

Agricultural conservation easements are one of the most effective tools for combating rapid farmland loss. By restricting non-agricultural development, conservation easements ensure farmland remains dedicated to agricultural use for future generations. Agricultural conservation easements provide certainty for farmers, protect working lands from rising development pressures, and create long-term stability for the state's agricultural economy and food systems.

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 Conservation Easement Resubmission application process provides a streamlined way for eligible entities to resubmit an application from the previous cycle, requiring only minimal updates or changes.

For additional resources, go to

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

Eligibility

- Eligibility requirements are identical to those for Conservation Easement applications. For more information, refer to the "Requests for Proposal Guidelines for Conservation Easements."
- Only Conservation Easement applications from the previous application cycle are eligible for the Resubmission process.
- A Conservation Easement application may be deemed ineligible for the Resubmission process under the following circumstances:
 - Requested documentation from the previous application cycle was not provided.
 - The applicant organization is classified as "High Risk" on the Grantee Risk Assessment.
 - Policy or guideline changes from the previous cycle make the application ineligible for resubmission.
 - The application requires three or more changes.
 - Ownership of parcels in the proposed easement has changed since the previous cycle.
 - Documented environmental concerns from the previous site visit remain unaddressed.
 - Title concerns have been identified or are unresolved from the previous cycle.
 - Map changes are required or requested.

Application Format and Documentation Requirements

Application Summary

The Conservation Easement Resubmission process is a streamlined application designed for applicants who submitted a Conservation Easement application in the previous cycle. This process bypasses the Conservation Easement site visit and reduces the number of required application uploads. Applicant organizations may update up to two application scoring items from their original application. Changes requested by NCADFP — even if resulting from policy or process adjustments since the prior cycle — will count toward the applicant's two allowable scoring item changes. If an applicant chooses to use the resubmission process without making changes, their application scoring will remain the same as the previous cycle. Even with no changes, applicants must still complete and submit the full application, including both parts.

Application Structure

The Conservation Easement Resubmission process consists of two parts, each with its own deadline. 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 which eligible applications will participate in the Conservation Easement Resubmission process.

Part 2: Eligibility, Background, and Purpose

- Opens: Second Monday of September
- Closes: Last Monday before Christmas
- Purpose: This form captures the applicant's proposed changes (up to two scoring items) and collects any updated information or required documentation, including an updated budget.

Scoring

Conservation Easement Resubmission applications are scored using the same three components as a standard Agricultural Conservation Easement application – application, budget, and Map and Narrative Assessment (MANA). However, most of the application and MANA scores remain locked from the previous cycle. Only the two scoring items the applicant chooses to update will be re-evaluated, along with the required updated budget.

Please note: Conservation Easement Resubmissions are reviewed and scored alongside new Cycle 19 applications. They are not evaluated in a separate pool and remain subject to overall contract award limits.

Budget

Grant Amount Requests

- There is no maximum grant request for an agricultural conservation easement application.
- Conservation Easement applications may include grant requests for the purchase of the easement and other allowable costs. ADFP Trust Fund grant funds for the purchase of the

conservation easement are limited to 50% or less of the estimated value for standard appraisal applications.

- If the property tax evaluation for PUV is selected, an appraised value from other sources may **not** modify the conservation easement value.
 - The conservation easement value will be adjusted to the last report by the NC Department of Revenue Sales Assessment Ratio Study for the county in which the proposed conservation easement is located. NCDOR: Sales Assessment Ratio Studies as of January 1, 2024: <https://www.ncdor.gov/2024salesratiobookpdf/open>
 - The county tax property values using PUV are for use only with ADFP Trust Fund 50-year term and perpetual easements.
 - Payment for conservation easement value will be restricted to the following payout percentages:
 - 50-year easement – 60% of the conservation easement value
 - Perpetual easement – 75% of the conservation easement value

Agricultural Conservation Easement Budget Instructions

Conservation easement applications must determine conservation easement purchase values either through the Standard Conservation Easement Appraisal Program or the Present-Use Value (PUV) Conservation Easement Program.

For conservation easement applications submitted to the Standard Conservation Easement Appraisal Program, the estimated easement purchase value **must** be calculated through one of five methods:

- Certified Development Rights Appraisal by a Qualified Appraiser with an effective date since January 1, 2024.
- Comparable Certified Development Rights Appraisal from previous projects since January 1, 2024. The Comparable Certified Development Rights Appraisal must be within the same county or within 50 miles of the applicant's property.
- For property enrolled in Present-Use Value (PUV), the difference between the fair market value and the PUV as determined by a 2024 or 2025 tax card.
- For property not enrolled in PUV, data from ADFP TRUST FUND closed easements will be used to determine the estimated easement purchase value.
- Letter of Opinion or Restricted Use Report by a Qualified Appraiser with an effective date since January 1, 2024.

The most accurate determination of value for conservation easements is through a Certified Development Rights Appraisal.

These instructions follow the order of the budget section.

1. Determining the Estimated Easement Purchase Value

The first step of the budget section is determining the estimated easement purchase value of the proposed conservation easement. There are five options for determining the estimated easement purchase value through the Standard Conservation Easement Appraisal Program:

- Certified Development Rights Appraisal by a Qualified Appraiser with an effective date since January 1, 2024.

- The appraisals must be either a Uniform Standards of Professional Appraisal Practice (USPAP) or Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA or "Yellow Book") appraisal.
- A qualified appraisal and appraiser must meet the definitions of such set forth in U.S. Public Law 109-280 (<https://www.govinfo.gov/content/pkg/PLAW-109publ280/html/PLAW-109publ280.htm>).
- The appraiser must provide documentation of completion of a valuation of conservation easements or eminent domain appraisal course and be familiar with conducting appraisals of rural and agricultural properties of the requested type.
- The appraiser must prepare two opinions of the value of the subject property: one before placement of the conservation easement and the second after placement of the conservation easement.
 - The after condition or second value will be based upon a hypothetical condition that the conservation easement is in place and the effects on the value that may be created.
 - The difference in the two values is the proposed conservation easement's effect on the property's value and is the value to be used to determine easement purchase grant requests and match.
- Comparable Certified Development Rights Appraisal from previous projects since January 1, 2024.
 - The estimated easement purchase value is determined by using the per acre easement value from a Certified Development Rights Appraisal from a completed or current agricultural conservation easement project since January 1, 2024.
 - The Comparable Certified Development Rights Appraisal must be within the same county or within 50 miles of the applicant property.
 - Every effort should be made to submit a Comparable Certified Development Rights Appraisal that has similar land uses and highest and best use determination.
- Tax Card for property enrolled in Present-Use Value (PUV).
 - The estimated easement purchase value is determined by the difference between the fair market value and the PUV as determined by a 2024 or 2025 tax card.
- Tax Card for property not enrolled in Present-Use Value (PUV).
 - For property not enrolled in PUV, data from ADFP TRUST FUND closed easements will be used to determine the estimated easement purchase value.
 - The estimated easement purchase value is calculated by multiplying the average conservation easement value percentage for the region by the fair market value of the property as determined by a 2024 or 2025 tax card.
 - The average conservation easement value percentage by region is below:

Region	Average Percentage of Fair Market Value after Easement
Western	26 percent
Southwestern	38 percent
Southeastern	53 percent
South Central	27 percent
Northwestern	35 percent
Northeastern	70 percent
North Central	30 percent

- Letter of Opinion or Restricted Use Report by a Qualified Appraiser with an effective date since January 1, 2024.
 - A Letter of Opinion or Restricted Use Report must be completed by a Qualified Appraiser in accordance with Uniform Standards of Professional Appraisal Practice (USPAP).
 - The appraiser must prepare two opinions of the value of the subject property: one before placement of the conservation easement and the second after placement of the conservation easement.
 - The after condition or second value will be based upon a hypothetical condition that the conservation easement is in place and the effects on the value that may be created.
 - The difference in the two values is the proposed conservation easement's effect on the property's value and is the value to be used to determine easement purchase grant requests and match.

The information below is to inform landowners and entities of conservation easement purchase values of completed projects since 2020.

Historical Data – Per Acre Conservation Easement Purchase Value since 2020

Region	Average Per Acre Conservation Easement Purchase Value	Low Per Acre Conservation Easement Purchase Value	High Per Acre Conservation Easement Purchase Value
Western	\$8,740.94	\$1,466.29	\$17,972.97
Northwestern	\$4,486.20	\$3,198.35	\$5,195.05
Southwestern	\$6,343.17	\$2,525.00	\$15,928.73
North Central	\$8,463.48	\$1,249.20	\$47,766.52
South Central	-	-	-
Southeastern	\$4,619.45	\$550.09	\$12,745.97
Northeastern	\$2,224.17	\$770.43	\$3,476.65

2. Determining the Total Allowable ADFP Trust Fund Grant Request

- Per ADFP Trust Fund rules, the ADFP Trust Fund can only fund up to 50% of all easement value purchases. This is calculated by dividing the calculated easement purchase value in half.

3. ADFP Trust Fund Grant Request Budget

- This section will be where the applicant enters the requested ADFP Trust Fund grant funds for each eligible line item.
- Downloading the "Conservation Easement Budget Worksheet" will help applicants plan their total budget for the application. **The worksheet must be submitted with each application to double-check the grant request and match numbers.**
- Selecting the Conservation Easement Budget Worksheet for the given property's region will ensure that Cost Averages are not exceeded when requesting due diligence funds.
- The maximum ADFP Trust Fund grant request for Easement Purchase is 50% of the estimated easement purchase value.
- The easement purchase ADFP Trust Fund grant request may not exceed the maximum allowable easement value purchase request.
- The stewardship endowment ADFP Trust Fund grant request may not exceed 3% of the ADFP Trust Fund grant request for the easement purchase. If stewardship endowment grant funds are requested, they must have an equal or greater match.
- When calculating the total amount of grant funds requested from the ADFP Trust Fund, it may not exceed the Total Allowable ADFP Trust Fund Grant Request.
- For an explanation of each budget line item category, see the section titled "Budget Line Item Categories" below.
- Budget line items will be adjusted to regional or state averages during the application review process. The amount the applicant requests for budget line items will be reduced to meet the average regional or state cost for a specific line item. The averages can be found on the last page of this document.
 - **Using the Conservation Easement Budget Worksheet for the appropriate region ensures the inclusion of correct cost averages.**

4. Determining the Minimum Required Match Amount

- In accordance with N.C.G.S. 106-744, there are match requirements for eligible ADFP Trust Fund applicants:
 - "To a private nonprofit conservation organization that matches thirty percent (30%) of the Trust Fund monies it receives with funds from sources other than the Trust Fund."
 - "A county that is a development tier two or three county, as these tiers are defined in G.S. 143B-437.08, and that has prepared a countywide farmland protection plan shall match fifteen percent (15%) of the Trust Fund monies it receives with county funds. A county that has not prepared a countywide farmland protection plan shall match thirty percent (30%) of the Trust Fund monies it receives with county funds. A county that is a development tier one county, as defined in G.S. 143B-437.08, and that has prepared a countywide farmland protection plan shall not be required to match any of the Trust Fund monies it receives with county funds."
- For private nonprofit conservation organizations, select "Private Nonprofit Conservation Organization" from the list.
- For a county, select the county from the list.

- *The calculation will determine the minimum required match figure based on the match percentage and the total amount of grant funds requested from the ADFP Trust Fund. At this time, match percentages will be listed on the ADFP Trust Fund website; however, this information will be updated before the application goes live.*
- The entire estimated easement value must be fulfilled by grant funds and match. The calculation will determine the amount of easement purchase match required. This number will be determined by taking the ADFP Trust Fund grant request for the easement purchase value from the eligible estimated easement value purchase amount.

5. Total Matching Funds Budget

- This section will include all sources of matching funds from cash and in-kind sources.
- Cash match is a cash purchase for the project that is not reimbursed by the ADFP Trust Fund.
- In-kind match is a non-cash donation made to the project.
- This budget section should include secured (committed in writing) and unsecured matching funds. Each line item should be a total of secured and unsecured funds. The "Total Matching Funds Budget" column on the "Conservation Easement Budget Worksheet" can be used to determine inputs in this section.
- Only select the line items for which there are matching funds. Only enter budget information on the lines for which there are matching funds.
- After entering each line of matching funds, click the checkbox to calculate the total matching funds. **This total must match what is entered on the Conservation Easement Budget Worksheet.**

6. Total Matching Funds Narratives

- There is an upload section to add Matching Funds Narratives and any secured funding documents. This section asks the applicant to identify secured (committed in writing) and unsecured matching funds.
- Each source of secured matching funds must have a letter of commitment from the matching funds' source.
- Letters of commitment must have the following information:
 - Name of Source of Matching Funds Entity (agency or organization)
 - Contact Name and Information for Matching Funds Entity
 - Dollar Amount/Value of Match
 - Identification of Match as a Cash or In-Kind Source
 - Brief Description of Match
 - Signature of Authorized Matching Funds Source Contact
- All match that does not have a signed letter of commitment uploaded in the appropriate matching funds narrative section will be considered unsecured.
- If no match is available for a line item, enter "0" in the appropriate field.

7. Total Project Budget

- This will be found on the Conservation Easement Budget Worksheet. Ensure that both the Grant Request column and the matching funds columns are correct and

match what is entered in the application. Submit this worksheet with the application.

- If you have any questions, please email Allison Rodriguez at Allison.rodriguez@ncagr.gov.

8. Project Timeline

- If awarded a grant, a project timeline with deliverable dates will be required as part of the grant contract's terms and conditions.
- A breakdown of the timeline and needed deliverables is provided in the grant application. Grantees will be expected to record the conservation easement within the first 365 days of the contract. Extensions will only be granted for cases of hardship.

Budget Line Item Categories

- **Easement Purchase:** This refers to funds or donations that fulfill the easement purchase value. Cash match may come from federal, state, local, private, or nonprofit partners. If a landowner donates a portion of the easement purchase value, this will be considered an in-kind match since no cash transaction takes place.
- **Travel:** Applicable state rates apply. View <https://www.osbm.nc.gov/budget/budget-manual#5-travel-policies> for more information.
- **Personnel and Administrative:** This refers to general laborers, general office, or clerical work provided as match by matching funds source.
- **Stewardship Endowment:** This refers to funds for future monitoring of the conservation easement property and legal defense. ADFP Trust Fund reimbursement is limited to 3% of the ADFP Trust Fund grant for the easement purchase.
 - Fully donated conservation easements are eligible for stewardship endowment funds valued at 1.5% of the easement donation value. There is no match requirement, but the property must be enrolled in present-use value or a qualified appraisal is required.
- **Survey:** This refers to surveys of the proposed conservation easement property, including boundary and biological.
- **Appraisal:** This refers to a state certified appraisal of the proposed conservation easement property. If the grantee or landowner pays for a new appraisal during the contract period out-of-pocket, it will be considered cash match. If the appraiser contributes an appraisal, it will be considered in-kind match.
- **Baseline Documentation Report:** This refers to the development of a baseline documentation report, a report that documents the conservation values of the property and describes the existing conditions of all the proposed conservation easement's features.
- **Environmental Assessment/Audit:** This refers to a report prepared for a real estate holding that identifies potential or existing environmental contamination liabilities. The analysis typically addresses both the underlying land as well as physical improvements to the property.
- **Attorney Fees:** This refers to the payment for legal services.
- **Closing Costs:** This refers to deed recordation fees and title insurance.

See the chart below for the ADFP Trust Fund maximum reimbursements by region.

<u>Regional Averages</u>	<u>Appraisal</u>	<u>Survey</u>	<u>BDR</u>	<u>EA</u>	<u>Legal Fees</u>	<u>Closing Costs</u>
Western	\$8,400.00	\$16,300.00	\$3,800.00	\$3,200.00	\$5,800.00	\$1,600.00
Northwestern	\$3,400.00	\$12,000.00	\$3,800.00	\$3,200.00	\$5,800.00	\$1,500.00
Southwestern	\$2,600.00	\$14,500.00	\$3,800.00	\$3,200.00	\$5,800.00	\$1,500.00
Southeast	\$5,400.00	\$11,800.00	\$4,100.00	\$3,200.00	\$6,100.00	\$1,500.00
North Central	\$3,100.00	\$11,800.00	\$5,600.00	\$3,200.00	\$7,000.00	\$1,500.00
Northeast	\$4,000.00	\$11,800.00	\$4,400.00	\$3,600.00	\$8,200.00	\$1,600.00
South Central	\$3,200.00	\$13,700.00	\$4,600.00	\$4,700.00	\$8,700.00	\$1,500.00

Match Requirements

- Documentation of match will be required in the reporting process.
- Public funds from the State of North Carolina will not be considered for any match requirements.
- Statutory match requirements must be expended during the grant contract period. Match expended before the execution of the grant contract will not be considered.
- For ADFP Trust Fund general appropriations grants:
 - Nonprofit conservation organizations must match a minimum of **30%** of ADFP Trust Fund monies received. These monies must be from sources other than the ADFP Trust Fund or the State of North Carolina.
 - A Tier Two or Tier Three Enterprise County (as defined in G.S. 143B-437.08)
 - **With** an NCDA&CS-approved County Farmland Protection Plan (G.S. 106-744(e)), must match a minimum of **15%** of ADFP Trust Fund monies received. (G.S. 106-744(c2)) These monies must be from sources other than the ADFP Trust Fund or the State of North Carolina.
 - **Without** an NCDA&CS-approved County Farmland Protection Plan (G.S. 106-744(e)), the county must match a minimum of **30%** of ADFP Trust Fund monies received. (G.S. 106-744(c2)) These monies must be from sources other than the ADFP Trust Fund or the State of North Carolina.
 - A Tier One Enterprise County (as defined in G.S. 143B-437.08)
 - **With** an NCDA&CS approved County Farmland Protection Plan (G.S. 106-744(e)), is **not required** to acquire matching funds. (G.S. 106-744(c2))
 - **Without** an NCDA&CS-approved County Farmland Protection Plan (G.S. 106-744(e)), the county must match a minimum of **30%** of ADFP Trust Fund monies received. (G.S. 106-744(c2)) These monies must be from sources other than the ADFP Trust Fund or the State of North Carolina.
 - Note: List of tiers is available on the application website.
 - Grant requests with more secured match for conservation easement purchase will result in higher scores in the budget category.

Allowable Costs

- ADFP Trust Fund monies may not be used to reimburse appraisals, administrative or personnel costs. Approval of necessary specialized services will be determined by ADFP Trust Fund staff when reviewing the application.
- No travel requests are approved for easements applications. However, travel can be used as a match.
- ADFP Trust Fund may approve Subcontract Expenditures with an approved subcontractor form.
- Allowable and non-allowable costs for reimbursements:

Allowable Costs	Non-allowable Costs
Easement Purchase	Travel
Survey	Personnel/Administrative Services
Baseline Documentation Report	Appraisals
Environmental Assessment/Audit	Alcoholic beverages
Attorney Fees	Bad debts
Closing Costs	Contingency provisions
Stewardship endowment (Funding is limited to 3% of the appraised easement value being purchased by the ADFP Trust Fund and must be equally matched with cash. Donated easements are eligible for funds equal to 1.5% of the appraised easement value being donated.)	Contributions and donations
	Entertainment costs
	Fines, penalties, damages, and other settlements
	Fundraising and investment management costs
	General costs of government
	Goods or services for personal use
	Lobbying
	Losses on other awards or contracts
	Organization costs
	Selling and marketing costs
	Student activity costs
	Telecommunication costs

Expenditures of State financial assistance by any recipient or sub-recipient shall be in accordance with the cost principles outlined in the Code of Federal Regulations, 2 CFR, Part 200. Please see <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200> for more information.

- ★ For Match Purposes Only: All reimbursements for travel, meals, and rentals, shall follow the State of North Carolina reimbursement guidelines. Prudence must be demonstrated by grantees for reimbursements to be granted. (See NC Budget Manual at <https://www.osbm.nc.gov/state-budget-manual>)

Funding Periods and Extensions

- Sole-funded general appropriation grants awarded during Cycle 19 will expire on **September 30, 2028**.
- General appropriation grants with NRCS partner funding awarded during Cycle 19 will expire on **September 30, 2029**.
- Any request for a contract extension must be submitted **no fewer than 60 days** prior to the contract's expiration date to be considered for approval.

- For more information on application deadlines, documentation requirements, conservation easement prescreens, and scoring criteria, please visit:
<https://www.ncagr.gov/divisions/farmland-preservation/applicants>