

**PROCEDURAL GUIDE
FOR THE
HABITAT CONSERVATION
FUND PROGRAM**

Oct. 1, 2007
Deadline



\$2 million
only local
cities/counties/
districts

**CALIFORNIA DEPARTMENT OF PARKS AND RECREATION
LOCAL AGENCY PROGRAM**
under the
**CALIFORNIA WILDLIFE PROTECTION
ACT OF 1990**
(Proposition 117 Initiative)

50/50 match
wetlands
wildlife corridors/
urban trails

May 1997

State of California - Resources Agency
Department of Parks and Recreation
Planning and Local Services Section

Post Office Box 942896
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INTRODUCTION

This guide will assist local government in applying for and administering State grant funds from the Habitat Conservation Fund Grant Program under the California Wildlife Protection Act of 1990. It contains information on the program as well as application materials.

Two million dollars is available for competitive grants to local public agencies. These funds will be provided annually from July 1, 1990 to July 1, 2020.

This grant program is administered by the California Department of Parks and Recreation (DPR). Day-to-day administration of individual projects is the responsibility of a project officer who is assigned a specific geographical area of the State, based on county boundaries. After you have submitted an application, you will be assigned a project officer. Processing will be expedited if the name of the project officer assigned to your area is included on all mail. All inquiries, correspondence, and grant applications should be referred to:

Project Officer (*Name*)
California Department of Parks and Recreation

Planning and Local Services Section
1416 Ninth Street, Room 940
P. O. Box 942896
Sacramento, CA 94296-0001
Telephone: (916) 653-7423
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Applicants are encouraged to contact a Project Officer to determine general eligibility of a proposal and discuss the quality of key application documentation needed to evaluate the project.

IMPORTANT POINTS

1. Funding Cycles- To make the program manageable, a staged competitive funding program is provided where, in every three-year period, each eligible project type will be funded twice. PLEASE SEE THE SCHEDULE IN APPENDIX G.
2. Projects that are legally required as mitigation by a regulatory agency as a condition for a permit or to proceed with construction, will not be funded under this program. However, a proposal which is in addition to any required mitigation, and a part of an overall undertaking, would be eligible.
3. Only project costs incurred after the date of appropriation will be eligible for grant funds.
4. You must start the project within three years of the date the grant funds are appropriated in the state budget.
5. This is a matching program - 50% State/50% local. The match must come from a non-State source.
6. Property acquired under the program must comply with provisions of Chapter 16, Sec. 7260 of Div. 7, Title 1 of the State Government Code. Grant recipients are required to certify to the adequacy of their acquisition process.
7. For development projects, grant recipients are required to certify that their construction plans comply with applicable contract, health and safety, and access requirements.
8. All applications shall contain evidence that the applicant agency has complied with the California Environmental Quality Act (CEQA) of 1970 including documentation that the Department of Fish and Game CEQA fee was paid or is not applicable.
9. The funding for your project cannot be changed to a different site without DPR approval.
10. Where necessary, up to 20% of the grant amount or construction costs whichever is less, may be expended for non-construction costs such as plans and specifications, acquisition documents, construction inspections, and directly-related administrative costs.
11. Grants may be audited at any time by DPR up to three years after project completion. A project is complete upon receipt of final grant payment from the State. AVOID AUDIT EXCEPTIONS-KEEP ACCURATE RECORDS OF ALL EXPENDITURES.

12. Agencies that receive a grant from the fund for enhancement, restoration, or improvement projects shall utilize the services of the California Conservation Corps and local community conservation corps to the extent practicable.
13. The agency that manages lands acquired with Habitat Conservation Funds shall prepare, with full public participation, a management plan for lands that have been acquired. The plan shall reasonably reduce possible conflicts with neighboring land use and land owners, including agriculturists. The plan shall comply with the Environmental Quality Act.

Eligible Applicants

Only local units of government are eligible. They are cities, counties, cities and counties, or districts as defined in Subdivision (b) of Section 5902 of the Public Resources Code.

Eligible Projects

The following types of projects are eligible:

ACQUISITION OF:

- a) Deer and lion habitat, including oak woodlands.
- b) Habitat for rare and endangered, threatened, or fully protected species.
- c) Wildlife corridors and urban trails.
- d) Wetlands.
- e) Aquatic habitat for spawning and rearing of anadromous salmonids and trout resources.
- f) Riparian habitat.

Acquisition includes, but is not limited to, gifts, purchases, leases, easements, the exercise of eminent domain if expressly authorized, the transfer or exchange of property for other property of like value, transfers of development rights or credits, and purchases of development rights and other interests. Prior to recommending the acquisition of lands located on or near tidelands, submerged lands, swamp or overflowed lands, or other wetlands, whether or not those lands have been granted in trust to a local public agency, any State or local agency or non-profit agency receiving funds under this program shall submit to the State Lands Commission any proposal for the acquisition of those lands. The State Lands Commission shall, within three months of submittal, review the proposed acquisition, make a determination as to the State's existing or potential interest in the lands, and report its

findings to the entity making the submittal and to the Department of General Services.¹

ENHANCEMENT AND RESTORATION OF:

- a) Wetlands
- b) Aquatic habitat for spawning and rearing of anadromous salmonids and trout resources
- c) Riparian habitat

Adequate tenure to the property is required for enhancement or restoration projects. Adequate tenure means the applicant owns the land or holds a lease or other long-term interest that is satisfactory to DPR.

PROGRAMS THAT PROVIDE FOR:

- a) The interpretation of the State's park and wildlife resources.
- b) Programs which bring urban residents into park and wildlife areas. Programs include those proposals designed to provide opportunities for urban residents to use park and wildlife areas. Programs also include nature interpretation programs that are designed to increase the peoples' awareness and appreciation for park and wildlife resources.

Matching Requirements

Grants for acquisition shall be matched only by non-State money or property made available as part of the acquisition project. Grants for development may be matched by non-State monetary or non-monetary contributions as follows:

In-kind contributions (goods and/or volunteer services) applied to the specific grant project during the project period, including, but not limited to, equipment, consumable supplies, and volunteer services, facilities or equipment.

Force account labor (applicant's employees) costs incurred on the specific grant project during the grant project period.

The value of real property donated for the project provided the applicant does not take title to the property until after the grant funds are appropriated by the State.

¹ Subdivision (a) of Section 5929 of the Public Resources Code

APPLICATION PROCEDURES

When to Apply

For the 1994/95 Fiscal Year allocation of \$2 million, applications are due October 1, 1993. Thereafter, October will be the annual HCF application deadline.

What to Submit

A complete application consists of one copy each of the items listed on the back of the application form (Appendix A). You must identify the project type under which your proposal is to compete.

When submitting your application materials, please note the following:

1. The justification for the project must be addressed in the project proposal (Appendix B).
2. Compliance with the California Environmental Quality Act must be completed before final selection of projects by the State.
3. If you intend to reapply for the identical project you submitted the previous year, you need only submit:
 - a. Addendum to CEQA (Appendix H)
 - b. New application form
 - c. New resolution

Selection and Notification

A list of projects selected for funding will be submitted to the Legislature. The funds are then included in the State Budget for the upcoming fiscal year. Applicants will be notified of the final selections by January.

PROJECT ADMINISTRATION

Normal Grant Process

1. Applicant completes and submits applications to DPR.
2. If project is selected, it will be placed on a list of recommended projects. After funds are appropriated in the State budget the following July, an agreement is sent to applicant.
3. Applicant returns the signed agreement to DPR.
4. A fully executed agreement is returned to applicant along with the appropriate acquisition or development form.
5. Applicant may submit payment request for an advance of 10% of grant amount to prepare construction plans and/or acquisition documents (Appendix D).
6. Applicant submits acquisition and/or development certification form(s) to DPR for review and approval.
7. Applicant commences work on project, and submits payment request for up to 90% of grant amount.
8. After completion of project, applicant submits project completion packet (Appendix F) and request for final 10% of grant.
9. Project officer makes final project inspection and processes final payment.

Acquisition/Development Procedures

DPR will not review construction plans for development projects nor acquisition documents for acquisition projects. Grant recipients will be required to certify to the adequacy of their development/acquisition process. The appropriate certification forms will be sent to the grant recipient, along with the contract, after the project has been approved and the funds appropriated. The grant recipients should return the forms and await DPR approval prior to commencing work on the project.

Changes to Approved Project

Major scope changes will normally not be approved for these competitive projects. Minor modifications may be acceptable. Written justification must be submitted to DPR for approval.

Time Extensions

A request for a time extension and its justification must be submitted to DPR. DPR will determine whether the circumstances warrant a time extension.

Payment of Grant Funds

After DPR has signed the agreement, 10% of the total grant amount may be requested for preparation of plans and specifications. Up to 90% of the total grant or 90% of the actual rehabilitation cost, whichever is less, may be requested after the construction contract is awarded or construction has commenced.

For acquisition projects, up to 90% of the grant or 100% of the actual acquisition cost, whichever is less, may be advanced after the property is in escrow. Upon receipt of the funds from the State, such advance shall be placed immediately into escrow, or deposited with the court in condemnation cases.

The remaining 10% will usually be reimbursed after completion of the project.

If advances are made and not immediately used, the advanced funds should be placed in a separate interest-bearing account. The applicant shall be held accountable for the interest earned.

Applicant should allow four to six weeks to receive payment after submitting request for payment. When completing the payment request forms, all figures should be rounded to the nearest dollar.

When the project is complete and you wish to submit a final billing, please follow the instructions under Project Completion Packet (Appendix E).

Income and Interest

Any income accruing from intended recreational use of the project may be spent at the applicant's discretion, consistent with the jurisdiction's normal procedure.

Gross income that is earned by the applicant from non-recreational uses of an acquisition project (e.g. rental from agricultural leases) must be used by the applicant for any of the following at the project site: habitat rehabilitation, additional acquisition, operation, or

maintenance.

Gross income that accrues to a grant-assisted rehabilitation project during and/or as a part of the construction shall also be used for further habitat rehabilitation of that particular project.

If the gross income and earned interest are not used for additional acquisition, habitat rehabilitation, operation, or maintenance of the project, such income and interest shall be returned to the State, and/or the amount of the State grant shall be reduced by the amount of such income and interest.

Gross income includes the fair market value of real and/or personal property, or personal services received in exchange for non-recreational activity conducted on the land acquired and/or to be rehabilitated.

Accounting Requirements

The applicant must maintain an accounting system that accurately reflects fiscal transactions, with the necessary controls and safeguards. This system should provide good audit trails, especially the source of original documents such as receipts, progress payments, invoices, time cards, etc. The system must also provide accounting data so the total cost of each individual project can be readily determined. These records must be retained for a period of three years after final payment is made by the state. AVOID AUDIT EXCEPTIONS - KEEP ACCURATE RECORDS

Eligible Costs

Only project-related costs associated with an eligible program activity incurred during the project performance period specified in the grant agreement can be funded. All such costs must be supported by appropriate invoices, purchase orders, canceled warrants, and other records. Any funds spent for non-acquisition or non-construction purposes reduce the amount of usable facilities available for public use. Therefore, no more than 20% of grant funds shall be spent on eligible non-construction or non-acquisition costs such as administration, preparation of plans and specifications, appraisals, etc.

1. Preliminary costs - Preliminary project costs (e.g., construction plans, appraisals, acquisition negotiations, etc.) incurred after the date of appropriation (i.e., passage of the State Budget that includes the project) are eligible, provided that an agreement for the project is executed by the state and the applicant.
2. Personnel or employee services - Services of the applicant's employees directly engaged in project execution are eligible costs. These costs must be computed according to the applicant's prevailing wage or salary scales, and may include fringe benefit costs such as vacations, sick leave, social security contributions, etc. that are customarily charged to the applicant's various projects. Costs charged to the project

must be computed on actual time spent on a project, and supported by time and attendance records describing the work performed on the project. Overtime costs may be allowed under the applicant's established policy, provided that the regular work time was devoted to the same project.

Salaries and wages claimed for employees working on State grant funded projects must not exceed the applicant's established rates for similar positions.

3. Consultant services - The costs of consultant services necessary for the project are eligible. Consultants must be paid by the customary or established method and rate of the applicant.

No consultant fee may be paid to the applicant's own employees without prior approval or unless specifically agreed to by the State.

4. Construction equipment - Equipment owned by the applicant may be charged to the project for each use. Equipment use charges must be made in accordance with the applicant's normal accounting practices. The equipment rental rates published by the State Department of Transportation may be used as a guide.

If the applicant's equipment is used, a report or source document must describe the work performed, indicate the hours used, relate the use to the project, and be signed by the operator and supervisor.

Equipment may be leased, rented, or purchased, whichever is most economical. If equipment is purchased, its residual market value must be credited to the project costs on completion.

5. Construction supplies and materials - Supplies and materials may be purchased for a specific project or may be drawn from a central stock, providing they are claimed at a cost no higher than that paid by the applicant. When supplies and/or materials are purchased with the intention of constructing a piece of equipment, a structure or a part of a structure, the costs that are charged as supplies and materials may be capitalized according to the applicant's normal practice or policy. If capitalized, only that cost reasonably attributable to the project may be claimed under the project.
6. Signs and interpretive aids - The cost of signs, display boards, or other minor interpretive aids relating to the project are eligible.
7. Construction - The cost of all necessary construction activities, from site preparation (including demolition, excavation, grading, etc.) to the completion of a structure or facility is eligible.
8. Acquisition - Costs of acquiring real property are eligible and may include the purchase price of the property, appraisals, surveys, preliminary title reports, escrow

fees, title insurance fees, and court costs of condemnation.

9. Relocation costs - Relocation costs are allowable for projects that result in displacement of any person and/or business. The applicant must comply with the requirements of the State Relocation Act (Chapter 16 Government Code, Section 7260 et seq.), even if relocation costs are not claimed for reimbursement.
10. Fixed Equipment - Purchase of equipment that is affixed permanently to the property in question. An example is an **electrical centrifugal pump on the water distribution system**.
11. Other expenditures - In addition to the major categories of expenditures, reimbursements may be made for miscellaneous costs necessary for execution of the project. Some of these costs are:
 - a. Communications (such as telephone, telegrams, letters, etc.)
 - b. Premiums on hazard and liability insurance to cover personnel and/or property
 - c. Work performed by another section or department of the applicant's agency
 - d. Transportation costs for moving equipment and/or personnel

PROJECT COMPLETION

There are a number of cost-supporting documents needed after project completion. See Appendix E, Project Completion package, for a complete list of the items that must be submitted to close a project and receive final payment.

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Related Links

[Grants and Local Services](#)[Procedure to deposit advances for funding acquisition directly into escrow](#)[Grant Payment Forms](#)[Accessibility Reference Connections](#)[Recreational Trails Program](#)[Proposition 84 - 2006 Safe Drinking Water Bond Act](#)[Proposition 1C - 2006 Housing Bond Act](#)[What's New](#)[Important Dates \(PDF\)](#)[Frequently Asked Questions \(PDF\)](#)[Document Library](#)

Habitat Conservation Fund

Grants and Local Services

Habitat Conservation Fund (HCF) Program Description: The program provides funds to local governments under the California Wildlife Protection Act of 1990.

\$2 million is available under the program. Cities, counties and districts are eligible to apply. Eligible districts are defined in Subdivision (b) of Section 5902 of the Public Resources Code. The HCF program requires a dollar for dollar match from a non-state source.

Applications must be postmarked or delivered to the California Department of Parks and Recreation, no later than October 1, 2007.

California Department of Parks and Recreation
Office of Grants Local Services
PO Box 942896 (street) 1416 9th Street, Room 918
Sacramento, California 94296-0001

Only projects with complete applications will be selected for funding. In the past, some projects lacked evidence of compliance with the California Environmental Quality Act (CEQA). You may wish to initiate the CEQA process early.

The Procedural Guide contains information on the program as well as application materials.

- ▶ [Procedural Guide PDF DOC I MS DOC](#)
- ▶ [All HCF Projects Funded... \(PDF DOC\)](#)

Project Officer Territory Change

In order to provide better service to our customers, each agency will have one project officer that administers their grants. Click on the following link for the list of project officers by territory.

- ◆ [Project Officers by City | County](#) ◆

Monday, March 19, 2007

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