

CDFA Responses to public comments as summarized by CDFA staff. Original public comments are found in Binder files on this webpage.

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| [Anonymous] | | MS Forms (online) | <p>Offer alternatives to Geotagged photos in practice verification Geotagged photos are often an inaccurate and inefficient method for verifying practice implementation, particularly in rural areas where metadata errors are common. The apps are glitchy and nearly always lose their geographic info when transferring photo files. BGRs should be allowed flexibility to perform in-person farm verifications conducted by qualified staff. This precedent is already established with NRCS for conservation practice verification and would improve accuracy while reducing administrative burden.</p> | <p>All SWEEP projects require an in-person pre-project and post-project verification conducted by either the Block Grant Recipient or a subrecipient. Since the project will be visited and documented by a verifier in-person, OARS will not require geotagged photos for SWEEP projects. HSP requires an in-person pre-project site visit. HSP allows verification documentation to be submitted by the grant beneficiaries to the Block Grant Recipient or a subrecipient. In-person farm practice verifications conducted by the BGR project team are allowable and can replace geotagged photos. The HSP practice guidelines will provide additional guidance on geotagged photo requirement flexibility and exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos when they are necessary. To avoid unnecessary field visits, technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are trained on how to take geotagged photos. In our experience, the geotagging system works in most cases.</p> |

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| [Anonymous] | | MS Forms (online) | The commenter requests clarification or correction regarding the targets for technical assistance funding to support SDFRs, noting that there are conflicts within the text of the RGA on this topic. | OARS will update the text of the Grant Application Guidelines to clarify the intent. To support the intent of the Canella Act, all block grants will have a mandatory target to spend 25% of technical assistance identified budget to serve Socially Disadvantaged Farmers and Ranchers. All BGRs will be expected to meet this target and will report on the performance indicator of dollars spent to provide technical assistance to SDFRs. |
| [Anonymous] | | MS Forms (online) | Commenter wants CDFA to clarify when on-farm project selection with BGRs happens and to give an estimated timeline, because delays could shorten the grant term for farmer applications. | On-farm project selection will occur once the block grant awards are executed. OARS intends to limit review of on-farm projects to an eligibility screening and will taper oversight of the on-farm selection as BGRs demonstrate their understanding of the rules around on-farm projects |
| [Anonymous] | | MS Forms (online) | A project grading rubric should be established and disseminated to all BGRs. | The Grant Award Procedures Manual states in Section 2.3.2.1 that the awarded Block Grant Recipient (BGR) will develop a process for selecting on-farm projects that is fair, transparent, and aligned with the goals of the Block Grant. CDFA will provide a template outlining the required selection criteria, which the BGR will submit to OARS for review and feedback. Each Block Grant Recipient must create its own selection process that reflects its unique goals and priorities. This selection process must be transparent. |

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| [Anonymous] | | MS Forms (online) | Suggestion to add more detail into the HSP practice guidelines on requirements for verification versus implementation guidance. For example, for hedgerow planting, guidelines indicate that there should be plant protection, irrigation, and width spacing, but that is not required in the verification. | Specific details on plant survival/maintenance verification requirements will be provided in the updated HSP Practice Guidance document. Depending on the practice and payment scenario, these may include photos (i.e., plant protection fences, ground coverage), or counts of live trees. |

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| <p>[Anonymous]</p> | | <p>MS Forms (online)</p> | <ol style="list-style-type: none"> 1. Allow TAPs and producers flexibility in species selection for planting practices without needing to process a modification. 2. The RePlan tool should follow practice guidelines (i.e. if 51% of a hedgerow must be woody species, RePlan should not let producers or TAs choose 90% forbs). 3. Ensure that the practice guidelines available to BGRs, TAPs and producers contain all necessary information about practice requirements. 4. Suggest updating the compost application requirements to allow for a single, larger application in one year at a limited ton/acre rate in comparison to the current requirements for a smaller ton/acre rate applied for 3 consecutive years. | <ol style="list-style-type: none"> 1. The HSP Block Grant program does not require project modifications for minor changes like the swapping of a few similar plant species. Project Modifications should be completed for more substantial changes, for example, changes that affect the budget, acreage, and GHG emissions reductions. It is important to keep in mind that any species changes should still ensure the practice and payment scenario requirements are met. It is Block Grant Recipients' responsibility to keep up-to-date records on project changes and communicate these with CDFA. 2. The HSP staff will continue to work with the RePlan Tool team partners to update the tool to reflect current guidance. 3. The HSP practice guidelines draft is posted publicly for review and is being built out further. It is the Block Grant Recipients' responsibility that their technical assistance partners and Grant Beneficiaries be aware of all practice implementation guidance and verification documentation. CDFA staff will provide required trainings on these topics for the Block Grant Recipients. 4. The compost application guidance has been developed based on data from several sources including CalRecycle staff, California Air Resources Control Board staff, historical Healthy Soils Program data, CDFA subject matter experts, and the Comet Planner Tool (which provides greenhouse gas emission reduction data). This guidance shaped the three consecutive application requirement. A one time, larger application could be damaging to soil, crop and potentially waterways. |
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| [Anonymous] | | MS Forms (online) | Though HSP is a soils program, many of the practices it implements are planting practices, which require expertise in plants. It seems that most CDFA HSP staff are soils experts, and have a difficult time fielding plant questions. We suggest including staff with native plant background, as well as rangeland science and crop science background. | The Healthy Soils Program has a small core staff. OARS relies upon technical assistance providers to support producers in developing the details of practices within the boundaries of the HSP practice guidelines. If the technical assistance available to a farmer for plantings does not seem to sufficiently address particular issues, the BGR and HSP staff can play a role in finding appropriate expertise. Overall, the block grant model, with its local presence and partnerships, is intended to improve awarded producers' access to expertise. |
| [Anonymous] | | MS Forms (online) | Allow Variability of Indirect Rates Please include the full menu of indirect rate options as written in the law in all Prop 4 programs. Avoid “reinventing the wheel” or prescribing only certain allowable cost recovery methods. | Appendix E of the Grant Application Guidelines outlines the four options for an applicant and subrecipient to identify an indirect rate that are allowed by the Climate Bond. Applicants and subrecipients may have different indirect rates. When an applicant or subrecipient does not select the de minimis indirect rate of 15%, they will need to provide supporting documentation related to the option that they select. |
| [Anonymous] | | MS Forms (online) | Please clarify - There is a discrepancy on the implementation period or maximum length of the grant term noted on RGA page 4 (3 years) and page 5 (4 years). | OARS will allow a Block grant recipient grant term that is as long as feasible within the limits of funding liquidation deadlines, OARS anticipates this will be a four year grant term with CDFA. The on-farm grant beneficiaries should have a 3 year grant term with the block grant recipient to ensure sufficient time to implement the on-farm project. Keep in mind that some HSP the on-farm projects require soil management strategies for 3 years to be considered a complete project. |

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| [Anonymous] | | MS Forms (online) | <p>Amend the requirement that subaward and contract costs cannot exceed 30% of the Primary Applicant’s Project Administrative budget. This requirement severely limits the number of counties (and producers) a single BGR can serve, creating unnecessary inefficiency. This would essentially mandate that the BGR conduct the vast majority of its own TA. The most efficient Block Grant programs are housed and administered in one office, with a wide network of TAs in multiple counties. We respectfully request removal of the 30% cap, exclusion of subawardees from the subcontractor limitation, and removal of limits on the number of subawardees.</p> | <p>There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |

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| [Anonymous] | | MS Forms (online) | <p>TAP trust: There is often a general feeling of mistrust from CDFA program guidelines and staff. We empathize with the inherent difficulty in providing TA funds or producer cost share assistance to people and places CDFA staff cannot physically be. But this is something that ALL granting agencies face, and they eventually have to trust the groups they have funded. We suggest following similar guidelines for project design and verification as NRCS does, which would save significant staff time on both sides and reduce the "back and forth" on project details.</p> | <p>CDFA and each Block Grant Recipient serve as fiduciaries of public funds, and therefore a well-defined process for implementation and verification is necessary. CDFA is taking significant steps to reduce administrative burden and oversight while maintaining high-quality reporting and effective implementation of on-farm projects. For the upcoming block grants, the reader will observe in the HSP Practice Guidelines that program requirements have been simplified, consolidated into one resource, and verification has been simplified as well. The HSP and SWEEP programs have been designed in partnership with the California Air Resources Board, with a strong emphasis on their environmental outcomes. OARS must maintain the practice design and verification guidelines that have been developed for these programs to advance California's climate policy.</p> |
| [Anonymous] | | MS Forms (online) | <p>1. Extend invoice due date to 60 days after a quarter ends instead of 30 days.</p> | <p>A 30 day due date for invoicing each quarter is included in CDFA's standard terms and conditions. OARS feels that this timeframe is necessary to facilitate timely payment of farmers and efficient processing at CDFA. If vendor invoices are left out of an invoice submission in order to meet the 30 day deadline, those vendor invoices can be submitted for reimbursement as part of the next quarterly submission or in an advance payment liquidation.</p> |

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| Adrian Ferrero | Biome Makers Inc. | MS Forms (online) | 1. Allow grant beneficiary eligibility to include private companies with proprietary technology. | <p>1. Eligible Grant Beneficiaries are defined as individuals or entities that either own or control the agricultural land where HSP practices/SWEEP projects will be implemented. Persons (sole proprietors, or lessees, or Single Member LLCs) must be occupied as farmers or ranchers managing lands in California, of at least 18 years of age; Agricultural Business Entities that lease or own agricultural land in California, California Native American Tribes, Nonprofit organizations working as agriculture operations.</p> <p>The HSP/SWEEP programs do not support the development and/or evaluation of proprietary products.</p> |

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| Adrian Ferrero | Biome Makers Inc. | MS Forms (online) | <p>1. Add soil health objective metrics.</p> <p>2. Add awarding criteria of using soil-technologies for assessment and verification.</p> | <p>1,2: Grant Beneficiaries, assisted by BGRs or TAPs, may collect soil organic matter and other soil health measurements as part of on-farm project implementation. This can serve to assess some of the impacts of the practices implemented. It is not clear what the commenter refers to by "soil health objective metrics." Soil- and climate-specific benchmark values are not available for many soil health tests, so the main area of interest in most soil health tests at this time is the change that may be seen in the soil over the course of the on-farm project.</p> <p>2: Through the Block Grant Program model, Block Grant Recipients (BGRs) may identify goals for the application selection process, which may include particular practices or groups of practices. This is at the discretion of the BGRs and must be incorporated into a fair, transparent, and goal-aligned selection process. However, verification in the Healthy Soils Program is carried out by verifying activities carried out, not by measuring the response in soil parameters.</p> |
| Alexis Kuypers | Air Burners Inc. | Email or Attachment | Permit on-site produced biochar | OARS is incentivizing the application of biochar on agricultural land through the HSP for this first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site for this funding cycle. |

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| <p>Ann Baldrige</p> | <p>Resource Conservation District of Greater San Diego County</p> | <p>MS Forms (online)</p> | <p>1. Recommendation to increase the administrative cost cap from 20% to 30% 2. Reduce administrative burden while maintaining accountability for verifications, so allow geotag photos or TAP attestation for verification.</p> | <p>1. Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding</p> |
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| | | | | <p>to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> <p>2. Geotagged photos and TAP attestation are both allowed for verifications, with limits being finalized the HSP Practice Guidelines.</p> |
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| Ann Baldrige | Resource Conservation District of Greater San Diego County | MS Forms (online) | <p>1- Commenter recommends changing the requirement to maintain equipment for 10 years to instead require maintenance for the product's expected life or 10 years, whichever is shorter.</p> <p>2- Also suggests allowing exceptions when equipment becomes obsolete, to provide flexibility while maintaining program integrity.</p> | <p>OARS calculates the project benefits based upon an expected project life of 10 years. The 10 year project life expectation was based upon USDA NRCS practice lifespans for irrigation systems (which are often 15 years). While some equipment, especially irrigation scheduling tools may have a shorter lifespan, OARS expects that producers will continue with their adopted implementation of irrigation water management, even if it involves updating hardware during the 10 year project life. This is an expectation; OARS does not enforce this as a requirement beyond the end of the grant term.</p> |
| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | <p>1a. Further strengthen the Common Objectives and Performance Management Framework (PMF) by disaggregating data related to farm size, SDFR status and primary language. When assessing the performance of BGRs that primarily serve small-scale and/or SDFR farmers, consideration should be given that these farmer groups may be more likely to experience delays that impact the percent of projects on-schedule and percent of projects verified complete.</p> | <p>OARS must balance the importance of tracking performance related to achieving program-wide equity targets with the protection of individual participants' personally identifying or sensitive information. It will remain optional for beneficiaries to complete demographic surveys, although BGRs will be required to provide those surveys to the producers that they work with. Data gathered by CDFA in this process will allow some internal analyses of project and beneficiary characteristics.</p> |

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| <p>Anna Larson (CalCAN) Chelsea Gazillo IAFI)</p> | <p>California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT</p> | <p>Email or Attachment</p> | <p>d. Allow BGRs that primarily serve small-scale and/or SDFR growers to utilize a higher percentage of award funds to support project administration and technical assistance</p> | <p>d. Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding</p> |
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| | | | | <p>to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | 2. Practice Guidelines should be more clear and define the specific requirements farmers must meet to be eligible for reimbursement (example: number of GT'd photos). | 2. Additional details on guidelines, species selection, and verifications requirements will be provided in the updated HSP Practice Guidance document. |
| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | 1b. Provide case study prompts to ensure a minimum set of information is included around environmental and social co-benefits of practice adoption, any cost savings and support for farm viability, and any ways the program(s) helped farmers comply with other regulations such as the Sustainable Groundwater Management Act or Irrigated Lands Regulatory Program if applicable (Objective 8, Deliverable 2) | 1b. CDFA is developing Case Study minimum standards that include evaluation of project benefits and farmer perspectives. It is important to leave BGRs the freedom to produce interesting and innovative case studies that are useful for publication and highlight the spectrum of project goals and outcomes. |

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| <p>Anna Larson (CalCAN) Chelsea Gazillo IAFT)</p> | <p>California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT)</p> | <p>Email or Attachment</p> | <p>h. Provide additional clarification regarding the Prop 4 bond targets for SDFRs set aside in the application guidelines. Clarify that vulnerable populations do not need to live in a DAC or SDAC, and that BGRs may meet Target 1 by serving SDFRs</p> | <p>h. The Climate Bond language places equal emphasis on vulnerable populations and disadvantaged communities (DACs) in meeting the target for 40% of Climate Bond funding to benefit DACs and Vulnerable Populations. Further, Chapter 7, Section 93510 of the Climate Bond emphasizes that SWEEP and healthy soils appropriations from the Climate Bond shall provide direct and meaningful benefits to Socially Disadvantaged Farmers and Ranchers (SDFRs) as defined by the Food and Ag Code. CDFA identifies SDFRs as a vulnerable population due to the historical and persistent inequities in land access, financial and technical assistance. While the term "disadvantaged community" in the context of the Climate Bond has a geographic component, "Vulnerable populations" are not geographically defined. OARS will work to make the clarification in the final Grant Application Guidelines that vulnerable populations (specifically SDFRs and Tribes) do not need to live within an DAC or SDAC to contribute to meeting the Bond target.</p> |

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| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | g. Amend the \$50,000 cap on Modified Direct Total Costs to only apply to contracts and not subawards | <p>g. There may be a misunderstanding of the rules, which will be clarified in the final Application Guidelines. Abolishing the MTDC for subawards would result in doubling the indirect claimed on every dollar allocated to a subrecipient. To avoid that, the federal standard for calculating MTDC allows recipients to include up to \$50,000 of each subrecipient or contract cost in their calculation of recoverable indirect costs, acknowledging that recipients incur indirect costs in managing subrecipients.</p> <p>For example, if the recipient has an indirect cost rate of 10% and a subrecipient receiving a \$100,000 subaward, then only \$50,000 of that subaward counts toward the recipient organization's MTDC, adding \$5,000 to the recipients recovered indirect costs on top of the indirect costs from the work being directly done by the recipient's organization. If this subrecipient has an indirect cost rate of 20%, they can use their entire subaward to calculate their MTDC and recover up to \$20,000 of indirect costs.</p> |
| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | f. Allow lead BGRs to collaborate with more than two other TAPs as subawardees to facilitate multi-TAP collaborations | f. A lead applicant may partner with one or more subrecipients. |

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| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | e. Amend the requirement that subaward and contract costs cannot exceed 30% of the Primary Applicant's Project Administrative budget to exclude subawardees | <p>e. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |
| Anna Larson (CalCAN) Chelsea Gazillo IAFT) | California Climate and Agriculture Network (CalCAN) American Farmland Trust (AFT) | Email or Attachment | 3. Allow in-person practice verifications by a TAP as supplement to geotagged photos | 3. In-person farm verifications conducted by qualified staff are allowable. The HSP practice guidelines will provide additional guidance on geotagged photo requirement exceptions. To avoid unnecessary field visits, technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are trained on how to take geotagged photos. |

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| Anthony Myint | Zero FoodPrint | Email or Attachment | a. Consider including "Impact Optimization" in scoring rubric, such as CO2e sequestration or metrics related to water quality or conservation, biodiversity, etc. | a. Quantified project impact is not used to score projects for award because practice benefits vary widely by agricultural system, local climate, and soil, which would create disparities in access that are not consistent with OARS' intent to support diverse and regionally-tailored projects that address unique conditions throughout California. Furthermore, this metric cannot be included in a block grant application scoring rubric, because block grant applicants are generally unable to specify the on-farm projects that they would undertake ahead of the block grant awarding decision. |

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| Anthony Myint | Zero FoodPrint | Email or Attachment | b. Suggest at least a portion of the available funds should be used in coordination with private sector funds/ application process prioritize applicants who could coordinate such cost-sharing systems to leverage state funds for greater impact. | b. it is unclear how the CDFA's BGR awarding process could use predictions of available private cost share. The proposal of preferring BG recipients that have access to matching private funds also raises difficult procedural questions about the attestation of the availability of those funds and their solidity for awarding purposes. To our knowledge, such suggested approaches have involved favoring particular producers or groups of producers over others, which is problematic for the disbursement of public money. Other models have involved repeated modifications of awarded projects to reflect changing conditions of private sector cost share over time, which would be administratively burdensome and create grants within the program that have different rules and procedures. Applicant organizations should be able to innovate in their goals and approach, but equity and serving vulnerable populations and SDFRs are high priorities for Climate Bond funds, so projects that illustrate that they align with these goals are going to be more competitive in the scoring rubric. Matching funds could be considered as portfolio balancing option in CDFA's BG awarding process, especially in the case of equally scored projects. |

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| Breanne Vandenberg | Merced County Farm Bureau | MS Forms (online) | Commenter encourages a change in the eligibility to include 505 (c) 5 non-profit organizations. | <p>Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor.</p> |

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| Brian Kolodji | Kolodji Corporation | MS Forms (online) | <p>1. Request for to provide funding priority and eligibility for crop carbon dioxide enrichment technologies.</p> <p>2. Request for CARB to modify the tools based on USDA and USDOE research to allow at least 10 T/Y/Acre of capture for crop carbon dioxide enrichment.</p> | <p>1. HSP funds sustainable land management practices that improve soil health and that are widely available to farmers and ranchers. It does not consider CO2 enrichment as a fitting technology for the program, just as it does not support the construction of greenhouses, hydroponics, or activities in potted soils. SWEEP supports commercially available irrigation system components and irrigation water management tools. Currently the SWEEP Project Assessment Tool does not include carbon dioxide enrichment technologies as a project type and we cannot estimate water and/or GHG impacts that are associated with this project strategy. The tool may undergo future updates to broaden eligible component types but at this time carbon dioxide enrichment technologies remains an ineligible strategy.</p> <p>2. Public Comments are not being directed to other agencies by CDFA in this process.</p> |
| Brian Kolodji | Kolodji Corporation | MS Forms (online) | <p>1. Suggestion to increase the \$75k practice max to \$100k. The lower cap could be limiting to medium and larger farm size growers with more than 50 acres.</p> | <p>1. The Healthy Soils Program Staff analyzed historical practice cost and application data to determine that a cost cap of \$75K would allow us to reach more farmers. This practice cap represents 50% of the total available budget for on-farm projects (\$150k).</p> |

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| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | e. Increase the current \$75,000 cap per practice to at least \$100,000 | e. This comment pertains to HSP. In the 2024 direct solicitation, almost 50% of applicants, over 650 out of 1341, submitted projects in which no single practice exceeded \$80,000 in value. Most of these applicants were not awarded. This number aligns well with the number of farmers supported by the HSP Block Grant Pilot awards (approx. 640). Instituting this cap is expected to reach more farmers, bring the served population of farmers in BG grants into closer correlation with California's farm size distribution, and may encourage more stacking of practices, either in the same round, or over multiple rounds of funding. |
| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | a. Provide a general timeline outlining the anticipated review process, including key milestones | a. OARS will develop an estimated timeline for the application and review process for the Final Application Guidelines and website. The timeline will be subject to change based up the volume of applications received and administrative procedures associated with awarding bond funding. |
| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | f. Practice Guidelines should be more clear and define the specific requirements farmers must meet to be eligible for reimbursement (example: number of GT'd photos) | 6. Additional details on guidelines, species selection, and verifications requirements will be provided in the updated HSP Practice Guidance document. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | b. Extend the invoice submission window to up to 60 days following the end of each grant quarter, rather than the 30-day deadline. A 30-day turnaround can be challenging for grantees coordinating with multiple contractors and processing a high volume of invoices, particularly when documentation must be collected, reviewed, and reconciled across several partners. | A 30 day due date for invoicing each quarter is included in CDFA's standard terms and conditions. OARS feels that this timeframe is necessary to facilitate timely payment of farmers and efficient processing at CDFA. If vendor invoices are left out of an invoice submission in order to meet the 30 day deadline, those vendor invoices can be submitted for reimbursement as part of the next quarterly submission or in an advance payment liquidation. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | d. Request an amendment to the \$50,000 cap on Modified Direct Total Costs so that it applies only to contracts and not to subawards | <p>d. There may be a misunderstanding of the rules, which will be clarified in the final Application Guidelines. Abolishing the MTDC for subawards would result in doubling the indirect claimed on every dollar allocated to a subrecipient. To avoid that, the federal standard for calculating MTDC allows recipients to include up to \$50,000 of each subrecipient or contract cost in their calculation of recoverable indirect costs, acknowledging that recipients incur indirect costs in managing subrecipients.</p> <p>For example, if the recipient has an indirect cost rate of 10% and a subrecipient receiving a \$100,000 subaward, then only \$50,000 of that subaward counts toward the recipient organization's MTDC, adding \$5,000 to the recipients recovered indirect costs on top of the indirect costs from the work being directly done by the recipient's organization. If this subrecipient has an indirect cost rate of 20%, they can use their entire subaward to calculate their MTDC and recover up to \$20,000 of indirect costs.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | c. Amend requirement that subaward and contract costs not exceed 30% of the Primary Applicant's Project Administrative budget. Either exclude subawardees from this cap or increase the allowable percentage from 30% to at least 60% | <p>c. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |
| Brian Pimentel | Central Sierra Healthy Soils Program | Email or Attachment | g. Allow qualified BGR staff to rely primarily on in-person practice verifications as supplement to geotagged photos | g. In-person farm verifications conducted by qualified staff are allowable. The HSP practice guidelines will provide additional guidance on geotagged photo requirement exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | e. Practice Guidelines should be more clear and define the specific requirements farmers must meet to be eligible for reimbursement (example: number of GT'd photos) | 5. Additional details on guidelines, species selection, and verifications requirements will be provided in the updated HSP Practice Guidance document. |
| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | c. Request an amendment to the \$50,000 cap on Modified Direct Total Costs so that it applies only to contracts and not to subawards. | c. It is not clear how removing this cap would create appropriate fiscal controls, because it would allow double indirect costs to be claimed on every dollar that is administered by a subrecipient. The MTDC calculation is a standard federal procedure. |
| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | g. Include the full menu of indirect rate options as authorized in statute across all Proposition 4 programs | g. OARS is including the full menu of indirect rate options as authorized by the Climate Bond. These are outlined in Appendix E of the draft Application Guidelines. |
| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | a. Extend the invoice submission window to up to 60 days following the end of each grant quarter | A 30 day due date for invoicing each quarter is included in CDFA's standard terms and conditions. OARS believes that this timeframe is necessary to facilitate timely payment of farmers and efficient processing at CDFA. If vendor invoices are left out of an invoice submission in order to meet the 30 day deadline, those vendor invoices can be submitted for reimbursement as part of the next quarterly submission or in an advance payment liquidation. |
| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | d. Increase the current \$75,000 cap per practice to at least \$100,000 | SAME AS ABOVE when we finalize language |

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| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | b. Amend requirement that subaward and contract costs not exceed 30% of the Primary Applicant’s Project Administrative budget. Either exclude subawardees from this cap or increase the allowable percentage from 30% to at least 60% | <p>b. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |
| Brian Pimentel | Placer Resource Conservation District | Email or Attachment | f. Allow qualified BGR staff to rely primarily on in-person practice verifications as supplement to geotagged photos | f. In-person farm verifications conducted by qualified staff are allowable. The HSP practice guidelines will provide additional guidance on geotagged photo requirement exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos. |

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| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | g. 2.- Clarify whether cost-share-based budget increases remain allowable when growers incur additional project expenses beyond initial estimate | g. 2. SWEEP does not require cost share by on-farm beneficiaries so some flexibility is possible when actual cost exceeds estimated costs. OARs will provide training to BGRs regarding how to evaluate project modifications for on-farm projects. HSP does not require or account for cost-share by growers. If the commenter's reference is to the share of costs borne by the Climate Bond, BGRs are generally discouraged from offering increases to the scope of approved projects that result in greater cost, however in some circumstances this is justified and can be discussed with CDFA. |

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| <p>Chelsea Jimenez</p> | <p>California Land Stewardship Institute</p> | <p>Email or Attachment</p> | <p>e. 1. Proposal for CDFA to consider a maximum capacity of 25 percent combined funding for Technical Assistance and Administrative 2. Provide clarification regarding advance payment timelines and procedures</p> | <p>e. 1. Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding</p> |
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to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.

2. Please refer to pages 11-13 of the GAP Manual for guidance and timeline of Advance Payment requests.

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | h. General support for biochar and training opportunities | h. Thanks for your support. |
| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | i. Consideration for allowing on-site mulch or woodchip production | Wood chips can be produced on-farm with proper documentation, however, the wood chips cannot be derived from woody material within the project site boundary. This is meant to encourage carbon sequestration, as woody materials will be added to the project site, and not removed or recycled. Greenhouse gas emission reduction calculations developed by California Air Resources board as well as the Comet Planner Tool were based on the use of off-site mulch. |
| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | a. Support for transition from a three-month to a one-month invoice submission timeline | Thank you for your support and affirmation. |
| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | b. Support onboarding meeting, but CDFA should provide virtual participation options for additional staff who cannot travel, and post resources/trainings online for later reference. | Thank you for the support of the onboarding training. OARS will make an effort to provide some flexibility for additional staff to attend training remotely. OARS will make all training materials available to block grant recipients. |
| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | c. Support for one-on-one monthly meetings, recommend OARS provides post-meeting summaries, especially if any updates occurs to programs | Thank you for your support of monthly one-on-one meetings. OARS will aim to record sessions and provide follow-up meeting notes. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | g. 1.-Develop formal guidance addressing procedures for terminating on-farm projects | g. 1. As described within the draft Grant Award Procedures manual (pg 33), BGRs will be required to develop written agreements with beneficiaries outlining responsibilities. This agreement would likely describe the reasons and process for termination of the agreement. OARS is unable to provide legal guidance on the development of these agreements, but a BGR may utilize professional services as part of the Project Administration budget. If on-farm projects are canceled during the course of a block grant, its possible that the funds can be reallocated to additional on-farm projects, if there is adequate time within the grant term. OARS will encourage BGRs to communicate with the OARS grant manager in a timely manner about that scenario. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | f. Provide clarification on 3rd party vendor definitions and reimbursement eligibility | <p>f. Section 3.1.1 of the Grant Awards Procedure Manual defines vendor relationships and clarifies that vendors may not manage on-farm projects. Subrecipients are distinct from third-party vendors because subrecipients are included in the agreement, have their own budgets, and are required to provide documentation for the financial review. In contrast, a third-party vendor may supply on-farm equipment or materials but is not included in the agreement. Block Grants may not establish preferred vendors or direct grant beneficiaries to work with a specific organization. Still, in HSP, BGRs can develop a list of pre-approved vendors for direct invoicing of certain eligible practices (see HSP Practice Guidelines). If the beneficiary wanted to use a vendor not on that list, they would have to gain clearance from the BGR before making transactions with that vendor that they expect the BGR to reimburse.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | j. Consider establishing contingency guidance for good-faith implementation efforts and Reimbursement for Unsuccessful Implementation | j. The Healthy Soils Program does allow for flexibility for Grant Beneficiaries that struggle with project implementation. Extensions may be possible to allow for practices to be attempted again, and signed letters from grantees are sometimes accepted in lieu of verification documents that the grantee is not able to provide for a single year (e.g., geotagged photos). Grant Beneficiaries are encouraged to communicate with their Block Grant Beneficiaries early and often to address these sorts of issues. In addition, cover crop requirements are being amended so that failed cover crops will be reimbursed, but repeatedly unsuccessful cover cropping fields will be curtailed, rather than encouraging farmers to carry out a practice which may not be reimbursed. Lastly, it should be understood that the HSP planting practices are reimbursed at a rate that is meant in part to allow for the costs of replanting when necessary. |
| Chelsea Jimenez | California Land Stewardship Institute | Email or Attachment | d. Would website development be considered allowable admin costs? Would consultant services related to website or webpage development be eligible for reimbursement? | The required website information is outlined in Section 3.3 of the Grant Award Procedures Manual. This requirement is a deliverable under Common Objective 2 and is an allowable expense for the Block Grant Recipient. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Chris Reardon | California Farm Bureau | Email or Attachment | Continue to allow qualified 501(c)(5) agricultural organizations to participate | <p>Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Colleen Cecil | Butte County Farm Bureau | MS Forms (online) | <p>1. Recommend that CDFA increase the cap on subaward and contract costs under the Project Administration budget category from 30% to 50%.</p> <p>2. Urge CDFA to recognize and allow the continued participation of private sector professionals .</p> | <p>1. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> <p>2. CDFA is responsible for ensuring that Climate Bond eligible entities receive the support that it has provided. Restrictions on contractor share are not meant to punish private sector professionals. Eligible block grant recipients may continue to utilize the services of private sector professionals.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Colleen Cecil | Butte County Farm Bureau | MS Forms (online) | 1. Urge CDFA to not restrict Block Grant Recipient eligibility to nonprofits with 501(c)(3) but to also allow 501(c)(5) organizations and other nonprofits to apply. | 1. Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Corisa A. Wong | Stanford University, Department of Civil and Environmental Engineering | Email or Attachment | a. Recommend that all BGRs track and record data in a consistent manner using a standardized form | a. BGRs will track and record a limited set of on-farm project data using a standardized form, as CDFA has always done in direct awards. As noted by the commenter, some of this data cannot be made accessible to the public. Coordinates are included. The HSP Program has determined that it is not within our mission to collect water use or yield information. SWEEP is not a practice-based program with a specific list of practices, like HSP. Instead, SWEEP allows customized projects that may incorporate several water and energy efficient strategies. These strategies are not a comprehensive list of all potential water and energy saving methods. They represent the strategies that have been estimated to have water and/or GHG impacts within the SWEEP project assessment tool. SWEEP also allows for strategies, such as installing an automated surface water lift gate, that do not have direct water or GHG impacts within the assessment tool but are known to improve farm resiliency and contribute to a holistic project. |
| Corisa A. Wong | Stanford University, Department of Civil and Environmental Engineering | Email or Attachment | c. Recommend using field-level information from publicly available datasets, including satellite imagery, to evaluate outcomes, while carefully considering the accuracy and limitations of remote-sensing data before making decisions. | c. OARS agrees with the importance of program evaluation and appreciates the recommendation regarding the use of publicly available data that can be used to perform field-level evaluation. In the future, as we identify opportunities for program evaluation, OARS will consider these comments. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Corisa A. Wong | Stanford University, Department of Civil and Environmental Engineering | Email or Attachment | <p>b. Recommend greater oversight, consideration of funding caps, and increased technical assistance for irrigation scheduling and soil moisture sensor specific grants.</p> <p>B. Commenter recommends that CDFa provide increased technical assistance to on-farm projects that implement irrigation water management hardware such as soil moisture sensors.</p> | <p>b. The maximum allowable cost for renewable energy is 40% of the total cost of each on-farm project. Similarly, irrigation water management (IWM) components include flow meters, soil moisture sensors, and weather stations. Irrigation system improvements themselves are not subject to additional limitations beyond these category caps. The cap on renewable energy costs and IWM components are new to SWEEP and are being implemented to encourage more diverse projects and in response to project evaluations regarding those elements. Block Grant Recipients are required to include technical assistance as part of their agreement and that technical assistance may involve post-implementation training and fine-tuning of irrigation scheduling tools. This ongoing TA is an important part of project success so that on-farm projects can best utilize hardware and understand the data created from it.</p> |
| Cynthia A. Daley | CSU Chico, Center for Regenerative Agriculture & Resilient Systems | Email or Attachment | <p>consider adding a third funding category dedicated to the development, improvement, or implementation of GHG reduction and carbon sequestration decision-support tools for growers and technical assistance providers</p> | <p>While we acknowledge that decision-support tools are a need within the agricultural community in regards to adopting climate-smart practices, this draft Grant Application Guidelines and supporting documents are focused on the block grants that help to provide technical and financial assistance to producers. In the future, OARS will look for opportunities to collaborate with the academic and technical assistance community on decision support tools.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Daniel Hoffman | National Center for Appropriate Technology | Email or Attachment | b. Will staff time/travel supporting farmers (applying for funding/ TA for implementation) count as "on-farm project costs"? | b. Staff time/travel is considered to be part of the Project Administration costs, and each BGR should allocate sufficient amounts for travel expenses in their proposed Budget. Please see Section 2.2.2.1.8 Travel and Refreshments of GAP Manual for more guidance. |
| Daniel Hoffman | National Center for Appropriate Technology | Email or Attachment | d. Providing funding in advance instead of reimbursing costs for small scale and socially disadvantaged farmers is an equitable solution. | d. BGRs have an option to request an Advance Payments not exceeding 25% of the total grant amount. Please see sections:2.2.1 through 2.2.1.1.5; and 3.5.5.1 of the GAP Manual for more guidance. Advance payments may be used by BGRs to provide advance payment to beneficiaries. |
| Daniel Hoffman | National Center for Appropriate Technology | Email or Attachment | a. Will HSP accept an organization's existing NICRA? | a. Yes, as required by the Climate Bond language (Chapter 1, Section 90133) HSP and SWEEP will accept the NICRA paperwork as evidence to support their indirect cost rate option. |
| Daniel Hoffman | National Center for Appropriate Technology | Email or Attachment | c. offer payment rates on a sliding scale with higher payments for smaller acreages for scalable practices (cover crops, hedgerows, and compost) | c. The incorporation of BGR-paid direct invoicing or bulk purchase for the compost, mulching and biochar practices may assist in reducing payment gaps for smaller scale operations. For planting practices, the program does not find that farmer costs are consistent enough to allow a sliding-scale payment system. |

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| <p>Daniel Hoffman</p> | <p>National Center for Appropriate Technology</p> | <p>Email or Attachment</p> | <p>e. Increase project admin Budget % for applicants that use a majority (80%) of the awarded funds for technical assistance expenses to provide technical assistance to SDFR</p> | <p>e. Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding</p> |
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| | | | | <p>to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| David Wilcox | | Email or Attachment | <p>a. Recommended Language Addition: Add a statement in the Eligibility / Lead Applicant Section: “Lead applicants are encouraged to support and coordinate networks of growers and technical partners that have demonstrated early success in improving soil health, soil organic matter, water-use efficiency, and crop productivity. Projects may aim to explore combining innovations and scientifically verifying outcomes at scale. Technical assistance should include reputable monitoring, reporting, and verification (MRV) experts to document system-level impacts. While program outcomes may vary, proposals should reflect objectives to test and establish new systems of practices and technologies that could transform crop production, profitability, and resilience in California.”</p> | <p>a. The draft Application Guidelines state that “OARS strongly encourages partnerships... to leverage expertise and networks.” Capacity and Partnerships is also a scored section of the concept proposal. In this section, applicants must demonstrate their team’s capacity to administer the Block Grant and to provide technical expertise and assistance to producers. These partners are categorized as subrecipients and are further described in the Grant Administration Procedures (GAP). Project implementation support and verification are key components of the Block Grant model and are detailed in the Application Guidelines. However, systematic support for externally-oriented MRV, or for research, is not currently within the Block Grants' required scope, and is not mentioned as a goal for these funds in the Climate Bond.</p> |

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| David Wilcox | | Email or Attachment | <p>B: The commenter suggests that the current draft guidelines focus too heavily on individual farm applications, which may limit coordinated, district-scale impact in groundwater-constrained regions. They recommend allowing irrigation districts and grower groups to submit aggregated proposals while maintaining farm-level performance tracking to support basin-wide water savings, soil health goals, and regional coordination.</p> | <p>B. Block Grant Applicants may consider basin-wide or regional impacts when developing their proposals and are expected to identify the goals, targets, and performance indicators for their Block Grant during this process. The inclusion of a Block Grant recipient in this funding model enables a more coordinated approach than funding individual on-farm projects alone. While the farmers and ranchers of California, and their individual on-farm needs, remain the primary focus of the SWEEP program, Block Grant recipients should bring forward strategies that also address regional challenges through the effective deployment of this funding and the implementation of on-farm projects.</p> |
| David Wilcox | | Email or Attachment | <p>C: The commenter notes that the draft guidelines focus mainly on individual irrigation and efficiency practices. They recommend allowing coordinated "Integrated System" projects that combine irrigation, nutrient management, soil health, monitoring, and energy efficiency, provided applicants demonstrate measurable water savings, soil improvements, GHG reductions, and climate resilience outcomes that equal or exceed the sum of individual practices.</p> | <p>C. CDFA allows and encourages on-farm projects to deploy multiple eligible technologies when the specific project demonstrates a clear need for this approach. The State Water Efficiency and Enhancement Program (SWEEP) is designed to support on-farm implementation of hardware technologies, rather than to coordinate or integrate such technologies across a basin or region. SWEEP has historically supported hardware such as fertigation systems, irrigation monitoring technologies, and coordinated water–nutrient–energy–crop management systems.</p> |

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| David Wilcox | | Email or Attachment | <p>e. Recommended Language Addition: "Projects demonstrating integrated system performance, including measurable water savings, soil organic matter improvements, greenhouse gas reductions, and nutrient management co-benefits, may receive additional points for multi-objective optimization. Scoring should recognize synergies that result from system-level implementation rather than single-practice adoption."</p> | <p>CDFA's proposed scoring criteria for Block Grant applicants does not include evaluation of the on-farm project scoring criteria. Any Block Grant Recipient selected for funding will develop its own on-farm project scoring criteria in consultation with CDFA technical staff. The Block Grant recipient will need to ensure that its criteria and project selection process align with the performance indicators, targets, and project goals stated in its application. CDFA encourages on-farm projects that consider the holistic impacts of irrigation improvements and/or soil management strategies. CDFA recognizes the competitive nature of these grants and evaluates water and greenhouse gas (GHG) impacts on a per-acre basis to avoid disadvantaging smaller or diversified agricultural operations. CDFA does not set a minimum required water savings or GHG reduction threshold. However, each on-farm project must demonstrate positive, quantifiable post-project impacts using CDFA's assessment tools.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| David Wilcox | | Email or Attachment | D. The commenter notes that in groundwater-constrained basins facing near-term pumping reductions, incremental and short-term projects may be insufficient to achieve required water savings and soil improvements. They recommend allowing multi-year, phased system projects when applicants demonstrate basin-level urgency, compliance timelines, or subsidence mitigation needs, while supporting accelerated, large-scale adoption of water-use efficiency and soil health practices. | D. Block Grant applicants may describe the needs of their area within the application. This may include specific basin-level goals and mitigation needs. Applicants are strongly encouraged to identify their own organization/entity goals, address regional needs, and provide performance indicators and targets that describe how they will achieve these goals. On-farm projects, when submitted as individual projects, must result in water savings and greenhouse gas (GHG) reductions associated with irrigation improvements at the farm level. A Block Grant constitutes a single funding cycle. Funding awarded in one round does not guarantee that an entity will receive funding in future rounds, even if the entity intends to continue pursuing the same goals. |
| Delaney Sondag | Center for Land Based Learning | MS Forms (online) | 1. Suggest OARS consider a separate pool of funds that could be allocated to BGRs for the purpose of conducting on-farm research and demonstration projects. | 1.The new Application Guidelines and GAP Manual make clear that there will be more flexibility in paying stipends to farmers for mentorship or demonstration, setting goals, and paying outreach and travel costs. These should facilitate the use of demonstration sites within a flexible model. Research, on the other hand, generally requires a timeframe of planning, execution, and publication, which does not fit well into the timelines of the block grant structure, nor is research called out in the Climate Bond as a purpose for this funding. |

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| Delaney Sondag | Center for Land Based Learning | MS Forms (online) | 2. What sort of communication can we expect from BGRs in order to know when and where to apply for implementation funds? | 2. Both HSP and SWEEP will publish lists of available block grant recipients on their webpages, showing there geographical and system coverages, and will publicly announce the selection of those organizations. Farmers who learn about the program through "How To Participate" documents are also guided to those webpage sources. When they learn which BGR corresponds to their needs, farmers will then have access to a webpage for that particular organization which will explain where and how to apply for support. |
| Diana Gamzon | Nevada Count Cannabis Alliance | MS Forms (online) | The commenter requests that the HSP Block Grant allow for projects to be completed in fields where cannabis is cultivated. | Cannabis is not an agricultural product as contemplated by the Food and Agriculture Code. While it is defined as an "agricultural product" within the Business and Professions Code, the purpose of the Business and Professions Code is to regulate business operations within the State. Grant monies administered by CDFA are limited to agricultural products that CDFA regulates. For this reason, cannabis related businesses are not eligible and will not be considered for this grant. |

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| Elise Timoney Jackson | SierraKind | MS Forms (online) | <p>While California legalized recreational cannabis, they legalized it under the framework as a *commercial* operation as opposed to agriculture, which is where cultivating cannabis belongs. As a Farm Bureau member who runs a 15k sq foot cannabis farm, we should be included in this project. Our cannabis is grown in soil. I pay annual CA Waterboard fees. Cannabis Cultivation is agriculture and should be treated as such!</p> | <p>Cannabis is not an agricultural product as contemplated by the Food and Agriculture Code. While it is defined as an “agricultural product” within the Business and Professions Code, the purpose of the Business and Professions Code is to regulate business operations within the State. Grant monies administered by CDFA are limited to agricultural products that CDFA regulates. For this reason, cannabis related businesses are not eligible and will not be considered for this grant.</p> |

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| Ellen Sanders Way | Sanders Family Farms | Email or Attachment | a. Revise the RGA to include 501©5 organizations | a. Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor. |
| Ellen Sanders Way | Sanders Family Farms | Email or Attachment | Commenter recommends revised SWEEP guidelines to allow for more flexibility and assess unique on farm environmental condition. They cited challenges facing California agriculture and the need for support. | 1- In the SWEEP program, the goals are to save on-farm irrigation water and reduce irrigation-related GHG emissions on farm. Each farm is evaluated relative to its own baseline. Additionally, the SWEEP online tool uses location specific data to estimate project benefits for a wide variety of custom project types. |

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| Emilie Winfield | North Coast RCDs | MS Forms (online) | <p>1. If CDFA decides to perform second layer of project verification review, suggest setting a limit on the timeframe to request additional data once verification has been submitted to reduce payment delays to grant beneficiaries.</p> <p>2. Suggest further improvements in reporting process, for example a phone application where grantees can upload photos in real time.</p> | <p>1. The Grant Award Procedures Manual provides details on the revised verification process, including once Block Grants reach the “Maintenance” phase of verification review. It is the Block Grant Recipients responsibility to demonstrate proficiency in practice verification. Block Grant Recipients are also responsible for disbursing funds to Grant Beneficiaries in a timely manner. Advance payments from CDFA can assist in providing timely payments.</p> <p>2. Through the updates to this block grant framework, OARS will make a number of updates to reporting and verification procedures that are likely to represent additional streamlining and flexibility for BGRs and producers. If additional and stable funding becomes available and the future, OARS may consider developing additional tools to support awardees with the reporting process.</p> |

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| Emilie Winfield | North Coast RCDs | MS Forms (online) | 2. There is also no additional funding to cover the increased TA allocation required to directly buy, transport, and spread compost/mulch/biochar for grantees, a practice that CDFa is encouraging grantees do to eliminate payment lag to farmers. | 2. The HSP Practice Guidelines now include payment scenarios specifically targeted at bulk compost, mulch and biochar purchases through Block Grant Recipients that include transport and optional spreading in the payment rate. The TA and Administrative demands of such an option are difficult to predict. However, direct invoice payment is also allowed, instead of bulk purchasing, and would be expected to have a similar or lighter administrative load compared to the flat-rate payment system. The Guidelines note that CDFa will work with BGRs who directly pay invoices or carry out bulk purchases in order to streamline the project verification process. |
| Emilie Winfield | North Coast RCDs | MS Forms (online) | 1. Suggest CDFa provides a rough guide detailing which activities are considered administrative and which are considered TA to support decision-making and cooperation amongst block grant administrators and TA providers. | 1. The updated Block Grant Program structure combines the budget categories of administration and technical assistance into one category, Project Administration, and the Grant Awards Procedure Manual has additional detail to better define administrative and technical assistance common Objectives. All block grants will have 8 common objectives, four of which are considered technical assistance. |

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| Emilie Winfield | North Coast RCDs | MS Forms (online) | 3. Some practice payments rates have proved insufficient, especially for small projects in specific regions. As an example, the price per ton of compost suitable for high value crops, along with trucking and spreading can be more than double the current CDFA payment rate. | 3. The Healthy Soils Program payment rates are based on several references including NRCS EQIP and California Practice Scenario rates. It is hard to fully account for cost differences by County, but the incorporation of the alternative payment systems for compost, mulch and biochar should assist in reducing these payment gaps. |
| Emilie Winfield | North Coast RCDs | MS Forms (online) | 4. Suggest using County specific SDFR targets based on demographics and farm size per NASS Ag Census data instead of standard 25% SDFR target. | 4. The HSP and SWEEP programs follow the definition of Socially Disadvantaged Farmers and Ranchers (SDFRs) as defined in the 2017 Farmer Equity Act. Through the act, SDFRs are defined as a farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups include all the following: African Americans; Native Indians; Alaskan Natives; Hispanics; Asian Americans; and Native Hawaiians and Pacific Islanders. OARS enforces a target of 25% of technical assistance funding dedicated to SDFRs; this target originates from Assembly Bill 2377 of 2018, which amended the Canella Act and allows CDFA to dedicate funding to technical assistance from its other climate smart agriculture appropriations (in this case SWEEP and HSP) and requires that OARS ensure 25% of TA funding is used to support SDFRs. |

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| Emilie Winfield | North Coast RCDs | MS Forms (online) | 3. Suggest providing reporting resources in multiple languages. | 3. Bilingual reporting resources are not available at this time, however Block Grant Recipients should include translators identified by the Beneficiary in communications, or provide them as a component of technical assistance. Block Grant Recipients are also encouraged to provide trainings and workshops with non-English interpretation resources when possible. |
| Eric Mayer | Napachar | Email or Attachment | Permit on-site produced biochar | Thanks for providing lab results of biochar quality. OARS is incentivizing the application of biochar on agricultural land through the HSP for this first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site for this funding cycle. |
| Gregory Ray | CarbonZero.ECO, Inc. | MS Forms (online) | Allow BC applications between 6 and 10 tons per acre when supported by documented justification, such as soil testing, carbon modeling, or a recommendation from a qualified agronomic or Technical Assistance provider. | The biochar rate in the HSP Practice Guidelines refers to the dry ton equivalent. The Healthy Soil Program is starting incentivization of this practice for the first time and science-based findings support this rate as being sufficient to increase carbon sequestration, improve soil organism habitat, enhance soil water holding capacity and contribute other benefits for all cropping systems. We may consider revising this rate after reviewing practice implementation impacts including cost-benefits analysis in the first round of incentives. |

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| J.P. Cativiela | Central Valley Dairy Representative Monitoring Program | MS Forms (online) | 1. Urge CDFA to not restrict Block Grant Recipient eligibility to nonprofits with 501(c)(3) but to also allow 501(c)(5) organizations and other nonprofits to apply. | 1. Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor. |
| Jacob Taulbee | Humboldt County RCD | MS Forms (online) | 1. Some practice payments rates are insufficient, especially for small projects in rural regions, for example compost applications. | 1. It is hard to account for cost differences by county, but the incorporation of the payment scenarios for the compost and mulching practices for bulk purchasing through the Block Grant Recipient with transport and optional spreading should assist in reducing these payment gaps when BGRs prefer it over the flat payment rate. Please see these updates in the Healthy Soils Practice Guidelines and in Appendix 2 of the Grant Award Procedures. |

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| Jacob Taulbee | Humboldt County RCD | MS Forms (online) | 2. Further improvements are requested for reporting requirements. For example having an application farmers can access from a cell phone to upload photos in real time. | 2. The Healthy Soils Program Block Grants require Block Grant Recipients to provide technical assistance services to applicants and Grant Beneficiaries free of charge. These services should include assistance with practice verification. Grantees, whether through the HSP Incentives Program or the Block Grant Program, should always have the option to be able to text geotagged photos from their phones to BGR staff. |
| Jacob Taulbee | Humboldt County RCD | MS Forms (online) | 3. Suggest reporting resources to be bilingual to facilitate use by field staff. | 3. Bilingual reporting resources are not available at this time, however Block Grant Recipients should include translators identified by the Beneficiary or provide them as a component of technical assistance. Block Grant Recipients are also encouraged to provide trainings and workshops with non-English interpretation resources when possible. Translation and interpretation services are allowable costs for the Project Administration budget |

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| Jacob Taulbee | Humboldt County RCD | MS Forms (online) | <p>1. Suggest increasing TA/Admin cap to above 20%. Outside of general need for a higher cap, current cap doesn't account for the costs associated with organizing field days and producing high-quality case studies.</p> | <p>1. Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding</p> |
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| | | | | <p>to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| Jacob Taulbee | Humboldt County RCD | MS Forms (online) | 2. Decrease the minimum Block Grant award size to below \$2 million | 2. OARS administrative capacity is limited. The \$2M minimum award helps alleviate strain on OARS and CDFA's administrative resources. We can re-evaluate the minimum award if future funding becomes available. |

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| James Craig Armstrong | Hummingbird Ranches and Thermiculture Management | MS Forms (online) | <p>1.- Commenter requests the addition of 501c5 organizations to be eligible for funding as a Block Grant Recipient</p> <p>2.- Commenter mentions that his region will have a disadvantage due to GHG modeling and scoring system. Commenter requests to reexamine the requirements.</p> <p>2. SWEEP tool updates Commenter is concerned with the surface water gravity-fed systems with limited pumping being eligible for SWEEP funding since there is no or minimal pumping, which is the source of GHG</p> | <p>1. Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor.</p> <p>2. The SWEEP Project Assessment tool includes nitrous oxide calculations that are associated with irrigation systems. Individual projects do not have a minimum GHG reduction requirement. Flood irrigation projects without pressurized systems can be eligible for funding if the on-farm project results in GHG reductions using the SWEEP Project Assessment Tool. OARS encourages block grant applicants from around the state to express their regional needs within the statement of needs and develop a project goal to address that need. OARS aims to award projects that cover a wide geography.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Jeana Cadby | Western Growers | MS Forms (online) | <p>1. Allow resources that support investments in tools for the required verification of improved soil health outcomes. Providing funding and technical assistance for new and emerging tools will help farmers validate results, build confidence in measurement approaches, and become more comfortable using soil health monitoring methods.</p> | <p>The Healthy Soils Block Grant Program requires Block Grant Recipients to provide technical assistance services to applicants and Grant Beneficiaries free of charge. These services can include assistance with practice verifications and soil health sampling. There is no requirement to verify improved soil health as a result of on-farm projects, but each block grant project will be required to amplify outcomes through case studies and demonstration. Block grant recipients may choose to complete analyses and verification of project benefits, and costs associated with this would be allowable if budgeted within their approved project budget. Equipment for sampling soil health and laboratory analyses are allowable Project Administration costs, but higher-investment tools would have to be well justified as having a cost-effective impact within the scope of the block grant and the farmers served by it.</p> |
| Jeana Cadby | Western Growers | MS Forms (online) | <p>1. Allow for a maintenance component to help ensure the longevity and continued effectiveness of longer term health practices. Ongoing support can help farmers successfully steward these practices over time and protect the public investment made through this program.</p> | <p>1. Due to liquidation deadlines associated with Healthy Soils Program one-time appropriation funding, funds for long-term maintenance are currently not available. For Healthy Soils permanent planting practices, there is the expectation that grant beneficiaries will maintain the growth of permanent plantings beyond the project term.</p> |

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| John Weddington | Green Valley Irrigation and Supply | MS Forms (online) | 1. Ensure SWEEP program coverage in the Central Valley where there is great need for support with water and energy challenges | 1. OARS will use geographic distribution as a portfolio balancing factor. We recognize the importance of this funding throughout California's various agricultural communities, including the central valley. |
| Josiah Hunt | None | Email or Attachment | c. Drop requirement for soils to have a good/excellent rating in the Dynamic Soil Properties Response to Biochar as given in the WebSoils Survey, since it is redundant, potentially conflicting, and less reliable than TAP approval | c. The upcoming HSP Practice Guidelines will explain the system clearly. The program will require biochar plans to be made by trained TAPs. The program will recommend that they follow a two-step process: (1) use the Web Soil Survey's DSPRB as a first assessment of a site's response to biochar. If they receive a response that indicates restricted or unfavorable use, the DSPRB gives feedback on the reason for that response. If the reasons are ones which may have changed due to field management over time, the TAPs can either submit reliable evidence that the change has taken place, or resample the soil and/or examine its soil profile. Then (2) the TAP will use either the National Biochar Selection Tool OR the Biochar Atlas to obtain give recommendations on biochar tonnage and type. In using these tools, the TAP will enter either web soil survey data, or the re-sampled soil data. There will be no further routes for "appeal" during this initial round of biochar incentivization by HSP. Similar guidance can be seen in CPS 336, although HSP policy does not depend on that document. |

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| Josiah Hunt | None | Email or Attachment | a. Clarify that annual cropland is eligible for biochar by changing “Cropland; Orchard and Vineyard” to “Annual Cropland, Orchard and Vineyard” | a. All Cropland, Orchard and Vineyard systems are eligible for biochar practice implementation. OARS will update the formatting of the HSP Practice Guidelines to make the cropping system eligibility clear. |
| Josiah Hunt | None | Email or Attachment | b. Does 1-6 tons per acre refer to dry weight? If not, rates seem too low. Permit or provide flexibility beyond the 6 tons per acre cap of biochar | b. The biochar rate in the HSP Practice Guidelines refers to the dry ton equivalent. The Healthy Soil Program is starting incentivization of this practice for the first time and science-based findings support this rate as being sufficient to increase carbon sequestration, improve soil organism habitat, enhance soil water holding capacity and contribute other benefits for all cropping systems. We may consider revising this rate after reviewing practice implementation impacts including cost-benefits analysis in the first round of incentives. |
| Josiah Hunt | None | Email or Attachment | d. Clarify - can farmers spread biochar themselves or will they be required to contract third-party spreading service in order to provide required documents? | d. Farmers can spread biochar themselves or use third party vendors. BGRs can also make arrangements for biochar spreading. More complete guidelines for biochar implementation, separate from the HSP Practice Guidelines, will be published later in the year. OARS will correct the typo referring to compost spreading within the Biochar practice guidelines. |

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| Joy Merrilees | Project Ovis LLC | MS Forms (online) | 1. Allow wool to be eligible as a natural material mulch and/or compost feedstock. | <p>1. Wool is not considered eligible under the “natural materials - mulching” payment scenario. The Healthy Soils Program application coverage requirements, and wool’s high nitrogen content, make it ineligible as a natural materials mulch. Animal waste, including wool, is an allowable compost feedstock, provided it is untreated. For compost, all feedstocks should adhere to the following description and land application requirements: "Feedstocks are the raw organic materials used for composting that are usually solid and are actively decomposing. Some organic materials that are commonly used as compost feedstocks are leaves and yard trimmings, woody materials, discarded food and food scraps, and manures. Feedstocks should be chosen carefully to ensure proper moisture, carbon, and nitrogen content, as well as other physical and chemical characteristics, such as particle size, porosity, contamination levels, and pH. Compostable material and/or digestate must meet the following conditions at the time of land application including maximum acceptable metal concentrations, pathogen density limits, land application frequency limits and physical contamination limits."</p> <p>Therefore, if wool is raw and uncontaminated, it would apparently be an acceptable composting feedstock.</p> |

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| Julia A. Levin | Bioenergy Association of California (BAC) | Email or Attachment | a. Both HSP and SWEEP Should Prioritize Use of Biochar | a. Biochar is being added to the HSP incentivized practices and will be supported where clear response to biochar is established in the biochar implementation plans prepared by TAPs. Biochar is not an irrigation or water-management tool of the type supported by SWEEP. While we acknowledge soil health practices can also improve water management and efficiency on farms, SWEEP generally supports the installation of irrigation system components and irrigation water management technologies. |
| Julia A. Levin | Bioenergy Association of California (BAC) | Email or Attachment | <p>b. SWEEP Should Prioritize Renewable Energy Funding for Energy Produced from Agricultural and Livestock Waste.</p> <p>B. Commenter recommends SWEEP allow and prioritize agricultural and livestock waste renewable energy generation.</p> | CDFA supports agricultural and livestock waste renewable energy generation through the Dairy Digester and Research and Development Program by supporting the installation of dairy digestors. SWEEP's dual objectives are irrigation water conservation and reduced greenhouse gas emissions from irrigation systems. In past funding cycles SWEEP has often been oversubscribed by 300%, demonstrating the demand for the types of projects that are currently funded within the scope of irrigation improvements. |

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| Julia A. Levin | Bioenergy Association of California (BAC) | Email or Attachment | C. Commenter recommends SWEEP and HSP allocate funding for engineering and deployment of dairy digestate system to enable real -time application with irrigation water as a renewable fertilizer and reduce reliance on synthetic fertilizers. | C. The Healthy Soils Program cannot support practices that have not been proposed through public comment in our New Practices Proposals process, and subsequently studied by our outside Technical Committee. SWEEP has allowed for manure effluent irrigation systems, including subsurface drip, to be funded. The SWEEP water and GHG quantification methodology is not tailored to these systems though and so the benefits are unlikely to be estimated accurately. It is outside of the capacity of OARS to update the SWEEP tool prior to this solicitation. If future funding becomes available for SWEEP tool improvement, OARS will take this recommendation into consideration. |
| Julia A. Levin | Bioenergy Association of California (BAC) | Email or Attachment | D. Commenter recommends HSP and SWEEP prioritize investment in green (renewable) ammonia produced using renewable energy and hydrogen derived from agricultural and livestock waste to reduce fertilizer-related GHG emissions and support waste-to-resource benefits. | D. The HSP Program could also consider this proposal in the next New Practices Proposals Process. Its approval would be subject to the outside Technical Committee and would focus on GHG, soil health, and productive benefits within farming systems. |
| Julia Inestroza | Hermosa Tierra Inc. | MS Forms (online) | 1. Allow farmers to be eligible for an additional SWEEP project on the same parcel after 10 years. | 1. The SWEEP allows for a farmer to receive additional funding for a SWEEP project on a previously funded parcel if 1) 10 years have elapsed since the previous project was installed and/or 2) if the project builds upon the past project that is within 10 years and doesn't replace any components within their previous project. |

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| Justin Miller | Twin Peaks Orchards | MS Forms (online) | <p>1. Allow farmers that have already been previously funded through the program to be eligible to reapply and be funded for the same practices.</p> <p>2. Allow farmers already implementing compost applications and cover cropping to be eligible for HSP funding for those practices.</p> | <p>1 and 2. The Healthy Soils Program, as described on its website, "helps [farmers and ranchers] incorporate new sustainable agricultural practices into their systems..." To that end, the Healthy Soils Program on-farm projects cannot fund the same practices on the same fields as a previously funded HSP project. Practices should be new to the field on which they are implemented, unless there has recently been a change of ownership, management or of a lessee. Previous participants can be eligible for funding provided the requirements above are met, and they have not already received a grant within the current funding solicitation cycle. The intention behind these rules is to disburse funds broadly and to encourage practice adoption by more farmers. The stricture on fields where the proposed practices are already being implemented follows a similar logic. The Program faces a high level of demand from farmers with fields where the practices have not been implemented.</p> |
| Kandi Manhart-Belding | Glenn County Resource Conservation District | MS Forms (online) | <p>OARS requires three years of independent CPA auditor's reports. Commenter recommend that this apply only to lead applicants, who will ensure subrecipient compliance with the grant agreement requirements.</p> | <p>OARS will update the Application Guidelines to indicate that subrecipients are encouraged, but not required to submit their most recent auditors report or federal tax returns. OARS will require this documentation for primary applicants.</p> |

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| Kari Arnold | UC Davis | MS Forms (online) | 1. Suggest that SWEEP support purchase of pressure chambers | Pressure chambers are eligible as an irrigation water management technology and this hardware has been funded by SWEEP in previous rounds. It is true that the SWEEP Project Assessment tool does not have pressure chambers as a component that calculates water savings within the tool. Producers may request a custom project that has water and GHG benefits that are quantifiable via the SWEEP quantification tool. |

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| Kasey Butler | RCD Monterey County | MS Forms (online) | <p>1- Commenter recommends changing the requirement to maintain equipment for 10 years to instead require maintenance for the product's expected life or 10 years, whichever is shorter.</p> <p>2- Commenter recommends allowing TAPs more flexibility in selecting plant species for planting practices without requiring a fromal variance process, as long as selecting align with NRCS technical standards and conservation guidelines.</p> <p>3- Commenter recommends allowing alternatives to geo-tagged photos for practice verification, especially in rural areas where metadata,/geolocation errors are common, to improve verification efficiency while maintaining program integrity.</p> | <p>1- OARS calculates the project benefits based upon an expected project life of 10 years. The 10 year project life expectation was based upon USDA NRCS practice lifespans for irrigation systems (which are often 15 years). While some equipment, especially irrigation scheduling tools may have a shorter lifespan, OARS expects that producers will continue with their adopted implementation of irrigation water management, even if it involves updating hardware during the 10 year project life. This is an expectation; OARS does not enforce this as a requirement beyond the end of the grant term.</p> <p>2-The final HSP practice guidelines will reflect increased flexibility around species selection in a number of HSP practices</p> <p>3- In-person farm verifications conducted by qualified staff are allowable. The HSP practice guidelines will provide additional guidance on geotagged photo requirement exceptions. Technical assistance providers and BGRs sholdy work with their Grant Beneficiaries to make sure they are trained on how to take geotagged photos where it is feasible, in order to reduce the need for administrative site visits.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Kasey Butler | RCD Monterey County | MS Forms (online) | 1. We recommend allowing TAPs greater flexibility in species selection for planting practices without requiring a formal modification process. | 1. The HSP Block Grant program does not require project modifications for minor changes like the swapping of a few similar plant species. Project Modifications should be completed for more substantial changes, for example, changes that affect the budget or acreage. It is important to keep in mind that any species changes should still ensure the practice and payment scenario requirements are met. It is Block Grant Recipients' responsibility to keep up-to-date records on project changes and communicate these with CDFA. |
| Kasey Butler | RCD Monterey County | MS Forms (online) | 2.RePlan should be aligned more closely with project guidelines to ensure consistency. | 2. The HSP staff will continue to work with the RePlan Tool team partners to update the tool to reflect current guidance. |
| Kasey Butler | RCD Monterey County | MS Forms (online) | 3.Suggest allowing alternatives to Geotagged Photos in Practice Verification and allowing BGRs to allow flexibility to perform in-person farm verifications conducted by qualified staff. | 3. In-person farm verifications conducted by qualified staff are allowable. The HSP practice guidelines will provide additional guidance on geotagged photo requirement exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos. |

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| Kasey Butler | RCD Monterey County | MS Forms (online) | 4. We recommend amending the requirement that subaward and contract costs not exceed 30% of the Primary Applicant's Project Administrative budget. | <p>4. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |

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| Kasey Butler | RCD Monterey County | MS Forms (online) | <p>5.- Subaward and Administrative Cost Limitations: We recommend amending the requirement that subaward and contract costs not exceed 30% of the Primary Applicant’s Project Administrative budget.</p> | <p>5. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |
| Kasey Butler | RCD Monterey County | MS Forms (online) | <p>6.- Indirect Cost Recovery: We request that CDFA include the full menu of indirect rate options as authorized in statute across all Proposition 4 programs.</p> | <p>6. There are four options available for block applicants to select from. These options are outlined in Appendix E of the draft Application Guidelines.</p> |

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| Katie Davidson | None | Email or Attachment | 15. RFB - Why aren't orchards/vineyards included in this practice | 15. While Orchards and vineyards are currently not eligible for conversion to woody planting practices such as Riparian forest buffer to discourage tree removal and maintain carbon storage, idle land near orchards/vineyards (no trees) may be drawn as a separate field in RePlan, and classified as "annual cropland," to be eligible for such practices. |

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| Katie Davidson | None | Email or Attachment | <p>1a,2a, 2b, 7a: Comments related to bulk purchases through BGR/ restrictions on vendors</p> <p>1a. Biochar – financially feasible for BGRs to engage in direct invoice payment/ bulk purchases?</p> <p>2a.Compost – why aren't the two payment scenarios equal? (\$0-80 vs \$64.32)?</p> <p>2b Compost – why do they have to purchase directly from a certified facility?</p> <p>7a. Mulching – why do they have to purchase through BGR?</p> | <p>1a. The timing of invoice payment by BGRs in these cases should actually be more convenient than paying flat rates to growers after verifications. Invoices are typically paid after the service is rendered, although for advance installments to vendors CDFA can also work with the BGRs. In any case, the forecasted need for money for those invoice payments can be included in the BGR's own periodic requests for advance payments from CDFA, just like anticipated flat rate payments are.</p> <p>2a. The flat rate has been held steady, but the cap is placed higher when more comprehensive services are being paid to be done by outside parties, or through bulk purchase by the BGR, which is similar. That differential addresses the inequities and access disparities seen when paying the same flat (lower) rate to farmers who have spreading equipment, and even suitable transportation equipment, and wish to use them, vs. farmers who do not. But the direct invoicing system will not impose means tests by CDFA - all farmers would be eligible for it. The higher cap for direct invoicing also allows BGRs in areas with higher compost costs to potentially meet those costs. OARS does not have the capacity to set and manage multiple flat rates across the state.</p> <p>2b. The language in the Practice Guidelines does not say that compost purchases must be direct from the certified facility. It is possible that a local BGR, having evaluated the local costs of procurement, transport and spreading, would favor the package rates proposed by vendors who combine all three services. Of course, the BGR can also use other considerations, such as quality or reliability.</p> <p>7a. Most natural materials mulching seen in HSP in recent years has been obtained for free, or for very low prices. In this context, it does not seem</p> |
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| | | | | <p>appropriate to continue a flat rate payment system based on the assumption that farmers purchase these materials. The materials, when they are not free, also vary widely in distance and value, making a flexible invoicing or bulk purchase system more appropriate. The "purchase through BGR" system does not mean the grower cannot handle the transaction; but it does mean there will be direct invoicing by the BGR in that case, just as for compost. This will be explained in the HSP Practice Guidelines revision.</p> |
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| Katie Davidson | None | Email or Attachment | 9. Prescribed grazing only eligible for grazing land - Consider incorporating integrated grazing in orchards/vineyards? A conversation to have since integrated grazing is becoming popular. | 9. Integrated grazing is among the practices that may be offered for Demonstration research grant funding in future, but cannot be supported through HSP Incentive grants. The decision is based on a recommendation from the EFA-SAP meeting in August 2025, as our external HSP New Practice Review Subcommittee has found that the existing research is limited to vineyards and is not sufficient to support a Quantification Methodology by CARB to estimate GHG emission reduction benefits. |
| Katie Davidson | None | Email or Attachment | 1b. Should be a numerical threshold of what is or is not acceptable soil types for biochar 1c. Why are rangelands ineligible for biochar? | 1b. As biochar incentivization is new to the HSP, OARS is taking an accepted approach to support this practice on the soils that show positive response to biochar application and on which biochar could be safely be incorporated in the current land management systems. The tools referenced above consider several variables and physical traits of the soil. 1c. Biochar needs to be incorporated into the soil, which may not be feasible in rangeland systems. For that reason, in this initial round rangelands are not eligible for biochar implementation. |
| Katie Davidson | None | Email or Attachment | 2c. commenter requests clarity on compost verification documents (number/content of GT'd photos). | 2c. Verification requirements such as geotagged photos (such as number of photos and content of photos) will be described in detail in the updated HSP Practice Guidance document. |

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| Katie Davidson | None | Email or Attachment | 3, 4a, 4b, 5. commenter requests clarification on plant growth maintenance requirement. | <p>3, 4b, 5. Requirements for "good plant growth" verification will be specified for all relevant practices in the updated HSP Practice Guidance document. Depending on the practices, this may include photos showing 60% ground cover, or live plant counts.</p> <p>4a. Reference to "method of alley plants maintenance" will be removed from perennial cover crop verification requirements.</p> <p>5. Cover crop growth will be measured by % ground cover (see above).</p> |
| Katie Davidson | None | Email or Attachment | 4c. Why doesn't perennial cover crop have same payment options as conservation cover? | <p>4c. The payment scenarios for conservation cover on annual cropland reflect the primary purpose of the conservation practice (to provide habitat for pollinator species); to support these conservation goals, the guidelines of these scenarios restrict certain other on-farm operations (e.g. mowing, compost amendments). These conservation purposes would not be met with working orchards, where alleys may require mowing or are driven through with equipment.</p> <p>HSP will offer the "perennial cover crop" practice separately to allow applicants to take advantage of the benefits of perennial plantings in alleys, without restricting orchard operations.</p> |
| Katie Davidson | None | Email or Attachment | 6a. Field Border - Are payments for native species enough? | <p>6a. These payment rates reflect the low density requirement for the native species scenario (21 – 40 pure live seeds/sq ft) compared to the Introduced Species scenario (41-60 pure live seeds/sq ft).</p> |

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| Katie Davidson | None | Email or Attachment | 6b. provide species guidelines | 6b. Specific species selection guidelines for each relevant practice will be provided in the updated HSP Practice Guidance document. |
| Katie Davidson | None | Email or Attachment | 7. commenter requests clarity on mulching guidelines (ground coverage, hardness of chips) | 7b, 7c, 7d. Clearer guidelines on mulching coverage and wood chip quality will be provided in the updated HSP Practice Guidance document. |
| Katie Davidson | None | Email or Attachment | 8. Multistory Cropping - Why are payment scenarios for native species lower? | 8. Multistory cropping - The higher payment rate for non-native plantings is due to the larger seedlings starts required (container size of ≥20 cubic inches) compared to the native plantings (10 cubic inches). |
| Katie Davidson | None | Email or Attachment | 10. Define seedbed preparation | 10. Reference to range planting seedbed preparation will be removed in updated HSP Practice Guidance document |
| Katie Davidson | None | Email or Attachment | 11. Missing page on guidelines doc (21) | 11. Extra blank page will be removed in updated HSP Practice Guidance document |

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| Katie Davidson | None | Email or Attachment | 12. Re-Saturating Delta Peat Soils Through Rice Cultivation - No comments, just very fascinated by this practice that seems to be paying farmers to become rice farmers...are we experiencing a rice shortage in the state | 12. The incorporation of this practice was based on a detailed development process through the Healthy Soils Program. The practice was initially submitted for consideration into the program during a 2024 Request for Proposals for new practices. Each practice/proposal was reviewed by the HSP New Practice Review Subcommittee consisting of UC/CSU and NRCS subject matter experts. Once accepted for incorporation, HSP staff worked in conjunction with California Air Resources Control Board to develop a practice methodology. This was first adopted into the Healthy Soils Demonstration program as a practice that researchers could select for implementation. HSP added the practice to incentives after ascertaining that it has high benefits in halting the loss of carbon and volume in peat soils, which is otherwise gradually lost when drained. The practice is transitioning into the Block Grant program and implementation guidance will be available in the updated HSP 2026 Practice Guidelines document posted online. |
| Katie Davidson | None | Email or Attachment | 13, 14. Requests clarity on no/reduced till requirements | 13, 14. HSP will provide a template for No- and Reduced-Tillage log as a reference for BGRs and TAPs. Additionally, HSP will add a calculator based on USDA's STIR (Soil Tillage Intensity Rating) value requirements to No- and Reduced-Tillage practice guidelines. |
| Katie Davidson | None | Email or Attachment | 16. WOR - clarify what farm log template should include | 16. HSP will provide a template for whole orchard recycling log as a reference for BGRs and TAPs. |

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| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | <p>h. Promote meaningful tribal and community-led engagement beyond funding set-asides, including: Supporting tribal consultation processes that allow for co-design of program criteria; Strengthening guidelines that promote authentic community participation in program design/implementation.</p> <p>H. Commenter supports the dedicated tribal funding set-asides and recommends strengthening tribal consultation and community engagement by involving tribal and community stakeholders in co-designing program criteria, outreach strategies, and implementation to improve equity and program effectiveness.</p> | <p>h. OARS is initiating a Tribal Consultation process this year for the HSP block grants. HSP has been cited in the past as a potential support for indigenous land management practices, and is working to include Cultural Burning as a practice for the Tribal block grant funding. This effort may be expanded to other OARS programs if they receive stable funding resources.</p> |

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| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | g. Recommend integrating clear, equity-focused scoring criteria into Guidelines, including adding scoring points for serving SDFRs and underserved communities, providing transparent scoring metrics describing how applicants will incorporate equity goals into their project execution, and encouraging CDFa to share relevant demographic data, ensuring scoring rewards service to underserved regions. | g. The Concept Proposal Scoring Rubric includes elements which answer the commenter's concerns, insofar as points for Climate Bond alignment largely consider "Opportunity to serve DACs and SDACs and vulnerable populations, including SDFRs and Tribes." Then, the Full Proposal Rubric includes points that respond to "An estimate of funding that will provide direct and meaningful benefits to DACs and Vulnerable Populations." CDFa presents relevant demographic data in aggregated form, including to the Science Advisory Panel. Our focus is on programmatic outcomes rather than the demographics of individual projects. Because demographic data can be considered personally identifiable information, it may be redacted in response to Public Records Act requests that seek project-level data. |

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| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | j. GAP Manual should include enforceable accountability mechanisms tied to equity outcomes, not solely procedural compliance. | j. Prop 4 targets 40% of these funds to provide meaningful and direct benefits to Disadvantaged communities and Vulnerable Populations. CDFA has incorporated accountability mechanisms by embedding this target into the State's goals and establishing a project target that will be tracked throughout the grant process. Guidance will be given throughout the grant execution to optimize the BGR's performance and BGRs will submit deliverables, such as a technical assistance strategy and on-farm selection process, for OARS' review that relates to equity and access but the commenter's request for real-time "enforcement" of these outcomes is not within OARS' capacity. Performance by a BGR in relation to its targets does affect its final evaluation and thus could be considered in future funding opportunities as past performance. |

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| <p>Keely Cervantes</p> | <p>Community Alliance with Family Farmers (CAFF)</p> | <p>Email or Attachment</p> | <p>D. Commenter notes the Guidelines' equity targets (directing 40% of funds to disadvantaged communities and allocating 25% of technical assistance to SDFRs) and recommends stronger accountability by clarifying how TAPs/BGRs will be evaluated, strengthening scoring and outreach requirements for serving SDFRs, and tracking equity outcomes by disaggregating completion rates (e.g., SDFR, non-English- speaking) to identify gaps without using the data to rate individual BGR performance.</p> | <p>D. The current project review process assigns 30 percent of the total score to evaluating how well the applicant aligns with the Climate Bond's focus areas. The Climate Bond places equal emphasis on Vulnerable Populations and Disadvantaged Communities and establishes specific program targets. The accountability methodology, describing how CDFA will use goals, indicators, and targets to track Block Grant Recipients and ensure accountability, is further detailed in Appendix 3 of the Grant Award Procedures Manual. CDFA will have a required demographic survey that will be optional for the on-farm applicants to fill out. Through this we will be able to collect data on the on-farm projects. OARS must balance the importance of tracking performance related to achieving program-wide equity targets with the protection of individual participants' personally identifying or sensitive information. It will remain optional for beneficiaries to complete demographic surveys, although BGRs will be required to provide those surveys to the producers that they work with. A wide range of the data gathered will never be made available for analysis outside CDFA. n-person farm verifications conducted by the BGR project team are allowable and can replace geotagged photos. The HSP practice guidelines will provide additional guidance on geotagged photo requirement flexibility and exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos when they are necessary.</p> |
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| <p>Keely Cervantes</p> | <p>Community Alliance with Family Farmers (CAFF)</p> | <p>Email or Attachment</p> | <p>A. Commenter recommends creating a "micro" Block Grant category with lower minimum award amounts, potentially lower on-farm project caps, and increased administrative and technical assistance cost flexibility (e.g., up to 30%), to reduce administrative and cash-flow burdens and improve access for organizations serving small-scale and socially disadvantaged farmers.</p> | <p>A. Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding</p> |
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| | | | | <p>to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | e. Reducing Delays to Verification/Reimbursement by providing greater specificity on requirements (e.g. number of geo-tagged photos) | e. Additional details on guidelines, species selection, and verification requirements will be provided in the updated HSP Practice Guidance document. |
| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | f. Allow BGRs to do partial practice verification and producer reimbursement for expensive one-year HSP practices such as hedgerows or windbreaks. | f. Practices are reimbursed after they have been completed and verified. Partial implementation and reimbursement may be considered on a case-by-case basis by the BGR and/or CDFA. However, partial verification of one-time practices would imply extra verification and documentation because of the difficulty of determining how much of the practice should be reimbursed at a given time. Typically, the HSP RePlan for the on-farm project has to be revised, possibly multiple times, to be able to track and justify partial payment. All planting should be limited to Years 1 and 2. |

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| <p>Keely Cervantes</p> | <p>Community Alliance with Family Farmers (CAFF)</p> | <p>Email or Attachment</p> | <p>B. Commenter recommends that Block Grant guidelines require applicants serving non-English-speaking communities to provide multilingual outreach materials, application support, and technical assistance (e.g., Spanish, Punjabi, Hmong, mixteco), and explicitly allocate funding for translation/interpretation and higher TA/admin capacity to ensure SDFR producers are not excluded and can successfully implement and report on grants.</p> | <p>B. Providing multilingual outreach is considered a function of technical assistance and is an allowable expense. OARS is encouraging projects that are diverse and tailored to the needs to their service area. Developing multilingual materials may be strategic, if the community they are serving is multilingual, or multiple farmers speak a particular language.</p> <p>Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm</p> |
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| | | | | <p>income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | C. Commenter recommends strengthening technical assistance and capacity-building requirements in Block Grant programs by funding culturally component TA, supporting workshops and peer learning, recruiting TA providers that reflect community demographics, and establishing clear procedures to ensure equitable and effective support for underserved producers. | C. The lead Block Grant Applicant will be responsible for assembling resources that best serve their target audience. This can include funding culturally competent technical assistance providers. The applicant should include in their application specific details about their current capacity and the partnerships they intend to utilize. The applicant can also describe their regional needs, including community demographics. Qualifications of key personnel will be assessed in the full proposal. All BGRs will be required to develop a final outreach plan in consultation with OARS; consultation may include the discussion of cultural competency and identification of strategies to target assistance to underserved producers. |

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| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | i. Commenter notes the draft GAP manual focuses on administrative tasks but lacks a clear framework for implementing equity goals, and recommends that the GAP Manual clearly define equity requirements for Block Grant Recipients, including culturally appropriate outreach, multilingual communication, equity performance metrics with minimum standards, and dedicated funding for translation and outreach. | i. Appendix 3 of the Grant Award Procedures Manual outlines the procedural requirements for Block Grant Recipients to ensure delivery of SDAC, DAC, Vulnerable Population, and SDAC-related objectives. Local Block Grant Applicants are best positioned to understand community needs and should tailor their approach accordingly. This may include providing language support and implementing culturally responsive outreach practices. Applicants should describe local needs and the methods they propose to address those needs in the Statement of Need section of the concept proposal. They may further define their goals, performance indicators, and targets to best suit the needs of their region. Block grant recipients will develop and provide an outreach plan and on-farm selection plan as deliverables during first phase of their project. OARS will review these and provide feedback to ensure that these deliverables reflect the stated goals and targets of the recipients. |
| Keely Cervantes | Community Alliance with Family Farmers (CAFF) | Email or Attachment | f. Reduce delays to verification and reimbursement by allowing flexible verification for TAPs, including geo-tagged photos or in person on-farm verification with attestation, to support timely payments while maintaining program integrity. | f. In-person farm verifications conducted by qualified staff are allowable. The HSP practice guidelines will provide additional guidance on geotagged photo requirement exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos. |

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| Kenneth Scherer | Biochar Coalition | Email or Attachment | a. Provide the technical and policy rationale supporting the exclusion of on-site biochar production. | a. In contrast to compost, which has been an eligible HSP practice for many years, OARS is incentivizing the application of biochar on agricultural land for the first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site in time for this funding cycle. Similarly, in early funding cycles of HSP, the program did not allow compost produced on-farm to be incentivized, but was eventually able to include it in the program with time and staff capacity. |
| Kenneth Scherer | Biochar Coalition | Email or Attachment | b. Clarify whether stakeholder consultation included representation from small-scale and land-based biochar practitioners. | b. The Healthy Soil program has aimed to provide training to all the TAPS associated with BGRs selected. All BGRs that choose to offer biochar incentives must train staff members to serve producers in their area in preparing biochar plans. |
| Kenneth Scherer | Biochar Coalition | Email or Attachment | c. Permit on-site produced biochar; provided example of potential verification requirements | c. Thank you for your suggested verification requirements. OARS is incentivizing the application of biochar on agricultural land through the HSP for this first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site for this funding cycle. |

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| Kristin Cooper | Grant Management Associates | Email or Attachment | 5. Updating TBD elements such as the timeline ASAP, allow at least 60 days between final publication and concept proposal deadline, advanced notice of webinar dates. | 5. OARS will develop an estimated timeline for the application and review process for the Final Application Guidelines and website. The timeline will be subject to change based up the volume of applications received and administrative procedures associated with awarding bond funding. Webinar dates will be published as soon as possible. |
| Kristin Cooper | Grant Management Associates | Email or Attachment | 9d. Provide a clear timeline for when biochar-certified TAPs will be available and how BGRs should budget for biochar projects in the interim. How will biochar impacts be quantified? | The Healthy Soils Program has already conducted two training sessions for TAPs and CES in collaboration with USBI. At least one further training session is planned for early 2027, between BGR project execution and the opening of BGRs' on-farm project solicitations. Biochar budgeting is described in the HSP Practice Guidelines as being reimbursable up to a cap value, per dry ton of biochar. Biochar GHG benefits will be estimated according to a Quantification Methodology currently being developed by the California Air Resources Board. |

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| <p>Kristin Cooper</p> | <p>Grant Management Associates</p> | <p>Email or Attachment</p> | <p>3. Project Administration (Admin & TA) Funding Cap at 20% May Be Insufficient.</p> | <p>3. A custom tiered approach to the Project Administration funding based on the geographic service area or the number of possible grant beneficiaries is not within OARS' administrative capacity and would require consideration of many variables.</p> <p>However, multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in</p> |
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| | | | | <p>serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Kristin Cooper | Grant Management Associates | Email or Attachment | 6. Expand the role of CESs during the phase I proposal to provide hands-on assistance to first-time applicants; provide written feedback to applicants advancing to the Full Proposal stage; Clarify the portfolio balancing criteria. | 6. Community Education Specialists will be available to help applicants in the Concept Proposal stage. Their consultation might include providing guidance related to the development of project goals, understanding of the scoring rubric, and/or connecting strategic partnerships. Written feedback will be provided to all eligible applicants to Concept Proposal (see Application Guidelines, "Concept Proposal Review"). The RGA lists likely Portfolio Balancing factors, but because the range of applications cannot be predicted, the review panel may consider other factors in order to ensure a diverse and equitable cohort of Block Grant Recipients. |
| Kristin Cooper | Grant Management Associates | Email or Attachment | 9e. Clearly identify which climate benefit quantification tools apply to which practices ;commit to updating tools as the science evolve | 9e. The GAP Manual identifies climate benefit quantification tools for each program, although it gives little explanation about them. More explanation is found in the "How to Participate" documents linked in both the GAP and the Application Guidelines. The SWEEP Tool is recently updated to include the estimation of nitrous oxide emission reductions from improved irrigation systems. The HSP RePlan Tool is being revised for the upcoming solicitation and has undergone improvements in recent funding cycles. Both SWEEP and HSP are funded through one-time appropriations; they do not have ongoing funding or consistent stable funding from a single funding source. |

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| Kristin Cooper | Grant Management Associates | Email or Attachment | 9c, Clarify/ address how land lease agreement length interacts with beneficiary eligibility and practice maintenance obligations. | 9c. BGRs are responsible for assessing the lease circumstances of the applicant. They can make inquiries to obtain sufficient confidence that the current tenant will be on the land for the duration of the BGR project. For practical reasons, they do not need to completely document a commitment to a 10-year maintenance, which would be well beyond the length of the BGR's activity, and beyond the term of most leases that they will encounter. However, it is clearly important to assess the interest of the landowner in permanent plantings or irrigation modifications, through informal channels, giving some consideration to the scale of the planting or installation and the implied long-term commitment. |
| Kristin Cooper | Grant Management Associates | Email or Attachment | 2. On-Farm Project Funding Caps The \$75,000 per-practice cap for HSP may particularly constrain producers who wish to implement multiple complementary practices on the same operation | 2. There may have been a misunderstanding. Complementary practices would appear to be different practices; in that case, a project is allowed to total up to \$150,000, with no one practice type using more than half of that (\$75,000). |

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| Kristin Cooper | Grant Management Associates | Email or Attachment | 4. Equity Targets and “Direct and Meaningful Benefits” : more specificity is needed on how “direct and meaningful benefits” will be defined, measured, and verified across the diverse range of block grant projects. | Block Grant Applicants will use the resources and definitions in Appendix B to identify whether their proposed project will have direct and meaningful benefits to disadvantaged communities or vulnerable populations. Block grant applicants will make their case as to how their proposal is well-aligned with the targets of the Climate Bond. Alignment with the Climate Bond is one of the scoring criteria and technical reviewers will assess the applicant's understanding of the climate bond terminology and the proposal's alignment with the bond funding targets. |
| Kristin Cooper | Grant Management Associates | Email or Attachment | 9a. Provide model partnership agreement templates to help organizations formalize subrecipient relationships efficiently, | 9a. Section 3.5.4 states that "OARS cannot provide legal advice on agreement development, and the format of the agreement is at the discretion of the BGR. " The Block Grant Recipient will be required to develop agreements with subrecipients and contractors that lay out the responsibilities of both the BGR and contractors or subrecipients. |
| Kristin Cooper | Grant Management Associates | Email or Attachment | 8. Recommend priorities for the Ad Hoc Subcommittee: expand language access, study block grant pilot outcomes, examine stacking and coordination with federal programs, evaluate the Tribal set-aside approach. Include listening sessions or surveys with farmers and ranchers | 8. OARS looks forward to reviewing the products of the ad-hoc committee and will consider any recommendations that the group makes regarding OARS incentive programs, although we do not expect that OARS existing programs will be the main focus of the ad-hoc committee's work. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Kristin Cooper | Grant Management Associates | Email or Attachment | 1. General support for BG model, equity targets, two-phase application process | OARS appreciates the positive feedback. |
| Kristin Cooper | Grant Management Associates | Email or Attachment | 9b. Urge OARs to monitor TAP capacity statewide, ID regions where TAP availability is insufficient, and facilitate TAP connections in underserved areas. | 9b. OARS and partner organizations are actively working to increase TAP capacity statewide. OARS continues to engage in capacity-building efforts to expand technical assistance in historically underserved areas. These efforts include ongoing training for current Climate Smart Agriculture Technical Assistance Providers, participation in the California Conservation Planning Partnership (C2P2), and support for the development of training materials that expand climate-smart agriculture learning opportunities throughout the state. |

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| Kristin Cooper | Grant Management Associates | Email or Attachment | 7. Streamline or lighten reporting/verification requirements specifically for smaller BGR awards; Invest in user-friendly digital tools; clarify expectations and provide training for using COMET-Planner and other quantification tools; Allow flexibility in site visit scheduling | 7. Project and practice verification is an important accountability step in HSP and SWEEP management. OARS encourages BGR applicants to propose to serve a service area that is within their capacity to support verification. CDFA's grant policies do not permit a lighter verification burden for smaller awards. CDFA welcomes specific suggestions on digital tools which are missing in the market, and which would improve our program's performance. BGR onboarding will include training in Comet-Planner and in the new SWEEP Benefits Assessment Tool, which are also explained in program literature. It is unclear in the comment how the CDFA has not allowed flexibility in site visit scheduling; however, CDFA will require that farms be visited before they receive an award. HSP and SWEEP awards are typically of high value and this requirement meets standard expectations of accountability. |
| Mary J. Gonzalez | Fresno Unified School District | Email or Attachment | Review of Project Summary | This funding request is out of scope of this request for public comments |
| Maureen Walsh | US Biochar Coalition | Email or Attachment | a. Permit or provide flexibility beyond the 6 tons per acre cap of biochar | a. The Healthy Soil Program is starting incentivization of this practice for the first time and science-based findings support this rate as being sufficient to increase carbon sequestration, improve soil organism habitat, enhance soil water holding capacity and contribute other benefits for all cropping systems. We may consider revising this rate after reviewing practice implementation impacts including cost-benefits analysis in the first round of incentives. |

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| Maureen Walsh | US Biochar Coalition | Email or Attachment | b. Permit on-site produced biochar | b. OARS is incentivizing the application of biochar on agricultural land through the HSP for this first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site for this funding cycle. |
| Mayo P. Ryan | Sitos Group, LLC | Email or Attachment | a. Permit or provide flexibility beyond the 6 tons per acre cap of biochar | a. The Healthy Soil Program is starting incentivization of this practice for the first time and science-based findings support this rate as being sufficient to increase carbon sequestration, improve soil organism habitat, enhance soil water holding capacity and contribute other benefits for all cropping systems. We may consider revising this rate after reviewing practice implementation impacts including cost-benefits analysis in the first round of incentives. |
| Mayo P. Ryan | Sitos Group, LLC | Email or Attachment | b. Permit on-site produced biochar | b. OARS is incentivizing the application of biochar on agricultural land through the HSP for this first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site for this funding cycle. |

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| Navit Reid | Fibershed | MS Forms (online) | <p>On-farm compost: Minimum temperature requirements should be clearly described. If certain types of compost are not permitted (ie vermicompost), these should be listed as well.</p> <p>Cover crop: Can a cover crop be grazed when it is terminated? Can this be clarified in the practice guidelines?</p> <p>Range Planting: The 51% perennial requirement is not mentioned. Does the Native species payment scenario need to be 100% natives?</p> <p>Windbreak: The payment rate on this practice is low enough we've seen a number of producers opt out.</p> | <p>Specifically addressing comments on HSP Practice Guidelines:</p> <p>On-farm compost: Temperature requirements and compost type restrictions (i.e., vermicompost) will be added to the guidance.</p> <p>Cover Crop: HSP doesn't have restrictions on cover crop termination grazing, however Block Grant Recipients should request the geotagged photos of the established crop (60% or greater ground cover) and verify the practice before grazing occurs. Additionally, if the Grant Beneficiary has livestock graze, they should be in compliance with any food safety standards for their specific crop.</p> <p>Range Planting: Additional species guidance will be provided in the updated HSP Practice Guidance document.</p> <p>Windbreak: The Healthy Soils Program payment rates are based on several references including NRCS EQIP and California Practice Scenario rates. The HSP rates will not be adjusted at this time.</p> |

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| Navit Reid | Fibershed | MS Forms (online) | 1. Expand the quarterly invoice due date from 30 to 60 days. | A 30 day due date for invoicing each quarter is included in CDFA's standard terms and conditions. OARS feels that this timeframe is necessary to facilitate timely payment of farmers and efficient processing at CDFA. If vendor invoices are left out of an invoice submission in order to meet the 30 day deadline, those vendor invoices can be submitted for reimbursement as part of the next quarterly submission or in an advance payment liquidation. |
| Navit Reid | Fibershed | MS Forms (online) | 2. Site visits - would a TAP pre-project and/or mid-project site visit suffice? | The GAP Manual clearly delimits the following minimum expectations: "HSP: Pre-project site visit and mid-project site visit. • SWEEP: Pre-project site visit and final project verification site visit." |

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| Navit Reid | Fibershed | MS Forms (online) | a. Subaward and Contractor costs: The 30% cap may unduly constrain our ability to offer technical assistance to a more diverse range of grant beneficiaries if a BGR is not able to provide the majority of TA due to staff size, location and expertise. | <p>a. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |
| Paul Ryan | P. F. Ryan and Associates, Inc. environmental and management consulting | Email or Attachment | Need for public webinars and pre-application conferencing | Webinars and public Q & A processes are described in the Application Guidelines. |

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| Peter Moller | Rubicon Water | MS Forms (online) | Commenter is concerned with the surface water gravity-fed systems with limited pumping being eligible for SWEEP funding since there is no or minimal pumping, which is the source of GHG emissions. | Nitrous oxide emissions reductions can occur when water is saved by irrigation system modification, or when crops are changed, and the SWEEP Project Assessment tool includes nitrous oxide calculations associated with irrigation systems and crops. While on-farm projects are required to result in projected water and GHG saving using the tool, there is no minimum GHG reduction requirement for eligibility; therefore, flood irrigation projects without pressurized systems can still be eligible for funding if the assessment tool shows GHG reductions. |
| Rachel Gaudoin | Monterey One Water | Email or Attachment | Provide funds for infrastructure projects converting municipal biosolids to biochar | Infrastructure projects are beyond the scope of the Healthy Soils Program, which provides farmers and ranchers with payments to implement new practices on their fields. |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Rachel Magos | Imperial County Farm Bureau | MS Forms (online) | 1.- 501 (c)5 Eligibility | <p>1. Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor.</p> |
| Rachel Magos | Imperial County Farm Bureau | MS Forms (online) | <p>2.- GHG Modeling and Lower Colorado River Projects Commenter is concerned with the surface water gravity-fed systems with limited pumping being eligible for SWEEP funding since there is no or minimal pumping, which is the source of GHG</p> | <p>2. The SWEEP Project Assessment tool includes nitrous oxide calculations that are associated with irrigation systems. Individual projects do not have a minimum GHG reduction requirement. Flood irrigation projects without pressurized systems can be eligible for funding if the on-farm project results in GHG reductions using the SWEEP Project Assessment Tool. OARS encourages block grant applicants from around the state to express their regional needs within the statement of needs and develop a project goal to address that need. OARS aims to award projects that cover a wide geography.</p> |

| Name of Commenter | Organization | Mode of Submission | Summary of Comments | CDFA Response |
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| Raymond Baltar | Sonoma Ecology Center/Sonoma Biochar Initiative | MS Forms (online) | 1. Biochar Guidelines - Rate: Increase or provide flexibility beyond the 6 tons per acre application cap | 1. The biochar rate in the HSP Practice Guidelines refers to the dry ton equivalent. The Healthy Soil Program is starting incentivization of this practice for the first time and science-based findings support this rate as being sufficient to increase carbon sequestration, improve soil organism habitat, enhance soil water holding capacity and contribute other benefits for all cropping systems. We may consider revising this rate after reviewing practice implementation impacts including cost-benefits analysis in the first round of incentives. |
| Raymond Baltar | Sonoma Ecology Center/Sonoma Biochar Initiative | MS Forms (online) | 2. Permit Biochar produced On-site | 2. OARS is incentivizing the application of biochar on agricultural land through the HSP for this first time in this upcoming solicitation, working closely with experts to develop application guidelines. OARS does not have the capacity to develop rules and guidance for application of biochar produced on-site for this funding cycle. |

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| Rowan O'Connell-Gates | Wild Farm Alliance | MS Forms (online) | <p>1. Suggestion to create dedicated funding tracks or scoring incentives for the following practices: Hedgerows; Non-Woody Permanent Plantings; and Woody Permanent Plantings. Diverse plantings require more planning, technical assistance, and site design. They can cost more per project but yield long-term benefits for biodiversity, water quality, and climate resilience. This would help avoid these practices not being crowded out by simpler, quick-to-deploy practices.</p> | <p>1. Through the Block Grant Program model, Block Grant Recipients (BGRs) will identify project level goals and the on-farm project selection process, which may include a focus on specific practice types. This is at the discretion of the BGRs and must be incorporated into a fair, transparent, and goal-aligned selection process.</p> |
| Rowan O'Connell-Gates | Wild Farm Alliance | MS Forms (online) | <p>1. Contracts, program materials, and technical guidance should be consistently available in Spanish Culturally competent outreach</p> | <p>Translation and interpretation are allowable costs for BGRs. Block grant applicants can address in their proposals the community that they intend to outreach and serve. The scoring rubric will take into consideration whether or not the applicant's plan to serve their target community is thoughtful, culturally relevant and includes the expected costs that might be required (like translation of materials).</p> |

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| <p>Rowan O'Connell-Gates</p> | <p>Wild Farm Alliance</p> | <p>MS Forms (online)</p> | <p>1. Administrative funding should be tied not only to dollars spent, but also to the number of growers served, and acreage or linear feet of high-diversity habitat established.</p> | <p>1. The number of growers to be served is not predictable ahead of block grant project execution, and does not directly predict the technical assistance or administrative needs of a block grant project. Both of these issues would make it a difficult metric, beyond OARS capacity to apply in determining administrative allowance. However, Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in</p> |
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| | | | | <p>serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| Rowan O'Connell-Gates | Wild Farm Alliance | MS Forms (online) | <p>2. Suggest clearer expectations for advance and reimbursement processing timelines to avoid delayed payments to producers. Commit to target review timelines or fast-track verification and provide contingency protocols or communication standards when payment delays occur.</p> <p>3. Establish a predictable advance schedule (e.g., quarterly or tied to projected disbursements).</p> | <p>2. Timelines are outlined in the GAP Manual. BGR will have the flexibility and option to request Advance Payment that does not depend on quarter system reporting dates. Verification of supporting documentation submitted will only be reviewed initially, with the expectation that BGR will be submitting reports accurately so that inaccuracies do not delay payments. Advance Payment or Invoicing processing could be delayed if errors or inconsistencies are discovered during review process, requiring corrections.</p> <p>3. As outlined in the GAP Manual, BGRs can request one Advance Payment at a time. Advance Payment requests are not dependent on the quarter system and can be requested as soon as the previous Advance Payment is spent ("liquidated") and a form is submitted to testify to the expenses. Like invoicing, Advance Payments are processed by CDFA within 52 calendar days of a completed submission. Please see Section 2.2.1 of the GAP Manual for more guidance.</p> |
| Sacha Lozano | Resource Conservation District of Santa Cruz County | MS Forms (online) | Appreciate the additional detailed explanation and example! | Thank you for your comment. |

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| Sacha Lozano | Resource Conservation District of Santa Cruz County | MS Forms (online) | <p>Suggestions for SWEEP guidelines:</p> <ul style="list-style-type: none"> • Update (augment) Assessment Tool to include a broader variety of options in the before and after IWM scenarios to estimate water savings. The existing options are insufficient to adequately represent many types of water use improvements that can yield savings. | <p>1- Thank you for your suggestions for SWEEP guidelines. Over the past year, the SWEEP team has updated the online tool, and many scenarios now work correctly. We will continue to update and improve the tool as needed and as administrative funding allows.</p> |
| Sacha Lozano | Resource Conservation District of Santa Cruz County | MS Forms (online) | <p>Suggestions for SWEEP guidelines:</p> <ul style="list-style-type: none"> • Consider inclusion of project design and pump test in the list of eligible project costs. Or clarify if these can be part of the BGR's Admin/TA budget. | <p>2- On-farm project costs should not include reimbursement of pump tests or project design costs because those costs happen before a project is awarded. A pump test and design costs are part of the preplanning process and a BGR may support these costs for a producer with Project Administration funds if the BGR feels that these costs can fit within their block grant budget.</p> |

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| Sacha Lozano | Resource Conservation District of Santa Cruz County | MS Forms (online) | <p>Suggestions for SWEEP guidelines:</p> <ul style="list-style-type: none"> • Clarify: "Irrigation water management or renewable energy must be less than 40% of the grant request" Does this mean 40%max each? What is included in IWM? In many cases upgrading the IWM infrastructure is all or most of what the applicant needs to achieve both water savings and GHG reduction. Capping it at 40% could result in many good projects being ineligible. | <p>3- The maximum allowable cost for renewable energy is 40% of the total cost of each on-farm project. Similarly, irrigation water management (IWM) components include flow meters, soil moisture sensors, and weather stations (and other scheduling tools). Irrigation system improvements themselves are not subject to additional limitations beyond these category caps.</p> |
| Sacha Lozano | Resource Conservation District of Santa Cruz County | MS Forms (online) | <p>Suggestions for SWEEP guidelines:</p> <ul style="list-style-type: none"> • Conversion of sprinkler to drip irrigation can offer significant water savings and GHG reduction (lower pressure). How to reconcile this practice with the limits on "equipment with less than 2yr useful life" and "ensure at least 10yrs project lifespan" ...? | <p>4- SWEEP aims to achieve water savings and GHG reductions over a 10 year period, so maintaining equipment for 10 years aligns with the program's intent and quantification methodology. Most irrigation systems, including drip irrigation, are capable of operating effectively for 10 years or more when properly maintained. CDFAs grant administration regulations define equipment as a "tangible personal property having a useful life or more than one year and a per-unit acquisition costs of \$10,000 or more". This is described on page 48 of the draft Application Guidelines as applicable to the Project Administration portion of a block grant budget. Its not clear to OARS how this definition is in conflict with the 10 year project life of an on-farm project.</p> |

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| Sacha Lozano | Resource Conservation District of Santa Cruz County | MS Forms (online) | <p>1. Priority to SDACs, DACs and SDFRs: Inconsistency between this priority and certain HSP program restrictions that affect this demographic. Specifically, 1) the restriction on funding practices that have been previously implemented, and 2) the requirement to implement multi-year practices on the exact same acreage within the farm during 3 consecutive years (challenge for small operations and multi-crop rotations).</p> <p>2. Eligibility to receive HSP incentives should not be limited to parcels or growers that have not previously implemented a practice. Restrictions should not prevent returning adopters from receiving some level of incentive, especially if they are small and limited resource farmers from a disadvantaged community.</p> | <p>1. The Healthy Soils Program does not allow three-year plans that encompass shifting parcels because this would not allow producers to experience the benefits of most of our practices, which usually take more than a year to become evident.</p> <p>2. The Healthy Soils Program faces a deep level of demand statewide, including high numbers of limited resource farmers, members of DACs, and SDFRs who have never participated in HSP before. The demographic information that we have about this demand does not support the idea that these producers should be given a special allowance to receive repetitive practice awards on the same land. However, it should be noted that where landowning or leaseholding applicants are new to a property, they can receive an HSP award for a practice that has already been carried out on that field.</p> |
| Sarah A. Deslauriers | California Association of Sanitation Agencies (CASA) | Email or Attachment | Provide funds for biosolids projects | The CDFA HSP does not currently fund the application of biosolids. The possibility could be considered through HSP's next New Practices Proposals process, to be considered by its outside Technical Committee. |

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| Sarah Pruden | | MS Forms (online) | <p>1. 501c3 and 501c5</p> <p>Commenter requests the addition of 501c5 organizations to be eligible for funding as a Block Grant Recipient</p> | <p>1. Eligibility is defined in the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (Climate Bond) language (Division 50 of the Public Resources Code). Chapter 1 Section 90110 indicates that an eligible applicant is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company. Chapter 1 Section 90100(g) defines nonprofit organization as a nonprofit corporation qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code. OARS must administer the HSP and SWEEP in accordance with these provisions. Organizations that are not eligible as the primary applicant may still contribute to a block grant project as a subrecipient or contractor.</p> |
| Seth Myrick | Mendocino County RCD | MS Forms (online) | <p>1. Commenter requests clarification on whether OARS will audit a recipient or a subrecipient's indirect costs.</p> | <p>1. All state funded projects are potentially subject to an audit by the State. Auditors could request documentation related to indirect costs and/or indirect cost rates.</p> |
| Seth Myrick | Mendocino County RCD | MS Forms (online) | <p>1. Request clarification on how applicant and subrecipient indirect rates will be substantiated</p> | <p>1. Appendix E of the Grant Application Guidelines outlines the four options for an applicant and subrecipient to identify an indirect rate. Applicants and subrecipients may have different indirect rates. When an applicant or subrecipient does not select the de minimis indirect rate of 15%, they will need to provide supporting documentation related to the option that they select.</p> |

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| Sierra Layous | ITRC - Cal Poly | MS Forms (online) | 2. Is there any required breakdown of cost between administrative costs and technical assistance (listed as 20% of the total grant amount)? | 2. There is not a detailed cost breakdown requirement for the Project Administration budget, which includes both costs of administering the block grant and providing technical assistance. OARS will require that block grant recipients dedicate 25% of their technical assistance costs to providing TA to SDFRs. This will be tracked by identifying the costs associated with completing each of the Common Objectives. Four of the Common Objectives are considered to be technical assistance and so the costs to complete those Objectives are considered TA costs. The Project Administration budget cannot sum to more than 20% of the final award, unless a further 3% is earmarked for serving SDFR farmers. This 3% will be made available once the awarded pool of farmers is known, if the pool is more than 40% SDFRs. |
| Sierra Layous | ITRC - Cal Poly | MS Forms (online) | 1. Guidance does not explicitly state the rates established in the CSU/UC California Model Agreement (CMA) can be used by UC/CSU entities/auxiliaries. Can/should CSU/UC entities and auxiliaries use the current rate in the CMA? Is that considered a rate negotiated by the Primary Applicant in the last 5 years with another state agency? | 1. The Climate Bond indicates four options for block grant applicants to select from for an indirect cost rate. One option is "a rate negotiated by the grantee with another state agency within the last five years". This option includes the implementing MOU for the AB20 model agreement between the Department of General Services and the University of California and California State University Systems. |

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| <p>Tera Lewandowski</p> | <p>USBI</p> | <p>MS Forms (online)</p> | <p>1. Biochar: We recommend that all annual and perennial cropland be considered eligible, provided that a site-specific soil assessment indicates the land would benefit from biochar application.</p> <p>2. Biochar: Payment Scenarios</p> <p>The implementation rate for biochar should be explicitly specified as ‘dry’ tons/acre to ensure consistent measurement across all applications.</p> <p>The current payment rate may be insufficient if it is intended to cover both shipping and application costs. A more reasonable upper limit for the payment rate would be \$300–\$400/ton to account for implementation costs.</p> <p>3. Biochar: Verification Requirements</p> <p>The reference to a “compost spreading contractor” is restrictive. Biochar can be effectively applied using a range of other application technologies including lime spreaders, injection systems, drop spreaders, and using bucket loaders for applications in trenches. We suggest amending this to the more general term, “application contractor”.</p> <p>4. Biochar: Guidelines</p> <p>a. On-site Production: We believe that excluding biochar produced on-site is too restrictive. The on-farm processing of woody</p> | <p>The Healthy Soils Program considers all incentivized practices should be safe to implement and have clear best management practices guidelines. As biochar incentivization is new to the program, caution is made to supports this practice on the soils that show positive response to biochar application and could be safely incorporated in the current land management systems. More detailed guidelines for this practice implementation will be published and these recommendations will be considered.</p> |
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| | | | <p>residuals presents a promising opportunity for orchards and vineyards to manage waste and could be a key practice in California, providing soil health benefits but also reductions in air pollution compared to open pile burning. We recommend revising this provision to align with the approach used for 'Compost Scenario 2,' allowing for on-farm processing under appropriate safeguards.</p> <p>b. Treated Biochar Clarification: The term 'treated' biochar requires clarification. The NRCS standard states "Inoculate biochar with compost, compost tea, fertilizer or manure to balance nutrients and nutrient interactions, stabilize pH, and improve amendment moisture content to aid application". We recommend similar guidelines for this practice and encourage treatment to be considered but not required.</p> <p>c. Testing Standard: Please include the full name of the recognized biochar testing standard: ANSI/ASABE/USBI S668: Methods for the Testing and Analysis of Biochar. We also recommend amending the attribution to reflect that the standard was codeveloped by the American Society of Agricultural and Biological Engineers and the US Biochar Initiative.</p> <p>d. Soil Response Eligibility: The provision stating that "Only Soils that show good/excellent response to</p> | |
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| | | | <p>biochar” are eligible is too restrictive and requires more flexible guidance. To account for field variability, we recommend changing this to accept applications on fields where "at least 75% of a field ranks as good or excellent." For fields that have been artificially drained (e.g., tilled), and where native soil type ranks low (negligible/unsuited) due to a high water table, we recommend allowing for an exception. In such cases, if the field is artificially drained but does not rank as good or excellent or good, the eligibility should be determined by examining the Hydrologic Soil Group (HSG) in Web Soil Survey. Fields with an HSG rating of A/D or B/D should be considered suitable, as artificial drainage allows these sandy soils to function with good infiltration and percolation (A or B).</p> <p>5. General Comment</p> <p>We strongly encourage the CDFA to address the application of blends of compost and biochar within the program guidelines. The co-application of these two amendments is considered a best management practice in many contexts, and recognizing this practice will promote holistic soil health management. We recommend that this be included as a payment option within the compost practice, similar to the payment schedules that are used by NRCS in their cost schedules.</p> | |
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| | | | 6. GAP manual comment: none | |
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| Tom Stein | American Farmland Trust | Email or Attachment | b. Support Capacity Building for Service Providers and Technical Assistance working with biochar projects. Develop and share resources like additional training, guidance documents, and reference materials. | b. HSP will be designating mandatory training for TAPs who will be certified to make biochar recommendations. It will also provide decision-making guidance for determining where biochar will be supported, and other reference materials to TAPs as the project design process goes into effect. Basic references and guidance are already found in the HSP Draft Practice Guidelines, and will appear also in the finalized version. |
| Tom Stein | American Farmland Trust | Email or Attachment | e. Encourage Adaptive Feedback Loops Between Practice Application and Research in biochar | e. Block Grant Recipients will be required to amplify project outcomes through case studies and field days. These will provide some opportunity for farmer-to-farmer learning and quantifying outcomes. The Healthy Soils Block Grant Program will is not designed to be a research program. |
| Tom Stein | American Farmland Trust | Email or Attachment | a. Align Biochar Eligibility with Clearly Defined Quality Standards | a. Thank you for this comment. The development of the biochar practice guidelines is still an active area of work for our team. We will consider your comments as the guidelines for biochar application are finalized. |
| Tom Stein | American Farmland Trust | Email or Attachment | d. Provide more flexibility with biochar verification documentation | d. Thank you for this comment. The development of the biochar practice guidelines, including verification requirements, is still an active area of work for our team and we aim for alignment with other practice guidelines. We will consider your comments as the guidelines for biochar application are finalized. |

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| Tom Stein | American Farmland Trust | Email or Attachment | c. Articulate how reference toolss (like Web Soil Survey, Biochar Atlas, and Biochar Selection Tooll) will integrate with biochar suitability and help with project planning | c. The upcoming HSP Practice Guidelines will explain the system clearly. The program will require biochar plans to be made by trained TAPs. The program will recommend that they follow a two-step process: (1) use the Web Soil Survey's DSPRB as a first assessment of a site's response to biochar. If they receive a response that indicates restricted or unfavorable use, the DPSRB gives feedback on the reason for that response. If the reasons are ones which may have changed due to field management over time, the TAPs can either submit reliable evidence that the change has taken place, or resample the soil and/or examine its soil profile. Then (2) the TAP will use either the National Biochar Selection Tool OR the Biochar Atlas to obtain give recommendations on biochar tonnage and type. In using these tools, the TAP will enter either web soil survey data, or the re-sampled soil data. There will be no further routes for "appeal" during this initial round of biochar incentivization by HSP. Similar guidance can be seen in CPS 336, although HSP policy does not depend on that document. |

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| Veronica Pardo | Resource Recovery Coalition of California | MS Forms (online) | <p>1. Continue explicitly referencing compost, biochar, and other organic soil amendments as eligible and encouraged practices within the Healthy Soils Program.</p> <p>2. Include compost, biochar, and other organic soil amendments in examples, scoring considerations, and performance indicators to ensure consistent understanding across applicants and reviewers.</p> | <p>1,2: These practices are eligible for funding through the Healthy Soils Program. Through the Block Grant Program model, Block Grant Recipients (BGRs) may identify prioritizations for the application selection process, which may include practice priorities. This is at the discretion of the BGRs and must be incorporated into a fair, transparent, and goal-aligned selection process.</p> |
| | Point Blue Conservation Science | MS Forms (online) | <p>4. Consider increasing the award cap based on scope and scale of the proposed project and the size and proven capacity of the organization applying.</p> | <p>4. The capacity of any organization applying to administer block grant funding will be considered in the awarding decision. However, in an effort to distribute funds widely among regions and organizations, building technical capacity and producer experience throughout the state, the block grant award cap will not be waived for any applicants.</p> |

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| | Point Blue Conservation Science | MS Forms (online) | <p>3. Suggest increasing the Project Administration funding cap to 25%. If the cap cannot be increased, suggest allowing for staff time in the 80% implementation bucket to provide technical support to producers ensuring projects are well designed and all technical assistance needs are met.</p> | <p>3. Staff time is by definition administrative, including technical assistance.</p> <p>Multiple commenters suggested that the 20% project administration cap is not sufficient for BGRs to serve small producers and SDFRs. The Block Grant Pilot programs allowed OARS to collect data on project administration costs to assess these comments. A 20% project administration cap appears to serve most current block grantees well, with most block grantees on track to meet or underspend their budget. OARS is also making efforts in the current solicitation to streamline reporting and reduce the administrative burden.</p> <p>There can, however, still be room for improvement. Public comment suggestions to address potential financial barriers to serving small producers and SDFRs focused on either 1) increasing project administration expense or 2) increasing project administration expenses while enforcing service to SDFRs and small producers, such as by lowering on-farm project cost caps. To assess these suggestions, OARS looked at our Block Grant Pilot data. Current block grantees are serving more SDFRs per dollar than OARS's previous direct-to-producer solicitations and an analysis of program data shows that SDFR's do not inherently request smaller, less expensive projects. Therefore, structuring the programs to have smaller on-farm project cost caps and larger associated project administration expenses may not achieve the goal of recruiting and better serving SDFR producers. Unfortunately, there is no state-endorsed definition for small farm, either as farm area or farm income, making it difficult for OARS to assess the efficacy of these programs in serving small producers and to design corresponding solutions. CDFA is in the process of developing a definition to suit California's uniquely diverse agricultural system.</p> |
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| | | | | <p>Therefore, OARS has opted to increase available administrative funding focusing on accountability for using that funding to serve SDFRs, who are a vulnerable population as defined by the Climate Bond. OARS will update its Grant Award Procedures to allow BGRs to access an additional 3% in project administration costs if at least 40% of on-farm projects are awarded to SDFRs. OARS will not increase the total budget awarded but will allow for funds to shift from on-farm project costs to project administration costs. OARS will implement this budget change through a Line-Item Shift upon completion of Common Objective 4, including documentation of service to SDFRs through the On Farm Project Selection Summary. This evidence-based solution offers clear resource opportunities to BGRs, maintains accountability, and minimizes the administrative burden on OARS of creating custom solutions for each BGR's needs.</p> |
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| | Point Blue Conservation Science | MS Forms (online) | 1. Suggested addition of scoring of the block grants based on the robust collection of information to monitor the impact of the HSP. Recommend including this in the scoring of proposals to allow prioritization of projects that include a robust ecological monitoring component (e.g., soil organic carbon, bulk density). | 1. Through the Block Grant Program model, Block Grant Recipients (BGRs) may identify prioritizations for the application selection process, which may include project priorities. This is at the discretion of the BGRs and must be incorporated into a fair, transparent, and goal-aligned selection process. Any evaluation of outcomes will need to fit within the grant term of the project, which is likely to be 4 years. |
| | Point Blue Conservation Science | MS Forms (online) | 2. A recommendation for data sharing agreements between the block grant recipient, the landowner or grant recipient, and CDFA. | 2. While OARS is likely to continue administering HSP as a block grant program as funding is appropriated, program funding is not continuous. The program continues to be funded through one-time appropriations, not permanently. This funding status means that evaluating long-term outcomes is not currently within the scope or capacity of OARS. Soil health and soil carbon monitoring will now be optional, data sharing agreements maybe established between the beneficiary, BGR and CDFA, but subscription to them by the beneficiary will not be a requirement. |

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| | RCD Agriculture Technical Assistance Task Force | MS Forms (online) | 3.Suggest allowing alternatives to Geotagged Photos in Practice Verification and allowing BGRs to allow flexibility to perform in-person farm verifications conducted by qualified staff. | 3. In-person farm verifications conducted by the BGR project team are allowable and can replace geotagged photos. The HSP practice guidelines will provide additional guidance on geotagged photo requirement flexibility and exceptions. Technical assistance providers and BGRs should work with their Grant Beneficiaries to make sure they are properly trained on how to take geotagged photos when they are necessary. |
| | RCD Agriculture Technical Assistance Task Force | MS Forms (online) | 1- Commenter recommends changing the requirement to maintain equipment for 10 years to instead require maintenance for the product's expected life or 10 years, whichever is shorter. | 1- OARS calculates the project benefits based upon an expected project life of 10 years. The 10 year project life expectation was based upon USDA NRCS practice lifespans for irrigation systems (which are often 15 years). While some equipment, especially irrigation scheduling tools may have a shorter lifespan, OARS expects that producers will continue with their adopted implementation of irrigation water management, even if it involves updating hardware during the 10 year project life. This is an expectation; OARS does not enforce this as a requirement beyond the end of the grant term. |
| | RCD Agriculture Technical Assistance Task Force | MS Forms (online) | 2- Indirect cost requirements should not be made more restrictive. CDFA should accept legally authorized and approved rates and avoid penalizing organizations for requesting justified and allowable indirect costs that reflect their actual operating expenses. | 2- OARS is allowing the indirect cost rate options that are indicated in the Climate Bond language. There are four options available for block applicants to select from. These options are outlined in Appendix E of the draft Application Guidelines. |

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| | RCD Agriculture Technical Assistance Task Force | MS Forms (online) | 1. We recommend allowing TAPs greater flexibility in species selection for planting practices without requiring a formal modification process. | 1. The HSP Block Grant program does not require project modifications for minor changes like the swapping of a few similar plant species. Project Modifications should be completed for more substantial changes, for example, changes that affect the budget or acreage. It is important to keep in mind that any species changes should still ensure the practice and payment scenario requirements are met. It is Block Grant Recipients' responsibility to keep up-to-date records on project changes and communicate these with CDFA. |
| | RCD Agriculture Technical Assistance Task Force | MS Forms (online) | 2.RePlan should be aligned more closely with project guidelines to ensure consistency. | 2. The HSP staff will continue to work with the RePlan Tool team partners to update the tool to reflect current guidance. |

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| | RCD Agriculture Technical Assistance Task Force | MS Forms (online) | 4. We recommend amending the requirement that subaward and contract costs not exceed 30% of the Primary Applicant's Project Administrative budget. | <p>4. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |

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| | Ventura County RCD | MS Forms (online) | 3. For one-time planting practices, will growers not receive money until the end of the grant term? Will farmers be allowed partial payment for verified installation/establishment and then remaining payment at the end of the grant term to ensure survivorship? | Grant Beneficiaries are reimbursed once the one-time practice has been successfully verified. For example, if a hedgerow is planted in year 1 of the project and the practice is verified as complete, reimbursement can be processed. Grant Beneficiaries can request advance payments from the Block Grant Recipients to help with upfront implementation cost barriers. Confirming plant survivorship occurs at the end of the project term, and replanting must occur at cost to the Grant Beneficiary if there is plant die off that leads to the specific practice plant density requirements no longer being met. Grant Beneficiaries should work to maintain one-time practice survivorship to avoid replanting at the end of the project term. |
| | Ventura County RCD | MS Forms (online) | 1. T&A reports should be revised from daily hour entries to monthly hours spent on TA and Admin activities per staff. It is unnecessary and time-consuming and does not follow standard payroll practices. | Per Section 321 (Timekeeping Requirement) of CDFA Grant Administration Regulations, the report of daily hours performed is required. |

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| | Ventura County RCD | MS Forms (online) | 2. consider amending Draft RGA page 50 budget rule where a maximum of 30% of the Project Administration Budget can go to subaward and contract costs. | <p>2. There is no limit on the percentage of the project administration budget that a BGR can allocate to approved subrecipients and there is no limit on the number of subrecipients.</p> <p>No individual contractor can exceed 30% of the project administration budget. There is no limit on the number of contractors.</p> <p>The Block Grant Project Manager must be employed by the Block Grant Recipient Organization. The Technical Assistance Lead must be employed by an organization that is eligible for TA funding according to the Canella Act, though that organization may develop contracts with a broader suite of organizations, including for-profit organizations, for TA services that supplement their capacity.</p> <p>The Application Guidelines and GAP Manual will be updated to describe this policy.</p> |