

COASTAL CONSERVANCY

Staff Recommendation  
April 6, 2023

**SCALING CALIFORNIA SOIL CARBON SEQUESTRATION**

Project No. 23-009-01  
Project Manager: Shalini Kannan

**RECOMMENDED ACTION:** Authorization to disburse up to \$995,500 to Zero Foodprint to implement 15-25 agricultural soil carbon sequestration projects, and to sustainably increase soil carbon sequestration in California by developing ongoing regional funding mechanisms, and by helping establish and advance relevant local ordinances and policies.

**LOCATION:** Statewide

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EXHIBITS

- Exhibit 1: [Project Location Map](#)  
Exhibit 2: [Zero Foodprint's 2022 Approved Management Practices](#)  
Exhibit 3: [Project Letters](#)
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**RESOLUTION AND FINDINGS**

Staff recommends that the State Coastal Conservancy adopt the following resolution and findings.

Resolution:

The State Coastal Conservancy hereby authorizes a grant of an amount not to exceed nine hundred ninety-five thousand five hundred dollars (\$995,500) to Zero Foodprint (“the grantee”) to implement 15-25 agricultural soil carbon sequestration projects (SCS project), and to sustainably increase soil carbon sequestration in California by developing ongoing regional funding mechanisms, and by helping establish and advance relevant local ordinances and policies.

Prior to commencement of the project, the grantee shall submit for the review and written approval of the Executive Officer of the Conservancy (Executive Officer) the following:

1. A detailed work program, schedule, and budget.
2. Names and qualifications of any contractors to be retained in carrying out the project.

3. A plan for acknowledgement of Conservancy funding.

Prior to commencement of each SCS project, the grantee shall submit for the review and written approval of the Executive Officer the following:

1. Evidence that all permits and approvals required to implement the SCS project have been obtained.
2. Evidence that the grantee has entered into agreements sufficient to enable the grantee to implement, operate, and maintain the SCS project.
3. Evidence that the grantee has entered into landowner agreements sufficient to protect the public interest in the improvements.

Findings:

Based on the accompanying staff recommendation and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Chapter 3 of Division 21 of the Public Resources Code, regarding the Conservancy's authority to address the impacts and potential impacts of climate change on resources within the Conservancy's jurisdiction.
2. The proposed project is consistent with the current Conservancy Project Selection Criteria.
3. Zero Foodprint is a nonprofit organization organized under section 501(c)(3) of the U.S. Internal Revenue Code.

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## **STAFF RECOMMENDATION**

### **PROJECT SUMMARY:**

Staff recommends the State Coastal Conservancy (Conservancy) authorize a grant of up to \$995,500 to Zero Foodprint to implement 15-25 agricultural soil carbon sequestration projects (SCS project) in central and southern California coastal counties via subgrants to farmers, to expand an ongoing funding mechanism that generates revenue for regional SCS projects and to influence and assist with implementation of local government policies and ordinances that support and encourage soil carbon sequestration ("the project").

Zero Foodprint implements SCS projects through a subgrant program to farmers, which is currently oversubscribed with a waiting list. Originally capitalized by federal and foundation grant funds, this grant will add State funds, allowing Zero Foodprint to expand its grantmaking to farms, ranches, orchards, and vineyards for implementing carbon sequestration farming practices. Although external grants from agencies like the Conservancy are essential to supporting multi-benefit soil carbon sequestration projects, grant funding can be boom-and-bust, making it insufficient to meet the ongoing and growing need for soil carbon sequestration funds. To fill this need, Zero Foodprint has innovated a system where private businesses that share their ethos can opt-in as "Zero Foodprint Businesses," which contribute a percentage of customer bills for local SCS projects. As part of this project, Zero Foodprint will grow its existing

private funding stream, particularly in central and southern California coastal counties where it has more gaps in its private partnerships. In addition to implementing SCS projects and growing private funding, Zero Foodprint will use Conservancy funds to engage with, educate, and influence local jurisdictions to establish local policies and procedures that will increase soil carbon sequestration across the Conservancy's jurisdiction at the scale needed to combat climate change.

### **Carbon Farming/Soil Carbon Sequestration Projects**

California has bold goals to implement climate smart cropland management practices, which sequester and store carbon, while also supporting resilient communities, natural systems, and economies ([Natural and Working Lands Climate Smart Strategy](#), 2022). Carbon farming practices — such as cover cropping, compost application, planting hedgerows, and farming with low or no-tilling — contribute to soil health, biodiversity, and carbon sequestration. Additionally, these practices improve soil water-holding capacity and increase working lands' resilience to drought, fire, and extreme weather, thus leading to farmer prosperity as well. Furthermore, healthy soils grow more nutrient dense fruits and vegetables, benefitting the public at large. Zero Foodprint has already conducted 55 SCS projects statewide, including 22 SCS projects through subgrants in the Conservancy's jurisdiction in Sonoma, Marin, and San Mateo Counties. Under the proposed funding authorization, Zero Foodprint will target central and south coast agriculture operations to provide 15-25 additional subgrants. Zero Foodprint will implement 1-3 projects in each of its focus counties under this grant: Santa Cruz, Monterey, Santa Barbara, Ventura, Los Angeles, Orange, and San Diego. Zero Foodprint will target these counties because they currently have few successful examples of soil carbon sequestration. The SCS projects implemented under this grant will demonstrate the value and viability of carbon farming to local communities, officials, and media.

Subgrants are issued through Zero Foodprint's "Restore California Grant Program," which it conducts in partnership with established local Technical Assistance Providers (TAPs) including Resource Conservation Districts (RCDs), University of California Division of Agriculture and Natural Resources, and Point Blue Conservation Science. The primary goal of the program is to sequester atmospheric carbon in the form of soil organic carbon by enabling farmers and ranchers to adopt conservation practices. Zero Foodprint will award subgrants to farmers and ranchers for implementing the approved management practices (see Exhibit 2), using Natural Resources Conservation Service (NRCS) conservation practice standards. Zero Foodprint utilizes the NRCS's COMET-planner — an evaluation tool that estimates the greenhouse gas impacts of various conservation practices — to quantitatively award subgrants for the SCS projects with the greatest climate impact. Applicants that are Historically Underserved Farmers and Ranchers, as defined by the United States Department of Agriculture (USDA), are given a point boost in Zero Foodprint's project selection process. Additionally, Zero Foodprint conducts targeted outreach to farm groups that focus on historically underserved farmers and ranchers to encourage more applications from their networks.

Each project is overseen by a local TAP, which aids and advises subgrantees, and validates practice implementation. Through a separate USDA grant, Zero Foodprint will work with Point

Blue Conservation Science to conduct more in-depth monitoring and soil testing on a portion of the SCS projects. The implementation portion of the project will provide crucial proof of concept and storytelling opportunities that will help Zero Foodprint engage local press and stakeholders around the impact of these SCS projects.

### **Developing Sustainable Ongoing Funding**

While various public agencies fund soil carbon sequestration, the immensity of the need and its cost dwarf the available funding, which also needs to be steadily available if farmers are to invest in developing carbon farming practices for the long term. To secure more funding to support an increase in soil carbon sequestration across California, Zero Foodprint will expand its existing program which regionally generates private funding for SCS projects. The current program mobilizes the food industry by recruiting restaurants and other businesses to become Zero Foodprint businesses. Zero Foodprint businesses contribute 1% of consumers' bills toward funding SCS projects within their region. These businesses share an ethos with Zero Foodprint, and want to take regionalized climate action and enable SCS projects to improve regional food systems. There are currently over 30 Zero Foodprint businesses in California, which generate a total of around \$250,000 per year, which Zero Foodprint distributes through its Restore California Grant Program. Mobilizing funding from the private sector presents significant opportunity. For example, if the entire California restaurant industry participated in this optional program to contribute one percent of sales to healthy soil projects, it would generate \$970 million per year. This project has a modest goal of growing Zero Foodprint's current fund generation to an estimated \$500,000 per year. The project tasks to achieve this goal are: meeting with business decision makers and local food system advocacy groups, marketing activities to encourage more businesses to become Zero Foodprint businesses, developing incentives for businesses to participate, promoting participating businesses, and collaborating with regional trade associations and sustainability networks. This work will establish a precedent for public-private collaboration to increase soil carbon sequestration statewide.

### **Implementing and Developing Policies to Increase Carbon Sequestration in California**

Zero Foodprint will provide regionally tailored input and technical assistance to develop policies related to soil carbon sequestration and to implement already existent policies related to soil carbon sequestration. Since January 1, 2022, SB1383 has required cities and counties to annually procure certain quantities of recovered organic waste products, such as compost, to meet the State's goal of reducing the amount of organic waste sent to landfills by 75% by 2025. As a result, momentum for compost application across California is building, and local jurisdictions are now planning and budgeting to meet these targets. However, without the appropriate local policies in place, procured compost could be placed in landfills, instead of on agricultural fields where it could provide multiple benefits. The project will leverage this momentum by helping shape and implement local policies and programs that promote soil carbon sequestration as a climate solution, and by connecting local food economies and businesses as partners for funding and implementation.

Because each city and county has its own priorities and organizational structures, Zero Foodprint will first conduct "power mapping," to understand which departments, officials, and public stakeholders need to be involved. Power mapping refers to the research and

identification of levers, relationships, and power dynamics that can be utilized to create change. Zero Foodprint will use the power maps it produces to strategize and appropriately support each jurisdiction in establishing policies needed to operate regionally appropriate local carbon sequestration programs. Exact activities that will take place will be tailored to each local jurisdiction's needs, as some have ongoing public processes already, while others do not. Zero Foodprint will research and get involved with working groups, task forces, and public hearings for dozens of local jurisdictions' climate planning processes. Other grant activities will include arranging, preparing for, and following up on meetings with City Councilmembers, County Supervisors, and public stakeholders. In areas where it is needed, Zero Foodprint will plan and conduct group meetings and stakeholder convenings to facilitate coordination.

Through these activities, Zero Foodprint will help establish policies in some regions that it can then share as precedent for the rest of the State. For example, Zero Foodprint has already been supporting Sonoma County, which is an early adopter of carbon sequestration practices and policies. Sonoma County recently updated its [Climate Mobilization Strategy](#) to include significant carbon sequestration goals. One of its objectives is to develop a "sequester local" program to help Sonoma County businesses reinvest carbon offset dollars within the community, and Zero Foodprint is its implementation partner. Under this grant, Zero Foodprint will help Sonoma County meet its objectives to develop a sequester local program and will help establish other local ordinances that allow Sonoma County meet the carbon sequestration goals in its Climate Mobilization Strategy. Other counties – such as Marin, Monterey, and San Diego - also already have carbon sequestration goals, and Zero Foodprint will participate in their processes to help establish policies and programs. The progress made in these jurisdictions will help Zero Foodprint push for similar goals and policies in other coastal counties.

**Site Description:** The project will take place statewide, though Zero Foodprint will consider the needs of each region separately in terms of subgrants for SCS projects, stakeholder engagement, and policy strategy. Exact sites of SCS projects will be determined through Zero Foodprint's RFP process. All subgrant projects will take place on working lands with active production of food for human consumption. The central and south coast regions are targeted in this project as Zero Foodprint has already successfully implemented SCS projects in other regions. The farmers/ranchers who will get the subgrants are either lease-holders or landowners, and the project activities will fall within the scope of typical agricultural practices.

**Grant Applicant Qualifications:** Zero Foodprint is a 501(c)(3) nonprofit founded by award-winning California restaurateurs to mobilize the food world around agricultural climate solutions. It aims to support the growing movement of farmers and ranchers who want to use their land to help solve climate change, but who need funding to implement regenerative practices. Zero Foodprint garners support from restaurants and food brands to generate collective funding to meet this need; it currently has over 30 businesses on board in California and 80 nationwide. Since 2020, Zero Foodprint's Restore California program has awarded grants for more than 55 SCS projects across California, overseen by its TAP partners who bring scientific and on the ground expertise to SCS projects, and monitor select SCS project sites. Zero Foodprint leads collaborations with the California Air Resources Board, California Department of Food and Agriculture and the California Association of RCDs. Zero Foodprint's core funding is

through USDA, and it is experienced in managing large government grants. In its role as a Direct Service Provider for compost application projects in relation to SB1383, Zero Foodprint has already overseen 40 SCS projects. James Beard Foundation named Zero Foodprint “Humanitarian of the Year.”

**CONSISTENCY WITH CONSERVANCY’S PROJECT SELECTION CRITERIA:**

The proposed project is consistent with the Conservancy’s Project Selection Criteria, last updated on September 23, 2021, in the following respects:

**Selection Criteria**

**1. Extent to which the project helps the Conservancy accomplish the objectives in the Strategic Plan.**

See the “Consistency with Conservancy’s Strategic Plan” section below.

**2. Project is a good investment of state resources.**

In addition to directly implementing the State’s Natural and Working Lands Climate Smart Strategy with land projects, this project will lay the groundwork for long-term, sustainable financing for achieving State goals for working lands. By mobilizing the private sector, the project will generate modest, but increasing amounts of funding from businesses. The SCS projects will demonstrate to public and local officials the value and viability of carbon farming and public-private partnerships for funding. With strategic regional advocacy, Zero Foodprint will help push forward local policies that will enable scaling up in early adopter jurisdictions. These jurisdictions will set precedent for other jurisdictions to adopt similar policies. This project can ultimately lay the groundwork to scale up into economy-wide interventions for funding SCS projects across California.

Zero Foodprint is uniquely positioned with experience working with the private sector as well as in agriculture and with public agencies. Their partnerships with TAPs add the required technical expertise to project teams to ensure the best science and management practices are incorporated in SCS projects. The project budget leverages private funding, and in the long run, has potential to leverage many more private dollars. This project plays an important role in rallying a diverse mix of stakeholders - including climate action planners, local technical assistance providers, farmers and business owners, local food system advocates, and the general public - around a clear action of directly funding SCS projects.

**3. Project includes a serious effort to engage tribes. Examples of tribal engagement include good faith, documented efforts to work with tribes traditionally and culturally affiliated to the project area.**

So far, Zero Foodprint has awarded at least one grant for SCS projects on tribal land, and another directly to a tribe. In the project, Zero Foodprint aims for 30% of subgrants to go to farmers and ranchers who are Black, Indigenous, or People of Color. To reach indigenous people in its granting process, Zero Foodprint actively engages stakeholders advocating for underserved farm groups, including: Community Alliance with Family Farmers, First Nations

Development Institute, Kitchen Table Advisors, Agriculture and Land-Based Training Association, and Minnow.

**4. Project benefits will be sustainable or resilient over the project lifespan.**

The three project components (soil carbon sequestration projects, collective funds generation, and policy development and advocacy) will all be sustainable and resilient over the project lifespan. Carbon will be sequestered by the SCS projects for much longer than the term of the project— up to 20 years for some SCS projects, based on the soil carbon sequestration practices utilized. Point Blue Conservation Science will monitor and test soils on a portion of the SCS projects for 5 years. The larger mission of this project centers on making the scaling up of SCS projects both sustainable and resilient, with the support of diverse stakeholders, policy implementation, and ongoing funding.

**5. Project delivers multiple benefits and significant positive impact.**

SCS projects provide multiple co-benefits, including increased soil health, water holding capacity, biodiversity, and resilience to drought, fire, and extreme weather. Healthier working lands result in more prosperous farming communities, and more high quality, nutrient-dense food production. According to the USDA, each 1% increase in soil organic matter enables one acre to hold an additional 25,000 gallons of water. According to Project Drawdown, each dollar invested in Managed Grazing and Regenerative Cropping generates \$40 in societal benefit, cost savings, and farmer prosperity.

**6. Project planned with meaningful community engagement and broad community support.**

Zero Foodprint aims for equity in its subgrant process, and targets Historically Underserved Farmers and Ranchers, as defined by the United States Department of Agriculture (USDA), by giving a point boost to such farmers and ranchers in Zero Foodprint’s project selection process and doing targeted outreach in such communities.

Zero Foodprint has support from its TAP partners as well as California Department of Food and Agriculture, California Air Resources Board, and California Environmental Protection Agency (Exhibit 3). Zero Foodprint’s core work is to advance public-private collaborations around collective funding for improving public benefit through regenerative agriculture and healthy soil, and so it is implicitly engaging all the involved sectors – including food and agriculture industries, and a broad base of public consumers that contribute to Zero Foodprint businesses.

**PROJECT FINANCING**

<b>Coastal Conservancy</b>	<b>\$995,500</b>
Zero Foodprint	\$345,000
<b>Project Total</b>	<b>\$1,340,500</b>

Conservancy funds are anticipated to come from Fiscal Year 2022/23 appropriation from the General Fund to the Conservancy for the purpose of climate resilience (The Budget Act of 2022, SB 154). These funds are available as described in Section 52 of Chapter 258 of the Statutes of 2021 (SB 155, 2021), which sets forth a detailed description of the purposes of the climate

resilience funds. The proposed project is consistent with this funding source because it falls under the Climate Ready Program, pursuant to Section 31113 of the Public Resources Code (described further in “Consistency with Conservancy’s Enabling Legislation” section below).

Conservancy funds will be matched by Zero Foodprint funds, which are generated from Zero Foodprint business members and donors, and from cities and counties that procure compost from Zero Foodprint in relation to SB1383.

Unless specifically identified as “Required Match,” the other sources of funding and in-kind contributions described above are estimates. The Conservancy does not typically require matching funds or in-kind services, nor does it require documentation of expenditures from other funders or of in-kind services. Typical grant conditions require grantees to provide any funds needed to complete a project.

**CONSISTENCY WITH CONSERVANCY’S ENABLING LEGISLATION:**

Section 31113 of Chapter 3 of Division 21 of the Public Resources Code authorizes the Conservancy to address the impacts and potential impacts of climate change on resources within the Conservancy’s jurisdiction (Section 31113(a)). The recommended project will address resources within the Conservancy’s jurisdiction statewide, with a focus on SCS projects in the central and south coast regions.

Section 31113(b) authorizes the Conservancy to award grants to nonprofit organizations and to undertake projects that include reducing greenhouse gas emissions, and addressing extreme weather events, sea level rise, flooding, and other coastal hazards that threaten coastal communities, infrastructure, and natural resources. Consistent with this section, the recommended project will fund a nonprofit to implement soil carbon sequestration projects that will result in a more resilient food system and working lands, and reduced greenhouse gas emissions.

Section 31113(c) states that the Conservancy must prioritize grants for projects that maximize public benefits and have one of several purposes, including reducing emissions of greenhouse gases, preserving and enhancing natural lands, conserving biodiversity, and providing recreational opportunities. Consistent with this section, the recommended project maximizes public benefits (see the “Consistency with Conservancy’s Project Selection Criteria” section above) and reduces and sequesters atmospheric carbon and enhances the soils and biodiversity of working lands.

**CONSISTENCY WITH CONSERVANCY’S [2023-2027 STRATEGIC PLAN](#) GOAL(S) & OBJECTIVE(S):**

Consistent with **Goal 3.3**, the proposed project will increase water storage, and implement agricultural practices that improve carbon sequestration on working lands (Metric 3.3.1)

Consistent with **Goal 4.3**, the proposed project promotes regenerative agriculture and includes capacity-building, technical assistance, and developing proof-of-concept projects that can be scaled up. (Metric 4.3.2)



**CEQA COMPLIANCE:**

The proposed project is categorically exempt from review under the California Environmental Quality Act pursuant to Title 14 California Code of Regulations, Section 15304, as the implementation portions of the project involve only minor alterations in the condition of land, water, or vegetation, which do not involve removal of healthy, mature, scenic trees except for agricultural purposes. Implementing carbon farming practices is comparable to new gardening or landscaping, which is described as a specific example of an exemption under this section. Additionally, the fund generation and policy development portions of the project are not considered projects under CEQA section 15378. For example, a project does not include proposals for legislation to be enacted by the State Legislature, the submittal of proposals to a vote of the people of the state or a particular community that does not involve a public agency sponsored initiative, or the creation of government funding mechanisms or other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Upon approval of the project, Conservancy staff will file a Notice of Exemption.