

The Healthy Soils Program Incentives Program

The Healthy Soils Program is funded by the California Climate Investments Program.



Request for Grant Applications

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Email comments to:
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1. BACKGROUND AND PURPOSE

The California Department of Agriculture (CDFA) is pleased to announce, in coordination with the California Air Resources Board (CARB), a competitive grant process for the 2017 Healthy Soils Program (HSP) Incentives Program.

The 2017 HSP Incentives Program is funded by the Greenhouse Gas Reduction Fund and stems from the [California Healthy Soils Initiative](#) which promotes the development of healthy soils on California's farmlands and ranchlands.

The objectives of the HSP are to build soil organic carbon and reduce atmospheric greenhouse gases (GHGs) by (1) providing financial incentives to California growers and ranchers for agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases and improve soil health, (2) funding on-farm demonstration projects that showcase conservation management practices that mitigate GHG emissions and increase soil health, and (3) creating a platform promoting widespread adoption of conservation management practices throughout the state. All projects that receive GGRF monies are required by statute ([Government Code Section 16428.9](#)) to achieve GHG emission reductions and further the purposes of the Global Warming Solutions Act of 2006 ([AB 32](#)).

The HSP Incentives Program addresses Objective 1. Objectives 2 and 3 are addressed in the 2017 HSP Demonstration Projects. Request for Applications for the HSP Incentives Program and HSP Demonstration Projects are available on the HSP webpage:

<https://www.cdfa.ca.gov/oefi/healthysouls/>.

2. FUNDING AND DURATION

The HSP Incentives Program will provide up to \$3.75 million in financial incentives to California growers and ranchers for implementation of agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases, and improve soil health.

- The maximum grant award is \$50,000.
- The grant agreement term is from December 1, 2017 to November 30, 2020 (three years).
 - CDFA grant funds cannot be expended before December 1, 2017 or after March 31, 2020.
 - Grant recipients must expend matching funds from April 1, 2020 – November 30, 2020.

Please see [Table: Timeline for funding expenditures of awarded projects](#), which clarifies grant agreement term, and spending duration for CDFA grant funding and matching funds.

- CDFA reserves the right to offer an award different than the amount requested.
- The HSP funds may be combined with other funds as matching funds for the same project, such as funds from the United States Department of Agriculture (USDA), Natural Resource Conservation Service (NRCS) Environmental Quality Incentive Program (EQIP).

3. ELIGIBILITY AND EXCLUSIONS

3.1 ELIGIBILITY

- California farmers and ranchers are eligible to apply.
- Projects must be located on a California agricultural operation. For the purpose of this program, an agricultural operation is defined as row, vineyard, field and tree crops, commercial nurseries, nursery stock production and livestock and livestock product operations.
- Awards are limited to one per agricultural operation using a unique tax identification number per round of funding.
- Projects must result in net GHG benefits from specific eligible agricultural management practices identified in this solicitation for the grant agreement term.
- Applicants must provide supporting documentation directly related to actual, on-farm GHG emissions and soil quality to be eligible for funding (See: [Baseline Data](#)).
- Applicants must demonstrate control of the land under APNs where project is proposed to ensure project implementation for the three year grant agreement term. If leasing land, applicants must have documented landowner approval to implement proposed practices(s) for the duration of the grant agreement term.

3.2 EXCLUSIONS

The HSP Incentives program funds cannot be used to:

- Fund ongoing eligible agricultural management practices unless one of two conditions is satisfied:
 - The continuing management practice(s) is/are expanded to new field(s) identified by the Assessor's Parcel Number (APNs); or
 - The continuing management practice(s) is/are implemented with an additional quantifiable conservation management practice.
This requirement is needed to ensure alignment with the CCI program which is required to reduce GHGs relative to a baseline or business as usual scenario.
- Compost application may not be implemented on APNs consisting of soils with organic matter content greater than 12% by dry weight (20 cm depth).
- Implement management practices that are not listed as an **eligible agricultural management practice** in this grant solicitation.
- Fund projects that use potted plants or other plant growth media.

4. TIMELINE

The application period begins [day], July [date], 2017. The deadline to submit a grant application is [day], August [date], 2017 at 5:00 p.m. (PST). ***No exceptions will be granted for late submissions.***

CDFA will conduct three workshops and one webinar on the 2017 Healthy Soils Program grant application process. For the CDFA Grant Application Workshop schedule and locations, visit the HSP webpage: <https://www.cdfa.ca.gov/oefi/healthysouls/>.

Invitation to Submit Grant Applications	July, 2017
CDFA Grant Application Workshops and Webinar	July – August, 2017
Project Review Period	August – November, 2017
Award Announcement	November, 2017
Project Implementation Begins	December, 2017

5. WORKSHOPS AND TECHNICAL ASSISTANCE

CDFA will offer three workshops and one webinar on the 2017 Healthy Soils Program grant application process.

In addition, in partnership with the Strategic Growth Council, Technical Assistance Workshops (hosted by a non-CDFA entity, such as not-for-profit organization and/or academic experts) will be offered on the technical aspects of the application process, including the GHG calculation requirements. CDFA strongly encourages applicants to obtain technical assistance when developing a grant application.

CDFA will post the time and locations for grant application and technical application workshops to the HSP webpage: <https://www.cdfa.ca.gov/oefi/healthysouls/>.

6. ELIGIBLE AGRICULTURAL MANAGEMENT PRACTICES

CDFA has identified eligible agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases and improve soil health for the 2017 Healthy Soils Program. Applicants must select at least one of the Soil Management Practices as a minimum requirement to be eligible for funding. The selected eligible agricultural management practice(s) must include the APN(s) of the field(s) where the management practices will be implemented. An applicant is allowed to include multiple practices in the same APN or the same practice in multiple APNs.

The following management practices were selected from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Conservation Practice Standards (CPS) and CDFA specified Compost Application:

Soil Management Practices (at least one must be selected)

- Cropland Management Practices
 - Mulching ([USDA NRCS CPS 484](#))
 - Residue and Tillage Management – No-Till ([USDA NRCS CPS 329](#))

- Residue and Tillage Management – Reduced Till ([USDA NRCS CPS 345](#))
- Cover crops ([USDA NRCS CPS 340](#))
- Compost Application Practices
 - Compost Application to Annual Crops (CDFA)
 - Compost Application to Perennials, Orchards and Vineyards (CDFA)
 - Compost Application to Grassland (CDFA)

Cropland to Herbaceous Cover Practices (must be implemented in combination with at least one soil management practice(s))

- Herbaceous Wind Barrier ([USDA NRCS CPS 603](#))
- Vegetative Barriers (601) ([USDA NRCS CPS 601](#))
- Riparian Herbaceous Cover ([USDA NRCS CPS 390](#))
- Contour Buffer Strips ([USDA NRCS CPS 332](#))
- Field Border ([USDA NRCS CPS 386](#))
- Filter Strip ([USDA NRCS CPS 393](#))

Establishment of Woody Cover Practices (must be implemented in combination with at least one soil management practice(s))

- Woody Plantings Practices
 - Windbreak/Shelterbelt Establishment ([USDA NRCS CPS 380](#))
 - Riparian Forest Buffer ([USDA NRCS CPS 391](#))
 - Hedgerow Planting ([USDA NRCS CPS 422](#))
- Grazing Lands Practices
 - Silvopasture ([USDA NRCS CPS 381](#))

Reductions in GHG emissions from the use of these practices will be quantified using the quantification methodologies (QM) and tools developed by the CARB and can be accessed at the CARB Quantification Materials webpage:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm>.

There are two quantification tools:

- (i) QM and tool to estimate net annual GHG benefits from compost application (hereafter referred to as Compost-Planner), and,
- (ii) QM and tool to estimate net annual GHG benefits from all other management practices included below (hereafter referred to as COMET-Planner).

Management practices cannot be accounted as creating GHG benefits if they have been previously implemented in the past year on APNs included in project. However, management practices can be implemented on the previous APNs if additional APNs can be brought into the management practice. This requirement is needed to ensure alignment with the CCI program where reduction of GHGs relative to a baseline level is required.

7. TECHNICAL SPECIFICATIONS FOR ESTIMATION OF GHG BENEFITS

- For the purpose of estimating the net GHG benefits due to a practice implementation, the expected life of the practice is as follows:

Eligible Agricultural Management Practice	Practice Lifespan
Soil Management Practices	3 Years
Cropland to Herbaceous Cover Practices	3 Years
Woody Cover Establishment Practices	10 Years

- Compost Application Rates Eligible for Funding:

Crop Type	Compost Type	Dry Tons/Acre
Annual Crops	Higher N (C:N ≤ 11)	2.2 – 3.6
	Lower N (C:N > 11)	4.0 – 5.3
Tree / Perennial	Higher N (C:N ≤ 11)	1.5 – 2.9
	Lower N (C:N > 11)	4.0 – 5.3
Rangeland	Lower N (C:N > 11)	4.0 – 5.3

NOTE: Compost application rates eligible for funding through this program were developed under the guidance of the [Environmental Farming Act – Science Advisory Panel \(EFA-SAP\)](#) and are published in a white paper report titled “Compost Application Rates for California Croplands and Rangelands for a CDFA Healthy Soils Incentives Program” (abbreviated as [Compost Application White Paper](#)) by CDFA.

- Feet-to-acre conversion for Agricultural Management Practices.

Several practices supported by the HSP Incentives Program are implemented by length (in feet). However, applicants must enter the total acres of practice implementation in COMET-Planner and Compost-Planner tools to estimate GHG reductions achieved from their project. A methodology to convert feet of practice implementation to acres is provided below. For the practices listed in the table, applicants must enter total length of implementation (feet) in the Budget Worksheet template, and acres of implementation in COMET-Planner.

Category	Practice name and CPS code	Minimum width at which practice must be	Total Length of implementation (feet)	Acres of Implementation
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		implemented (feet)		
Cropland to Herbaceous Cover	Herbaceous Wind Barriers (CPS 603)	2	L	(2xL)/43,560
	Vegetative Barriers (CPS 601)	3	L	(3xL)/43,560
Establishment of Woody Cover	Windbreak /Shelterbelt Establishment (CPS380)	8	L	(8xL)/43,560
	Hedgerow Planting	8	L	(8xL)/43,560

8. PROGRAM REQUIREMENTS

8.1 APPLICANT ID

An agricultural operation can only submit one grant application using a unique tax identification number. If an agricultural operation does not have a unique tax identification number, that operation should only use the ***last four digits*** of their social security number (e.g., 000-00-1234) as their unique business identification number in their grant application.

An agricultural operation must use the operation's legal business name and associated tax identification number in their application. The business name provided in the application is the entity to which CDFA will extend a Grant Agreement if the project is selected for an award. (See Award Process.)

- Applicants must have control of the agricultural operation for duration of the project (three years).
- If leasing land, applicants must have documented landowner approval to implement proposed management practice(s) for the duration of the grant.

8.2 PROJECT TERM AND MATCHING FUNDS

The project duration is three years (December 1, 2017 to November 30, 2020) for all awarded projects. The program will provide funds for implementation of management practice(s) from December 1, 2017 to March 31, 2020. Applicants are required to implement management practice(s) during April 1, 2020 – November 30, 2020 with matching funds.

Applicants will be required to certify the project will continue to completion as part of the verification process and to receive funds withheld (See: [Project Verification](#)) by March 31, 2020. Applicants will be required to sign documents of matching funds for the period of April 1 – November 30, 2020 and be verified by providing invoices occurred in the period (see Table below).

Table: Timeline for funding expenditures of awarded projects.

	Begin grant agreement term	Begin spending CDFA grant funds	Conclude spending CDFA grant funds	Begin spending required matching funds	Conclude spending required matching funds	End grant agreement term
December 1, 2017	X	X				
March 31, 2017			X			
April 1, 2017				X		
November 30, 2020					X	X

8.3 BASELINE DATA

Applicants must submit baseline data at the time of application. Required baseline data include:

- Cropping and management practice history for the past three calendar years (January 2014 – December 2016) in field(s) in all APN(s) included in the proposal.
- Soil texture and organic carbon content measured in the past one year at any of the accredited Soils Testing Laboratories recommended by CDFA, accessible at <http://ccmg.ucanr.edu/files/51308.pdf> for all APNs included in the proposal. Other soil data such as water holding capacity, aggregate stability and biological properties are encouraged but not required. Applicants must include the laboratory report as an attachment to the application.

8.4 ESTIMATION OF GHG REDUCTION

Applicants are required to use the quantification methodologies developed by the California Air Resources Board (CARB) for GHG calculations listed at the CARB Cap-and-Trade Auction Proceeds Quantification Materials webpage:

<https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm> (i.e. COMET-Planner and/or Compost-Planner). Detailed information on GHG reduction estimation is provided by CARB and accessible at the link provided in [Appendix A](#).

Applicants must include these GHG calculations as attachment to the application.

9. PROGRAM AGREEMENT

If selected for an award, execution of the Grant Agreement is conditional upon applicants agreeing to the following program requirements:

9.1 CERTIFICATION OF PROJECT COMPLETION

Applicants will be required to certify that the project will continue through the end of the Year 3, until project completion date of November 30, 2020 using the matching funds obtained for this purpose (See: [Payment Process](#)).

9.2 PROJECT VERIFICATION AND REPORTING

The requirements will be within the three -year project term.

- 1) Verification: Applicants will be subjected to verification that the management practices were implemented consistent with the USDA-NRCS Conservation Practice Standards (CPS) by CDFA or a third-party contracted entity who will conduct field evaluations by APN to verify program compliance during the grant agreement term.
- 2) Reporting: Data of soil organic matter is required to be reported to CDFA for each year of the three year project management practice implementation period. Other soil health data (water holding capacity, biological properties) are recommended but not required.

The State of California has the right to review project documents and conduct audits during project implementation and over the incentive period.

9.2 POST-PROJECT REPORTING

CDFA will contact a subset of awarded projects to collect data including, but not limited to management practice implementation and GHG reduction estimates, for 3 years after project completion, consistent with [CARB Funding Guidelines for Administering Agencies \(Final Supplement – December 2016\)](#).

10. GRANT APPLICATION PROCESS

10.1 HOW TO APPLY

CDFA has partnered with the State Water Resources Control Board (SWRCB) to host a web based application submission process. Applicants will utilize the SWRCB's Financial Assistance Application Submittal Tool (FAAST). FAAST can be accessed through the SWRCB website at <http://faast.waterboards.ca.gov/>. Applicants must create a user account in FAAST to submit a grant application.

FAAST is organized into several tabs and includes a question and answer format. The questionnaire tab in FAAST contains the grant application, which is a series of questions regarding the proposed project. Questions are answered in one or more of the four following formats: a drop down menu; a check box; a text box with predetermined character limitations; or

as a document attachment. Responses to all questions must be submitted in the manner and format required by the application questionnaire in FFAST without exception.

The SWRCB website contains a Frequently Asked Questions section and a User Manual for the FFAST system. After reading the information available on the website, applicants that have additional questions about the FFAST System should contact FFAST customer service at (866) 434-1083, Monday through Friday, 8:00 am to 5:00 pm or via email, faast_admin@waterboards.ca.gov.

Prior to completing the application questionnaires in FFAST, applicants are encouraged to gather all required information using [Appendix B](#): Grant Application Checklist and [Appendix C](#): FFAST Grant Application Questions to facilitate effective and timely submission of the grant application.

All applicants are required to submit the following attachments in the FFAST. Additional attachments may be required depending on the individual project proposal (See [Project Proposal](#)).

1. Laboratory report of soil texture and organic carbon content for each APN.
2. GHG reduction estimation report using CARB COMET-Planner and/or Compost Planner.
3. Schematics of the project design.
4. Work Plan Template ([Appendix D](#)).
5. Budget/Cost Summary Template ([Appendix E](#)).
6. Matching Funds Required: Year 3 Cost Sharing Summary Template ([Appendix G](#)).

10.2 PROJECT PROPOSAL

Applicants are required to submit a project proposal, in addition to providing answers to the questions within FFAST (see [Appendix C](#): FFAST Grant Application Questions). The project proposal is limited to six pages using a font no smaller than 12-point Times New Roman and 1-inch margins. A complete proposal should include section A through C as described below.

10.2.1. Project Narrative

Within the Project Narrative text box in FFAST, clearly address the following:

1. Explain why the proposed project is important to the agricultural operation.
2. What critical needs will the proposed project address in the short and long-terms?
3. Identify any limitations in the current production system for the identified APNs and how the proposed project will address them.
4. Articulate how the proposed project will sequester carbon, reduce atmospheric greenhouse gases and improve soil health.

5. Provide a qualitative description of the environmental co-benefits of the proposed project such as water and air quality improvements and ecosystem protections. Examples of co-benefits include reduction of on-farm fuel use and GHG emissions due to changes from conventional to no-till/reduced tillage and reduced sediment as a result of establishing a riparian buffer.

10.2.2. Project Implementation Plan

The Project Implementation Plan includes the Project Design and the Project Work Plan.

Within the Project Design text box in FAAST, clearly address the following:

1. Purpose of the design.
2. How the design will reduce environmental impacts.

Project implementation plan should include project design and a yearly project work plan for a total of three years. A schematic of the Project Design should be drawn up and included as an attachment in FAAST. The Schematic attachment should consist of a detailed map of the field operations that identifies the following:

1. Each APN included in the proposed project.
2. The acreage for each eligible agricultural practice being implemented.
3. The location of all major activities that will be completed.

The Work Plan Template (See: [Appendix D](#)) provided in FAAST should be completed and included as an attachment in FAAST. The Work Plan attachment should include the following:

1. Identification of the field(s) by APN(s) and the eligible management practices that will be implemented on each.
2. A breakdown of activities to be completed for each year of the project(s).

10.2.3. Project Evaluation and Adoption Plan

The Project Evaluation and Adoption Plan require applicants to evaluate and consider how to ensure project success during and beyond the project term.

Within the Project Evaluation and Adoption text box in FAAST, clearly address the following:

1. How current resources (e.g., water use) will be utilized or adapted to ensure the three-year implementation of the project and maintenance for the life of practice (up to 10 years).
2. The plan for the project evaluation (i.e., how to assess/measure possible changes/impacts after project implementation).

3. The plan for adoption and continuation of the eligible agricultural management practices implemented in the proposed project based on the project's success or lessons learned.

10.3 ESTIMATED GHG REDUCTIONS

Reductions in GHG emissions from the applicant's selected eligible agricultural management practices must be estimated using quantification methodologies (QM) and calculator tools developed by the ARB. The QMs and calculator tools used for this program can be accessed at the [ARB Quantification Materials webpage](#). Once on the site, click on the appropriate QM (as indicated below) for instructions on how to use the GHG reduction calculation tool. The web link to the GHG reduction calculation tool will be provided in the QM.

There are two GHG reduction calculation tools:

1. Compost-Planner QM and Tool
This will be used to estimate GHG reduction from *compost application*.
2. COMET-Planner 2.0 QM and Tool
This will be used to estimate GHG reduction from *all other eligible agricultural management practices*.

The Compost-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Soil Management Practices and must be included as an attachment in FFAST when any of these practices are selected. Since including a Soil Management Practice as a management practice is a requirement for all HSP Incentive Program project proposals, all applications must include this report.

The Comet-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Cropland to Herbaceous Cover Practices and Woody Cover Establishment Practices and must be included as an attachment in FFAST when any of these practices are selected.

10.4 BUDGET WORKSHEET (Microsoft Excel workbook)

Applicants are required to download and complete a Budget Worksheet ([Appendix E](#)) from the [CDFA HSP webpage](#). The Budget Worksheet attachment should include the following:

- The acreage or linear feet (depending on management practices selected).
- The sum of the cost for each proposed management practice in the application.

A standard payment rate per unit acre or foot for each of the listed management practices is provided as [Appendix F](#) and incorporated in the Budget Worksheet.

The Budget Worksheet template must be attached in Microsoft Excel format and be consistent with the project design. Failure to submit the required Budget Worksheet or submission of an alternate template/file type will result in disqualification.

Matching funds are defined as a portion of project costs not borne by the HSP Incentives Program grant award and can include cash and/or in-kind contributions. In-kind contributions include costs associated with labor involved with the implementation of the project.

Grant recipients must obtain matching funds for Year 3 of the projects and use these funds for all project expenses between April 1, 2020 and November 30, 2020.

Projects are encouraged to include matching funds in Year 1 and 2 of the project term. Funding to be contributed each year must be specified.

Applicants must complete the Year 3 Cost Sharing Summary template ([Appendix G](#)) and upload to FAAST.

10.5 CONSERVATION PLAN

Providing a Conservation Plan is optional, however, applications that include a qualified conservation plan with the application will receive additional points during review (See: [Evaluation Criteria](#)).

A conservation plan is a broad environmental/ecological impacts and solutions plan for the whole farm and is prepared by an NRCS specialist, an NRCS-trained individual or entity, or a professional agronomist. A Conservation Plan, should include, at a minimum:

- An aerial photo or diagram of project fields.
- A list of current management decisions.
- The location of and schedule for applying new conservation practices.
- A soil map and soil descriptions.
- Information explaining how to carry out specific management decisions.
- A plan for operation and maintenance of the management practice(s).

10.6 DISADVANTAGED COMMUNITIES

Providing benefits to disadvantaged communities (DACs) is optional, however, applications that include this consideration are eligible to receive during review (See: [Evaluation Criteria](#)).

Consistent with [CARB Funding Guidelines for Administering Agencies \(Final Supplement – December 2016\)](#), priority will be given to those projects that maximize benefits to disadvantaged communities¹, (DACs) using the following criteria. These criteria are addressed in the FAAST questions described in [Appendix C](#): FAAST Grant Application Questions. Please provide documents verifying that the projects meet the criteria below to receive additional points.

¹ SB 535 requires that a minimum of 25 percent of California Climate Investments is allocated to projects that provide benefits to disadvantaged communities, and of that 25 percent, a minimum of 10 percentage points is allocated to projects that are also located within disadvantaged communities. The California Environmental Protection Agency (CalEPA) identified disadvantaged communities using CalEnviroScreen, a tool developed by the Office of Environmental Health Hazard Assessment that assesses all census tracts in California to identify the areas disproportionately burdened by and vulnerable to multiple sources of pollution.

11. REVIEW AND EVALUATION PROCESS

11.1 REVIEW PROCESS

CDFA will conduct multiple levels of review during the grant application process:

1. The first level review is an administrative review to determine whether application requirements were met. All required documentation must be submitted to avoid disqualification.
2. The second level review is a technical review by a committee made up of academic researchers, extension specialists, and farm advisors affiliated with the University of California and California State University systems, and state and federal agency experts. The technical reviewers will evaluate grant applications based on the overall expected success of the project, including the potential for the project to reduce GHG emissions, sequester carbon, improve soil health and provide other co-benefits (e.g., air and water quality improvement).
3. CDFA will select applications for funding depending on the scores provided by the review committee based on [Evaluation Criteria](#) outlined in section 11.2.

11.2 EVALUATION CRITERIA

Proposals are evaluated based on the following criteria.

Criteria	Score
Project feasibility and implementation plan	30
Project evaluation and adoption	10
GHG emission reductions and soil health	20
Environmental co-benefits	10
DAC criteria	10
Certified conservation plan	10
Additional considerations (Please see Section 11.3)	10
Total	100

11.3 ADDITIONAL CONSIDERATIONS

During the review process, the following additional considerations will be evaluated when selecting projects for an award of funds based on the number of additional criteria met:

- Implementing multiple eligible new management practices or expanding existing eligible practices to new APNs.
- Providing the additional soil health baseline data (e.g., water holding capacity, biological properties) and a plan for future assessments on soil health.
- County and geographic location (in order to maximize distribution of funds across counties and the State).

12. ASSISTANCE AND QUESTIONS

CDFA cannot assist in the preparation of grant applications; however, general questions may be submitted to grants@cdfa.ca.gov. In order to ensure all potential applicants benefit from receiving all submitted questions and answers, CDFA will post Frequently Asked Questions (FAQ) on [release date] on the [Healthy Soils Program webpage](#) and an additional FAQ will be posted according to the following schedule:

Questions received by	Responses posted by
TBD	TBD
TBD	TBD

In order to maintain the integrity of the competitive grant process, CDFA is unable to advise and/or provide applicants with any information regarding specific grant applications during the solicitation process.

13. NOTIFICATION AND FEEDBACK

All applicants will be notified regarding the status of their grant application. Applicants not selected for funding will receive feedback on their grant application within 60 days after receiving notification.

14. DISQUALIFICATIONS

The following will result in the disqualification of a grant application:

- Incomplete grant applications: applications with one or more unanswered questions necessary for administrative or technical review.
- Incomplete grant applications: applications with missing, blank, unreadable, corrupt, or otherwise unusable attachments.
- Applications for more than the maximum award amount.
- Applications with unallowable costs or activities not necessary to complete the project objectives.

APPEAL RIGHTS: Any discretionary action taken by the Office of Grants Administration (OGA) may be appealed to CDFA's Office of Hearings and Appeals within ten (10) days of receiving a notice of disqualification from CDFA. The appeal must be in writing and signed by the responsible party named on the grant application or his/her authorized agent. It must state the grounds for the appeal and include any supporting documents and a copy of the OGA decision being challenged. The submissions must be sent to the California Department of Food and Agriculture Office of Hearings and Appeals, 1220 N Street, 4th Floor, Sacramento 95814 or emailed to CDFA.LegalOffice@cdfa.ca.gov. If submissions are not received within the time frame provided above, the appeal will be denied.

15. AWARD PROCESS

15.1 GRANT AGREEMENT

CDFA will initiate the Grant Agreement process with applicants selected to receive a 2017 HSP Incentives Program grant award. Applicants with projects selected for award of funds will receive a Grant Agreement package with specific instructions regarding award requirements including information on project implementation, verification, and payment process.

15.2 PROJECT IMPLEMENTATION

Once a Grant Agreement is executed, the grant recipient can begin implementation of the project. Recipients are responsible for the overall management of the awarded project to ensure all project activities are completed as identified in the Project Work Plan.

Implementation must begin on or after December 1, 2017, but no later than June 30, 2018.

Failure to implement the project later than June 30, 2018 may result in all or any portion of the grant funding withheld or termination of the Grant Agreement.

16. PAYMENT PROCESS

CDFA will provide the grant recipient with the necessary grant award and invoicing documents. Grant recipients may be eligible to receive an advance payment up to 25 percent of the total grant award for a project. The remaining funds will be allocated on a reimbursement basis through quarterly or monthly invoicing.

CDFA will withhold 10 percent from the total grant award until the verification requirement is complete to ensure grant recipients complete their project as approved by CDFA. Invoicing and closeout of all project expenditures must be completed no later than March 31, 2020.

Applicants will be required to certify that the project will continue to completion as part of the verification process and to receive funds withheld (See: [Project Verification](#)).

16.1 PROJECT VERIFICATION

The purpose of project verification is to determine whether and when deliverables are being met and evaluate project progress to ensure management practice(s) are completed within the grant term. Recipients may be required to submit financial records and project related documentation (such as receipts for payment of services/goods) to ensure HSP Incentives Program funds are used in compliance with the Grant Agreement terms and conditions. The verification must be completed by March 31, 2020.

16.2 POST-PROJECT COMPLETION REQUIREMENTS

Execution of the Grant Agreement is conditional upon agreement to post-project completion requirements. Recipients are expected to maintain the proposed eligible agricultural management practice(s) for several additional years after project completion. Additionally, applicants are required to maintain documentation related to the HSP funded project, including records documenting maintenance of the agricultural management practice(s) and any soil testing reports for the project APNs, to report actual benefits achieved for a period of three years.

Failure to work with CDFA to provide the necessary project-related documentation will be considered non-performance. In the event of non-performance, CDFA may take any action deemed necessary to recover all or any portion of the grant funding.

Appendix A: CARB Quantification Methodology and Tools

Accessible at: <https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm>

Appendix B: Application Check List

Accessible at: <https://www.cdfa.ca.gov/oefi/healthysoils/>

Appendix C: FFAST Grant Application Questions

Accessible at: <https://www.cdfa.ca.gov/oefi/healthysoils/>

Appendix D: Work Plan Template

Accessible at: <https://www.cdfa.ca.gov/oefi/healthysoils/>

Appendix E: Budget Worksheet

Accessible at: <https://www.cdfa.ca.gov/oefi/healthysoils/>

Appendix F: Management Practice Payment Rates

Accessible at: <https://www.cdfa.ca.gov/oefi/healthysoils/>

Appendix G: Year 3 Cost Sharing Summary Template

Accessible at: <https://www.cdfa.ca.gov/oefi/healthysoils/>