

# LI SOUND WATERSHED PILOT POOLED MATCH INVENTORY

## Frequently Asked Questions

The Long Island Sound Watershed Regional Conservation Partnership Program (LISW-RCPP) invites people to contribute towards a goal of \$5.1M in non-federal matching funds to release \$2.55 M in newly available Healthy Forest Reserve Program funding and help conserve over 3500 acres of priority forested rare species habitat. Eligible match includes the value of conservation easements within the watershed completed after May 15, 2015, that has not been applied to other federal grants.

### Why Contribute Match to the LISW-RCPP?

The LISW-RCPP would greatly appreciate assistance in identifying and collecting match so that it can conserve more land. Your contribution of match supports the following:

#### *Helps create a new conservation finance tool for the Northeast*

Highstead is piloting the development of a **pooled match inventory** to collect, document, and track non-federal matching funds. For federal easement programs like Forest Legacy and the RCP Program, the amount of non-federal match one can bring to the table can have a positive impact on federal funding grants. If the pilot is successful, Highstead will work with partners to develop a more robust match inventory for other RCPP projects throughout the Northeast beginning in late 2018, and possibly for Forest Legacy and other programs in the years to follow.

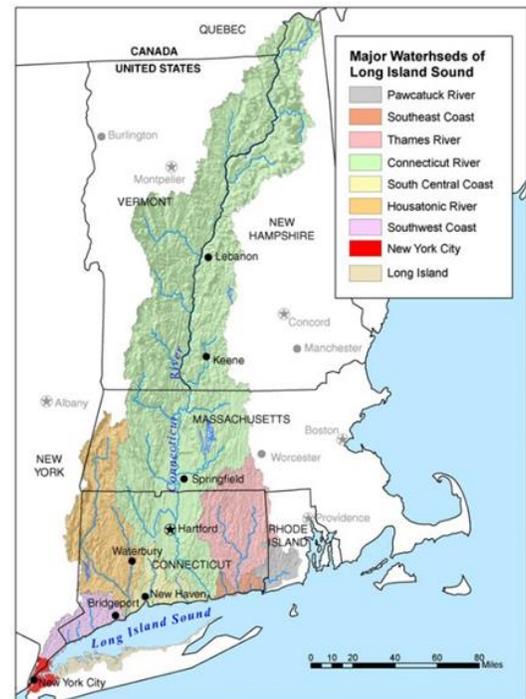
#### *Gives landowners and donors greater incentive to act*

Donated match from a high land value part of the region can release federal funds that can purchase an easement in an area with lower per acre property values and vice versa. The ability to leverage an easement in this way may be just the incentive that will sway a landowner to conserve their land. Imagine telling an individual donor that their investment in a particular easement project could leverage the protection of forest and farmland in other parts of the Northeast that they cared about. Beginning in late 2018, the match inventory could be used to incentivize landowners and donors to act sooner rather than later and protect more land in a favored landscape. A more robust and well-used match inventory could help sister Regional Conservation Partnerships exchange match and support the others' land protection efforts.

#### *Honors LISW-RCPP's pioneering role in bringing new federal forest easement dollars to the Northeast*

The LISW-RCPP represents the first time anyone has used the Natural Resource Conservation Service's (NRCS) RCP Program to access Healthy Forest Reserve Program (HFRP) funding for permanent conservation easements in the Northeast. HFRP is used to restore and permanently protect forestland to sustain habitat for rare species. HFRP is also the only NRCS funding for conservation easements on fully forested parcels. LISW-RCPP's system for working with HFRP has been replicated in other parts of the region to great effect.

#### *Takes advantage of the current window of opportunity to support further conservation now before the window closes*



According to NRCS, match for RCPP funding is only eligible after the contract is signed between NRCS and the lead applicant for that RCPP funding. To put a finer point on it, since match for the HFRP must be associated with an easement on private land, eligible match for future HFRP funding will only be found in easements closed after that contract date. May 2018 is anticipated to be the time the next batch of RCPP project leads will sign their contracts with NRCS—the point at which their match window opens. As such, any match that could be used after May 15, 2015, and before May 2018, will be of no value to future RCPP project partners, but of high value to the LISW-RCPP.

### *Access to match for your future proposals and projects*

In 2018, RCPP applications in the Northeast could represent from \$10M to \$20M in federal funding requests. All of these RCPP applications will require at least a 1:1 match to federal funding ratio. That means a need for at least another \$10M to \$20M in match if most of the proposals are accepted. The future or phase II match inventory would enable people to contribute and receive match. Phase II may use a “pay it forward” design: to be in the running to receive match, you would ideally have contributed match in the past (i.e. to this pilot for example).

### *What is a pooled match inventory?*

A pooled match inventory, in this case, is a database maintained by Highstead to document non-federal funding assigned to the LISW-RCPP. The inventory will eventually be web-based and will enable partners to contribute and request match online. In time, Highstead could manage match for multiple state and federal funding programs, beyond RCPP. If the match inventory pilot is successful, Highstead is committed to developing the next version with assistance from Harvard Forest, the U.S. Forest Service, North Atlantic Landscape Conservation Cooperative, U.S. Fish and Wildlife Service, and the RCP Network steering committee and other members.

Highstead, one of the original LISW-RCPP NGO partners, has led the effort to further the protection of non-industrial forest land using \$2.55 M in Healthy Forest Reserve Program (HFRP) funding. Highstead participated in this effort on behalf of the Regional Conservation Partnership (RCP) Network to help the 19 RCPs in the watershed protect more land by accessing new sources of federal funding.

### *What is the Long Island Sound Watershed Regional Conservation Partnership Program?*

In 2015, the Connecticut Council on Soil and Water Conservation and six other non-governmental organizations (NGOs) were awarded \$10M by the Natural Resource Conservation Service (NRCS) through the **Regional Conservation Partnership Program (RCPP)**. This new collaborative is called the Long Island Sound Watershed RCPP, and its goal is to improve water quality in Long Island Sound’s watershed.

This landscape-scale initiative covers the geographic area of the Long Island Sound Watershed (LISW) which includes the Housatonic, Connecticut, Thames River watersheds and other coastal watersheds in Rhode Island and New York. The LISW-RCPP is coordinating the development and implementation of a comprehensive working lands program with emphasis on 1) nutrient management and soil health, 2) forest land protection, and 3) community adaptation/resilience. The LISW-RCPP is leveraging resources by connecting with existing programs and catalyzing innovative watershed-scale public/private partnerships.

### *What are the goals of the LISW-RCPP Forest Land Protection Program?*

In 2015, Highstead formed the Forest Land Protection Technical Committee (Committee) to develop a pre-screening application process for the LISW-RCPP’s Healthy Forests Reserve Program (HFRP). The purpose of the HFRP funding was to assist landowners, on a voluntary basis, to restore, enhance and protect forestland resources on private lands through permanent conservation easements. Program goals include

- Use \$2.55M in Healthy Forest Reserve Program (HFRP) funding through the RCPP.
- Restore and conserve at least 3500 acres (15-20 parcels) of strategic, high-value forested rare-species habitat.
- Generate a 3:1 non-federal to HFRP funding ratio, or \$7.65M in match.

### *Where is the LISW land to be protected?*

The LISW-RCPP's first request for proposals (RFP) in spring 2016 resulted in projects from six RCP partners. These nine projects from four states totaled 13 parcels and over 3,300 acres. Average project size was around 370 acres, almost double what was expected.



### *Why does the LISW-RCPP need \$5.1M in match?*

The RCPP requires at least a 1:1 and often much greater, non-federal match to grant funding ratio. For example, the \$10M LISW-RCPP has a \$15.7M match goal. Like the two other LISW-RCPP programs, the forest land protection program was designed with sources of match in mind. Based on preliminary feedback from land trust partners, each project would earn up to \$200,000 in HFRP funding to cover between 25% and 50% of the fair market value (FMV) of the easement. For an easement valued at \$800,000, an award of \$200,000 in HFRP funding would be equal to 25% of its FMV. In that case, the amount of match would be the remainder of \$600,000 raised from other public and private funding sources and equal to 75% of the easement's FMV (a 3:1 match to HFRP funding ratio). A cap of \$200,000 in HFRP funding for each easement transaction would, therefore, leverage a higher match ratio.

However, in practice, some partners found the \$200,000 cap insufficient for at least two reasons. Land trust partners assisting owners of large

projects (700 acres and over) determined that \$200,000 would likely represent less than 25% of the FMV of the easement, which goes against the program's guidelines. Partners in some states also found it challenging to raise private capital for HFRP projects since the program does not allow the co-holding of easements. State agencies, foundations, and some land conservation organizations are less inclined to help finance projects if they can't co-hold the easement. To counter this, the Committee will increase the \$200,000 project cap for some larger-sized projects if they are the top-ranked project in each state. But, to do that, they must find additional sources of match beyond what partners can raise for each project, thus the idea of the pooled match inventory.

Based on the value of existing HFRP projects, plus another four to six future projects, Committee members believe these projects will generate at least \$2.55 M in match for the \$2.55 M in HFRP funding. Therefore, the LISW-RCPP needs to receive an additional \$5.1 million in match from other easement projects within the watershed to meet its \$7.65 M match goal.

For all inquiries on the LISW-RCPP Pooled Match Inventory email Bill Labich ([blabich@highstead.net](mailto:blabich@highstead.net)).