

Vermont Housing & Conservation Board Conservation Issues Committee

Friday, June 9th, 2023

Via Conference Call

1:00 PM – 3:00 PM

Minutes

Committee members present: Kate McCarthy, Billy Coster, David Marvin, Neil Mickenberg, Ryan Patch, Amy Richardson

VHCB Staff present: Gus Seelig, Karen Freeman, Liz Gleason, Trey Martin, Bill Dell’Isola, Holly McClintock, Stacy Cibula, Isaac Bissell, Janice Pello

Partner staff present: Hannah Phillips (ANR), Tracy Zschau (VLT), Cara Montgomery (VLT), Becca Washburn (FPR)

Call to Order: Kate McCarthy calls the meeting to order at 1:03pm.

VHCB Committee & Staff

Hannah Phillips and Becca Washburn were asked to leave the call while the Vermont Land Trust introduces their stewardship request.

Vermont Land Trust Stewardship Request

Gus opens the discussion by speaking to the importance of stewardship and increasing VLT’s stewardship endowment. He notes that we are seeing major stewardship violations at the moment, which highlights the importance of capacity and ensuring that our investments are supported in the long-term by supporting our partners. Trey seconds this notion.

Tracy Zschau introduces Cara Montgomery, VLT’s Stewardship Director. Tracy explains how VLT has been managing their rapidly accumulating stewardship portfolio, and states that proactive efforts to encourage good behavior will reduce compliance issues. Stewarding older easements from the 1980s is a particular challenge, not only for VLT, but for the landowners/family farms that own the land encumbered by those older easements.

Stewardship has been chronically underfunded within VLT, since new acquisitions, inflation, and partnerships are outpacing added capacity. VLT is starting a multi-year effort to boost their stewardship endowment, and since endowments often not supported by funders, an investment from VHCB would be especially impactful and help them leverage foundation and private funding for this purpose.

Kate opens the discussion up to questions and comments from the committee.

David supports this request from VLT and seconds Gus’s words regarding the importance of stewardship, but encourages VLT to take caution and invest their endowment funds conservatively and that are mission congruent. Neil agrees with this warning. Tracy will take this into consideration as she grows more involved in these conversations, and believes that VLT is relatively conservative in relation to industry norms.

Neil asks how \$1,000,000 was chosen as the request from VHCB. Tracy says \$1,000,000 was chosen because they believed that was the number that VHCB may approve, but it is still only 1/6 of VLT's total fundraising goal of \$6,000,000 and finding the other \$5,000,000 will be a challenge.

Billy would like to see a breakdown on how this endowment will be used for certain aspects of stewardship (compliance, outreach, etc.) Kate agrees that having a budget/breakdown would be helpful in order to consider this request, along with a budget narrative to describe how stewardship costs are derived.

Tracy describes how stewardship funds are used, with a large chunk going to paying the salaries of the 11 FTEs working in the program. In a given year, each staff member must conduct ~75 in-person visits, which amounts to only 1/3 of the portfolio that must be monitored each year. The other 2/3 are monitored remotely, which eases the burden but is not cost free (software and staff time are ongoing expenses). It's also difficult to separate compliance from proactive work. Project directors would like to do more than just compliance, such as supporting landowners through farm viability, restoration work, and referrals to different programs, but if there is not enough support, they can't do more than simply ensuring compliance.

Cara adds that stewardship has gotten increasingly more complicated over the last 15 years, due to added complexity in all aspects of the work (partnerships, easement terms, and generational shifts—60% of VLT's easements have changed hands at least once). To address this, VLT is saving money by being proactive about stewardship issues (encouraging education and outreach), rather than waiting for violations or compliance issues to arise, which would be more expensive to remedy.

Billy reiterates that more of a concrete budget would still be needed in order for the Board to fully evaluate a request of this size. Tracy asks the committee or VHCB staff to provide additional guidance on what may be necessary or helpful to include in a budget report.

The committee requests that VLT staff leave the call to allow for an internal discussion.

ANR Management Planning Future Request – Discussion

Hannah Phillips and Becca Washburn rejoin the call for the Agency of Natural Resources (ANR) Management Planning discussion.

Trey opens the discussion by acknowledging that this is the first conversation that is being had about a proposal that will come back to VHCB in the near future, and more conversation will take place at a later CIC meeting.

Becca introduces the status of ANR's modernization efforts and the future of their long-term planning, in preparation for a more formal request later this summer.

Hannah presents the ANR Planning Overview, starting with a background on the wide scope of parcels that ANR holds a fee ownership interest in. She then discusses why management plans on state-owned lands are important. For example, if management plans are not generated, ANR cannot complete management actions, or approve new recreation proposals, that represent a "substantive change in use" from the current state. Hannah reports that only 35% of agency-owned lands have a complete and up-to-date management plan, 10% are in the process of receiving a plan, 34% have a plan that is in need of an update, and 10% have no plan at all. Many larger parcels, such as Mount Mansfield, have plans that will expire in the near future and are in need of an update, which presents a significant workload.

Hannah discusses more specific changes that ANR would like to make to their planning framework, which will allow staff time to be used more effectively-- keeping stewardship staff with their "boots on the ground" and actually doing the stewardship work that is needed.

Becca adds that there will be significant work going into developing the different components of the framework that will be added ("Rules", and a "Statewide Plan"). She says that this is also an opportunity to align the agency's mission with VHCB's vision of stewardship initiatives.

Kate opens the discussion up to committee members.

David asks how VHCB funding fits into the larger context of how this work is being funded, and where the VHCB money is coming from. Becca says a more concrete budget breakdown will be provided further along in the conversation. As for the source of VHCB funding, Gus says the money may come either from trust dollars or one-time General Fund dollars. To this, David notes that trust dollars would just be going from one state pot to the other, and that's not the most ideal use of those funds. Becca responds to David's point by pointing out that stewardship is not typically included in the ANR's base funding, which is an ongoing conversation.

Billy closes the discussion by acknowledging that the state has ensured that each new project going forward has a stewardship fund attached, but Vermont has been conserving land for a century now, so there are many projects that were conserved before this support was initiated.

VHCB Committee, Staff, and Partners

Liz Gleason joins the call, along with Tracy Zschau and Cara Montgomery from VLT.

Public Comment: Kate invites public comments. No comments were made.

Approval of Minutes from September 21st, 2022: Motion by David Marvin to adopt the minutes of the 9/21/2022 Conservation Issues Committee Meeting. Billy Coster seconds the motion. Due to Kate's technical issues, David calls roll. There are no objections, so the minutes are approved.

Stewardship Trends & Strategies

Isaac Bissell introduces himself as the new Conservation Stewardship Director and commends the work that has already been done in terms of VHCB stewardship, and the work of our partners. He describes the status of the stewardship program, and the excellent work of Mark Martin to modernize and rejuvenate the program (advocating for added capacity, and increased and more organized use of our GIS databases). He highlights VHCB's new stewardship partners: New England Forestry Foundation (NEFF), and the Northern Rivers Land Trust, a small, volunteer-run organization.

Isaac acknowledges the intentional "leanness" of VHCB's stewardship program, due to heavy reliance on our partners, but also says that there should be more systems for addressing compliance issues and managing approval requests. There should be a balance between ensuring that we have properly documented procedures, without creating unnecessary bureaucracy.

The challenge of having reliable and quality imagery for remote monitoring was raised. Isaac reiterates Tracy's point about how remote monitoring makes stewardship easier, but each easement added to the portfolio still requires staff time and resources. He also notes that some partner organizations do not feel comfortable relying on remote imagery for their monitoring.

In light of capacity demands, Isaac does not yet want to extend the monitoring schedule to every 5 years, (the most allowed by the Land Trust Alliance), but would consider extending some monitoring cycles over time for parcels owned by the state or large conservation organizations such as The Nature Conservancy.

Agricultural easements are more difficult to steward, and Isaac recognizes that our easements don't inherently ensure that land will stay in agricultural use or keep farmland affordable. Addressing these concerns would take more active stewardship effort than what is currently being done. VHCB's Farm and Forest Viability Program could be considered an aspect of stewardship, as they are supporting the long-term prosperity and sustainability of farmers.

Isaac also discusses the rising cost of agricultural land in the state, highlighting a particular farm that is on the market for a high cost, with most potential buyers not falling into the category of a "qualified farmer". Further conversations surrounding retro-OPAVs are needed to address this ongoing concern, and in particular, what it would look like for VHCB to actually exercise an OPAV.

Isaac then highlights the need for increased capacity to perform assessments on the balance of recreational use and sound ecological protections. He encourages VHCB to consider supporting the increased capacity needed for this. The impact of climate change on conserved land is also briefly mentioned as an area that needs further consideration.

Lastly, Isaac presents his vision for the future of VHCB's stewardship program, namely the development of more robust organizational systems, which will be supported by a newly-hired part-time stewardship assistant.

Kate opens up the discussion to questions from Committee members.

Billy is appreciative of Isaac's detailed presentation and report, and says that ANR has similar priorities.

The remainder of the discussion revolved around the OPAV, and keeping farmland in active agricultural use. David starts by asking who may be considered a "qualified farmer", since many accomplished farmers do not meet the criteria requiring 50% of the individual's Adjusted Gross Income to come from agriculture. Isaac responds that VLT/VHCB will very often waive this requirement, especially for new farmers, as long as they have a solid business plan. Cara seconds this.

Neil expresses concern about private equity firms buying up farmland in Vermont, because these firms have unlimited funds and will drive up the price of agricultural land. He asks if we are seeing this happen already, and if anything can be done on a statewide policy level to counteract it. Isaac says this concern was evidenced by a recent Retro-OPAV appraisal that came in much higher than anticipated, and it is a problematic issue that we don't fully understand how to address yet. Cara agrees.

David expresses concern that some conserved farmland may be turned into a family estate or a preserve, which locks up the land from farming, despite there being an easement on the land. Trey notes that this was a question that arose in H.126 discussions, and that farmland is the type of land being conserved at the highest rate, as it's more prone to development than forestland.

Billy asks if OPAVs are assignable, and Tracy answers that the purchase option can indeed be assigned.

Kate asks if VHCB has discussed keeping money on hand (say, \$5,000,000) to purchase conserved properties if the OPAV is exercised. Isaac responds that VHCB could create a holding company to purchase land, but up to this point VHCB has been leaning heavily on VLT for the support of this and does not have a clear path forward yet.

Gus agrees that having money set aside may not be a bad idea, and VHCB would be willing to work with VLT if an OPAV ever does need to be exercised, but a figure as high as \$5,000,000 would be difficult to justify with so many competing needs. He reminds the group that the OPAV is designed to be a deterrent, not necessarily to be exercised often. It has been effective up to this point, and it would be difficult to handle if VHCB/VLT needed to frequently exercise.

Neil and David both express discomfort with setting aside a large amount of money for this purpose.

VLT attests that the OPAV has been exercised at least once, and this has been enough to deter some farmers from proceeding with sales that would have not be allowed under the provision.

Updates on Legislative Initiatives & Statewide Conservation Planning Work

Trey provides an update on H.126, tied to the conservation strategy initiative. VHCB has been working on a bill that prioritizes non-partisan, long-term goals, and an RFP is out to find a consultant to continue this work.

Trey then provides an update regarding VHCB and partners' work with state-acknowledged tribes, and acknowledges the controversy that exists between the Abenaki and the Odenak groups. This discussion was prompted because VHCB, along with many Vermont conservation organizations, has received a series of letters sent from both sides of this conflict. Continued dialogue with our partners and potential prospective partners is needed, but that dialogue should be invited and convened by others – not White-led organizations.

Other Business: Kate asks if there are any other comments from the group. Nothing is raised.

Committee Adjourned at 3:01pm.