Community Forests Program
Grant eligibility and funding guidelines

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Program Description

In 2020, the Washington State Legislature directed the Recreation and Conservation Office to establish eligibility criteria and a list of community forest projects for funding consideration. Community forests provide many public benefits including timber and non-timber forest products, forest management and forest products manufacturing jobs, revenue to fund public services, environmental services such as clean air and water, carbon sequestration, climate resiliency, and opportunities for recreation, education, and cultural enrichment. As the population and urban footprint of the state continues to grow, the community forest program provides communities with a valuable tool for preserving forested lands for the benefit of current and future generations. This program guide establishes the eligibility and evaluation criteria for the 2020 Community Forests Program.

Focus on Forest Conservation

The purpose of this program is to protect and maintain actively managed forestlands, consistent with local land use planning. Fragmentation and development of forestlands results in greater risks of impact to communities from wildfire and climate change and deprives communities of the economic, environmental, cultural, recreational, and educational opportunities a community forest can provide. The Community Forests Program provides a source of funding to help communities protect and enhance their surrounding forest lands by acquiring land and developing collaborative models of community-based forest management and use.

Definitions

With the exception of Forestland, the general definitions here are reprinted from Washington Administrative Code 286.04.010.

**Acquisition project** – A project that results in the purchase or donation of fee or less than fee interests in real property. These interests include, but are not limited to, conservation easements, access or trail easements, covenants, water rights, leases, and mineral rights. Additional guidelines and rules for acquisition projects can be found in Manual 3: Acquisition Projects.

**Development project** – A project that results in the construction of or work resulting in new elements including, but not limited to, structures, facilities and materials to enhance outdoor recreation resources. Additional guidelines for development projects can be found in Manual 4: Development Projects.

**Forestland**¹ – Property that is at least five acres in size, suitable to sustain natural vegetation, and at least 75 percent forested or capable of being reforested. Forestland includes the trees, but also the infrastructure and other elements necessary to manage and operate the forest or for the production, preparation, or sale of the timber and non-timber forest products.

**Project** – The undertaking which is, or may be, funded in whole or in part with funds administered by the Recreation and Conservation Office (RCO).

¹ Forestland as used here was devised specifically for this program and informed by the definition of forestland used in the US Forest Service Community Forests Program, RCW 84.34.020, and RCW 84.33.035.
Project area – A geographic area that delineates the grant assisted site which is subject to RCO application and project agreement requirements.

Restoration project – A project that brings a site back to its historic function as part of a natural ecosystem or improving the ecological functionality of the site. For the purposes of the Community Forest program, restoration projects can include activities that improve forest health, or the ability of the forest to produce timber and other non-timber forest products. Additional guidelines for restoration projects can be found in Manual 5: Restoration Projects.

Authority
This program guide was developed under the authority of the 2020 Supplemental Capital Budget and has been approved by the RCO Director. This manual explains eligibility and project requirements for the Community Forests Grant program, how to apply for grants, and the evaluation and scoring process. This manual also outlines the primary responsibilities of the grant recipients and references several other RCO manuals, grant materials, and procedures, applicable to applying for and managing a Community Forests Program grant. All materials are available on the RCO website. To obtain more information please contact RCO.

Other grant manuals needed
The manuals below provide additional information for RCO grant funded projects and are available on the grant manual page of the RCO Web site. Applicants are strongly encouraged to review the other manuals that apply to their specific project type and activities.

- Manual 3: Acquisition Projects
- Manual 4: Development Projects
- Manual 5: Restoration Projects
- Manual 7: Long-Term Obligations
- Manual 8: Reimbursements

Application Process and Requirements

- Establish PRISM account and confirm applicant eligibility
- Review relevant grant manuals for the category
  - Manual XX: Community Forests Program
  - Manual 3: Acquisition Projects
  - Manual 4: Development Projects
  - Manual 5: Restoration Projects
- Start project application in PRISM
- Attach required materials in PRISM:

<table>
<thead>
<tr>
<th>Document</th>
<th>Project Type</th>
<th>Due By</th>
</tr>
</thead>
<tbody>
<tr>
<td>A photograph of the project site</td>
<td>All</td>
<td>Application Due Date</td>
</tr>
<tr>
<td>A map of the project area²</td>
<td>All</td>
<td>Application Due Date</td>
</tr>
<tr>
<td>Landowner Acknowledgement</td>
<td>All</td>
<td>Application Due Date</td>
</tr>
<tr>
<td>A site plan (conceptual)³</td>
<td>Combination Projects</td>
<td>Application Due Date</td>
</tr>
</tbody>
</table>

² Project area map must include all parcels proposed for acquisition or the geographic envelope
³ Site plans should show site boundaries, major site features, and proposed project elements or activities. Existing and future elements should be distinguished from those in the current project.
Submit evaluation criteria responses in PRISM by the application due date
Submit PRISM application and required attachments by the application due date – 11:59 PM on OCTOBER 1, 2020
Proposal will be reviewed by the Advisory Committee
Recreation and Conservation Funding Board will review the ranked project list
Applicants will be notified of their ranking on the list of projects
Applicants will be notified of their funding status after the legislature passes the biennial capital budget
Successful applicants will be notified of next steps to receive their grant award.

Eligible Applicants
- Local government entities, including:
  - City or County government agencies
  - Special purpose districts and other political subdivisions of the state (e.g. Park and Recreation Districts, Port Districts, Public Utility Districts, etc.)
  - Public Development Authorities (as authorized under RCW 35.21.730)
- Native American tribes
- Nonprofit conservation organizations
- A state agency working directly with one or more of the above entities

Applicant Requirements

Nonprofit Organizations
Nonprofit organizations must meet the following eligibility requirements:
- Be registered in the State of Washington as a nonprofit corporation as defined by Chapter 24.03 Revised Code of Washington AND meet the definition for nonprofit nature conservancy in Revised Code of Washington 84.34.250⁵; and
- Consistent with Revised Codes of Washington 24.03.220, 24.03.225, and 24.03.230, identify a successor organization to ensure management continuity of any RCO grants received by the corporation or association.
- Demonstrate experience and capacity to actively manage projects relevant to the types of activities eligible for Community Forests Program funding. Experience can be demonstrated through the capacity and knowledge of individuals within the organization, their partners, or contracted professionals and should not be based on how long the organization has existed.

Public Development Authorities
Public Development Authorities must meet the following eligibility requirements:

⁴ Tribes are not required to submit a project authorizing resolution.
⁵ RCW 84.34.250 defines nonprofit nature conservancies as having as one of its principal purposes, among other possible purposes, conserving natural resources. For the Community Forests Program, conserving natural resources should be interpreted to include conserving forestlands for timber management and harvest.
• Submit the resolution or ordinance that authorizes the Public Develop Authority.
• Demonstrate legal authority to own property and operate in the proposed project area.
• Identify an organization that will be responsible for receiving and maintaining the public community forest property, subject to RCO’s Deed of Right, in the event of insolvency or dissolution.
• Demonstrate experience and capacity to actively manage projects relevant to the types of activities eligible for Community Forest Program funding. Experience can be demonstrated through the capacity and knowledge of individuals within the organization, their partners, or contracted professionals and should not be based on how long the organization has existed.

State Agency Applicants

State agencies seeking to apply to the Community Forests grant program must demonstrate they are working directly with another entity that is eligible to apply in the program. The state agency must submit a written agreement formalizing the partnership with the other eligible entity. The agreement must specifically describe:

• The community benefits for which the forest is being acquired
• Each entity’s roles and responsibilities
• How community input will be integrated into forest planning and management decisions, and
• How future revenue generated by the community forest that exceeds operation and management expenses will be shared with the community.

Eligible Project Types and Activities

Projects must acquire fee simple title of real property. Projects may also include forest and habitat restoration activities or development of recreational facilities on the property acquired.

Acquiring Forestland Property

• Grant funds may be used for fee simple acquisitions only. The value of conservation easements or other rights donated or acquired using other funding sources on property that will contribute to the community forest's public benefits may be eligible to satisfy the match requirement.
• Acquisition projects may include incidental costs including but not limited to administrative costs, due diligence, fencing, initial invasive species treatment, property line adjustments, signage, and transaction fees. See RCO Manual 3: Acquisitions for a more complete list of eligible incidental costs.

Multiple Parcel Acquisition Projects are Allowed.

All parcels must either be identified in the project application or the applicant may identify a geographic envelope containing all parcels under consideration and provide a written description of how the parcels will be prioritized for acquisition within the envelope. Proposed parcels should be contiguous with one another or contiguous with property currently managed under the community forest. Parcels may be non-contiguous if applicants can demonstrate that acquiring land anywhere within the geographic envelope will achieve the goals of the community forest. Regardless of the

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6 Per the budget proviso.
size of individual parcels, the total of all parcels acquired using grant funds must be at least five acres.

**Combination Projects**

Combination projects include property acquisition and one or more other activities: forestland restoration, habitat restoration, or development of recreational opportunities. Restoration and development activities must occur on the property acquired using the community forest grant funds. The total cost of the restoration and development activities combined cannot exceed 10% of the overall project budget.

**Restoration**

Activities may include forest health treatments, habitat or ecosystem restoration, in-water aquatic restoration, vegetation planting or reforestation, culvert and fish barrier removal or repairs, etc. Grant funds cannot be used for mitigation or to satisfy regulatory requirements for activities that are not related to the establishment or development of the community forest. See RCO Manual 5 for more information on projects that include restoration activities.

**Development**

Activities may include developing trails and trailheads, parking, restrooms, campgrounds, picnic areas, day-use facilities, challenge courses, signage, interpretive displays, and other recreational opportunities that are compatible with the management objectives of the community forest. See RCO Manual 4 for more information on projects that include development activities.

**Phased Projects**

Large acquisition projects can be complex, multi-year, and multi-partner efforts, and require extensive analysis, coordination, and implementation. A project sponsor should consider the potential complexity that large-scale or multi-million-dollar projects may create and should discuss phasing with RCO staff. Phased acquisition projects are subject to the following criteria:

- Approval of any single phase is limited to that phase. No endorsement or approval is given or implied toward future phases.
- Each phase must stand on its own merits as a viable project.
- Each phase must be submitted as a separate application.

**Eligible Costs (Use of Grant Funds)**

**Acquisition Costs and Incidentals**

Acquiring property means purchasing or receiving a donation of fee title interest in real property. Acquisition may include the underlying land, timber, any associated mineral and water rights and any other fixed assets that accompany the property. Other non-fixed assets such as heavy equipment or movable structures are not eligible in this program. Incidental costs related to acquisition are eligible. Examples include: Appraisals, administrative costs, title reports, recording fees, closing fees, cultural resource surveys, fencing, invasive species control, surveys, relocation, removal or demolition of unwanted existing structures, signs, taxes. Additional rules for land acquisition are in Manual 3: Acquisition Projects.
Development and Restoration Costs

Development and restoration costs are for actual construction activities. These activities include costs for labor, materials, and equipment use. They start with site preparation and end with completion of the final punch list. Development and restoration costs together may not exceed 10 percent of the total project budget. Additional rules for recreational development projects can be found in Manual 4: Development Projects. Additional rules for restoration projects can be found in Manual 5: Restoration Projects.

Other Eligible Costs

Administrative, Architectural and Engineering Costs

Administrative costs are necessary to prepare a project for development or restoration, but do not involve direct construction activities. These activities may occur before and during actual project construction and may include bidding, construction supervision, environmental site planning, project administration, project closeout, recording documents, surveys, etc. Note: In RCO’s online PRISM system, these activities are categorized as “architectural and engineering (A&E)” costs. Administrative costs for acquisition projects are limited to no more than 5 percent of the total costs of the property and incidental costs combined. Administrative costs for development and restoration activities are limited to no more than 20 percent of the total construction amount. See Manual 3, Manual 4 or Manual 5 for more information.

Community Forest Management Plan

Sponsors are required to submit a community forest management plan to RCO prior to project completion. Sponsors may use up to $30,000 of grant funds for developing a community forest management plan. If the sponsor already has a management plan for lands managed as a community forest, an update to the plan to include the acquired properties is an allowable cost not to exceed $10,000.

Pre-Agreement Costs

RCO may reimburse sponsors for certain allowable expenses incurred before the start date of a project agreement if a grant is subsequently awarded. However, any costs associated with the preparation or presentation of the grant application are ineligible.

For acquisition projects, most incidental costs incurred before an RCO grant agreement are allowable for reimbursement. Land costs are not allowable as a pre-agreement cost unless a Waiver of Retroactivity has been approved. See Manual 3: Acquisition Projects.

For restoration and development projects, preliminary costs necessary to get a project ready for the construction phase (i.e. architecture and engineering, permits) are allowable for reimbursement. The sponsor may not incur any construction cost before the period of performance in the agreement, except those defined by the Recreation and Conservation Funding Board. See Manual 5: Restoration Projects and Manual 4: Development Projects for further information.

Ineligible Project Costs

Grant funds cannot be used for the following project activities.
• Acquisition of lands already owned by an applicant or eligible sponsor except under a waiver of retroactivity. Lands acquired by an eligible sponsor within the four years prior to the initial grant round (2020) may be eligible for a waiver of retroactivity. See policy addendum on pg. 15.
• Properties acquired by a condemnation action of any kind
• Restoration costs required by permit or other regulatory requirements to mitigate for activities that are not related to establishment of or development on the community forest or the responsibility of the seller
• Costs not directly related to implementing the project such as overhead or indirect costs
• Environmental cleanup of illegal activities (contaminated materials, derelict vessels, trash pick-up, methamphetamine labs, etc.)
• Animal species introduction or propagation, other than biological controls for invasive species
• Fish or wildlife production facilities, such as fish hatcheries to produce sport fish
• Construction or renovation of indoor facilities such as community centers, environmental education or learning centers, gymnasiums, swimming and therapy pools, and ice-skating rinks
• Routine operation and maintenance costs
• Purchase of maintenance equipment, tools or supplies

Property and Project Requirements

Property Acquired Must be Forestland

Forestland is defined as property that is at least five acres in size, suitable to sustain natural vegetation, and at least 75 percent forested or capable of being reforested. For projects that acquire multiple parcels, the sum of all parcels must create an area that is at least five contiguous acres of forestland. Use and management of the property must maintain the property as forestland.

If the property being acquired is enrolled in the county’s designated forestland, timberland or open space current use tax program, the sponsor is encouraged to continue the property’s enrollment in the program if eligible. If the property being acquired is not already enrolled in the county’s designated forestland, timberland or open space current use tax program, sponsors are encouraged to apply to the county in which the project is located. The county will help sponsors determine which properties are eligible for which program upon acquisition and development of the community forest management plan.

Community Forest Management Plan


In addition to the elements included in the Integrated Forest Management Plan Guidelines, a community forest management plan must also include:

a) a description of the public benefits provided by the community forest;

b) a plan for community engagement and decision making;
c) a financial management plan, consistent with the income use policy below, that includes a description of how any revenue generated that is in excess of the community forest’s stewardship, management and operational needs will support the stated public benefits.

When another plan already exists, the director or their designee may approve an alternative plan format that meets the intent of the community forest management plan guidelines.

Public Access
Regardless of whether the property is developed, all property acquired in fee title with RCO grants must be available for public use. Public use means that the general public has regular legal access and use of property acquired with RCO grants. For more information on public access requirements, see Manual 3.

Limiting or restricting public access to a project area, or a portion of the project area, is allowed for the following reasons. The director or their designee may approve additional limits to public access on a case-by-case basis.
- Protection for the safety of the public. For public safety closures, the sponsor must identify a specific hazard with known consequences to visitors.
- Protection of water quality or critical, important, or sensitive species, habitats, or ecosystems.
- Protection of significant research and education sites or resources that might otherwise be compromised by public access, and areas where there is active research or education.
- Protection of historical or cultural resources. However, the sponsor shall allow exemptions to limits on public access in the case of cultural and spiritual uses that do not damage or otherwise adversely affect the protected resource(s).

Existing Buildings and Structures
Existing buildings and structures may remain on the property if they support the purpose and function of the Community Forest. If a project sponsor wishes to retain a building or structure that exists on the property, the intended use of the structure must be identified in the grant application. If a project sponsor wishes to retain a structure that is not eligible for RCO grant funding, then the structure and associated land and support facilities must be excluded from the grant proposal. Grant funds may be used to remove or demolish unwanted existing structures.

Acquiring Land with Severed Mineral Rights
While a sponsor may acquire land with severed mineral rights, the sponsor is strongly encouraged to perform additional due diligence to determine the feasibility and risk of a third-party mineral owner exercising the rights. Development of the mineral rights by a third party could be treated as a conversion under RCO’s long-term obligations policy. In such an event, the sponsor may encounter a legal obligation to find, fund, and acquire replacement land with similar community forest benefits and value. If a conversion is declared because of a third-party’s development of the mineral estate on a community forest, the sponsor may be required to replace only the area equivalent to the impacted acres, not the entire project area.

Complimentary Easements or Covenants on Property to be Acquired
If an acquisition project includes funding from other sources that also require some form of encumbrance on the property such as a Notice of Grant, deed restriction, or other encumbrance,
the project sponsor must provide a copy of the encumbrance to RCO for review. Other funding sources may include private foundations, other local, state, or federal grant programs, payments for ecosystem services, transfer of development or other property rights, etc. RCO will review the encumbrance for consistency with RCO’s Deed of Right and the project agreement. RCO’s Deed of Right includes reference to encumbrances from other funding sources and requires any future conversion be valued without the other funding source’s encumbrance on the title. As long as the encumbrance from the other funding source is consistent and compatible with RCO’s funding, the project may remain eligible for funding.

If any easement is required after the completion of the RCO project, the sponsor must provide a copy of the draft easement for RCO to review. As long as the easement is compatible with the purpose of the Community Forest, no conversion will occur per the policies in Manual 7, Long-term Obligations.

Landowner Acknowledgement
As part of any grant application for property acquisition, the applicant must demonstrate that the landowner is aware of the applicant’s interest in purchasing the property. Applicants may meet this requirement by completing one of four options detailed in RCO’s Manual 3.

Local Jurisdiction Review
Any organization applying for a grant to buy land shall provide the county or city with jurisdiction over the project area an opportunity to review the project. A local government proposing to acquire property within its own political boundaries meets this requirement by submitting the adopted authorizing resolution. In all other circumstances, the applicant must provide the county commission or city council with a packet including the following information:

- A cover letter explaining the project and this requirement
- A description of the project as it will be submitted in the grant application
- A parcel map of the proposed acquisition, or a map of the geographic envelope if the sponsor is pursuing a multi-site acquisition strategy.

A copy of the packet must be attached to the project in PRISM before a grant is awarded.

Compliance with Forest Practices

Community Forest owners must comply with the Forest Practices Rules or other equally protective standard of forest management when conducting timber management or harvest activities. For more information on compliance with the Forest Practices Act, contact the Washington State Department of Natural Resources at (360) 902-1400, fpd@dnr.wa.gov, or www.dnr.wa.gov/programs-and-services/forest-practices/rule-implementation.

Cultural Resources Review
Governor’s Executive Order 05-05, Archaeological and Cultural Resources, directs state agencies to review certain acquisition and construction projects for potential impacts to cultural resources to ensure that reasonable action is taken to avoid adverse impacts to these resources. The federal government, through Section 106 of the National Historic Preservation Act, requires the same compliance for federally funded projects and projects with other federal involvement, for example,
projects that use federal funds as match or those that require a federal Army Corps of Engineers permit.

Grant sponsors receiving funding through the RCO Community Forests Program must evaluate cultural and historic resources that may be affected within the project area. In accordance with the Washington State Integrated Forest Management Plan, all known cultural resources and/or historical sites must be identified and management practices must be outlined to address how these resources and sites will be protected. This evaluation must be completed by persons meeting the Secretary of Interior Standards and Professional Qualifications as described in 36 CFR Part 61. A site-specific Inadvertent Discovery Plan (IDP) must also be developed and included in the Management Plan.

Prior to funding, RCO will evaluate each project and initiate consultation with Native American Tribes and the Department of Archaeology and Historic Preservation. All ground disturbing actions funded by RCO will be reviewed and will likely require the sponsor to conduct a cultural resources survey of the impacted area. Additional, site specific requirements may be added to the grant contract as a result of this consultation.

Sponsors are strongly encouraged to include in the project budget adequate resources to complete the cultural resources consultation and review process for the project activities outlined in the grant proposal.

Accessibility

Facilities or elements constructed with RCO grants and sponsor match are required by law to be accessible regardless of whether there are specific standards adopted in the State Building Code, Americans with Disabilities Act, or Architectural Barriers Act, as amended. Other federal laws, guidelines, and best practices also may apply to achieve accessibility.

RCO encourages sponsors to exceed the minimum accessibility standards and use a design principle that maximizes universal accessibility for all. See Manual 4: Development Projects and the RCO Web site for detailed information about how to make the facility meet accessibility requirements. Plans, project applications, cost estimates, and construction drawings must reflect compliance with facility access and signing requirements.

Grant Requests and Matching Share

Minimum Request

No minimum request limit

Maximum Request

$3,000,000

Matching Share

15% minimum match share required
Sources of Match

RCO policy allows match sources that are eligible for reimbursement in the program. Examples of eligible match sources include other state, federal, or local grants; donated land value, labor, equipment, materials, or supplies (for recreation development or restoration projects); private cash donations; etc. Existing assets and costs associated with mitigation required for actions that are not associated with the community forest project are not eligible to be used as match.

For community forest projects, the value of an acquired conservation easement or other less than fee property interest that protects forest land adjacent to the project area or enhances the public benefits of the community forest may be eligible to be used as match. Examples include easements acquired using grant funds from the US Forest Service’s Forest Legacy or Washington Wildlife and Recreation Program’s Forestland Preservation category. In such cases, the value of the interest must be based on an appraisal or fair market valuation of the interest to be acquired, or if already acquired, the actual purchase price/donated value. Valuation of the interest cannot be completed using Community Forests Program grant funds. The acquisition must occur within the period of performance for the community forest grant project or under a waiver of retroactivity. RCO must review any easements to ensure consistency with the purpose of the Community Forests program. The sponsor must grant to RCO a third-party right of enforcement on any conservation easements acquired for the duration of the easement term.

Limit on the Number of Projects

In general, RCO does not limit the number of grant proposals from a single applicant during the biennial grant cycle. However, each proposal must be for a different scope of work.

Payment on Reimbursement Basis

RCO pays grants through reimbursement. Sponsors may request reimbursement only after having paid their employees and vendors. RCO does not provide money before vendors are paid. Although RCO grants operate on a reimbursement basis, RCO can deposit money in an escrow account for a pending acquisition as long as certain conditions are met. See Manual 3 for information on receiving advance payments to an escrow account for to complete acquisition projects.

Records

Applicants must keep detailed records of all funded project costs including force account values and donated contributions. Refer to Manual 8: Reimbursements for details and instructions regarding audits, record retention, and documents required for reimbursement.

Public Disclosure Rules

RCO records and files are public records that are subject to the Public Records Act. More information about the RCO’s disclosure practices is available on the Web site.

Stewardship and ongoing obligations

Permitted and Prohibited Uses

Property acquired for a community forest must be managed according to the sponsor’s Community Forest Management Plan and future updates to the plan. Generally, communities have wide
discretion in the use and management of the community forest so long as the property is actively managed and maintained as forestland.

Permitted Uses of Community Forests (not limited to):

- Timber Harvest and forest management
- Harvest of non-timber forest products
- Public hunting, gathering, and other subsistence activities
- Managed grazing compatible with forestlands
- Development of recreational and educational facilities
- Habitat conservation and ecosystem restoration
- Transferring development rights prior to RCO acquisition; transferring water rights
- Payments for ecosystem services
- Utility developments that do not significantly reduce the percent of forested land on the property at the time of acquisition

Prohibited Uses of Community Forests:

- Residential development
- Commercial mining or mineral extraction7 (except as it supports the community forest management and operations – i.e. small gravel borrow pits for roads, trails, etc.)
- Permanently selling or severing any acquired mineral rights
- Activity that is incompatible with the purpose of the Community Forest Program that significantly reduces or alters the percent of forested land that was on the property at the time of acquisition

Long-Term Obligations

Use of RCO grants creates a condition under which funded property and structures become part of the public domain in perpetuity. An RCO grant comes with long-term obligations to maintain and protect the project area after a project is complete. The long-term obligations are in RCO’s project agreement standard terms and conditions, and Manual 7, Long-Term Obligations. A template of the project agreement can be found on RCO’s Web site.

Interests in real property, structures, and facilities acquired, developed, enhanced, or restored with RCO funds must not be changed, either in part or in whole, nor converted to uses other than those for which the funds originally were approved. If an RCO funded project is found to be changed or converted (out of compliance with the project agreement or agreement amendments), the project sponsor is responsible for replacing the changed or converted interests in real property, structures, or facilities with interests, structures, or facilities of equivalent size, value, and utility.

After a project is complete (that is, after RCO’s final reimbursement and acceptance of the project), RCO documents that were signed by the sponsor continue to govern the project area described in the boundary map for which funds have been granted.

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7 See disclaimer on exercise of mineral rights by a third-party, pg. 9
Changes may be made only with the prior approval of the director or their designee. If a compliance issue arises, RCO staff works with sponsors to resolve the issue. Unresolved, identified issues could result in restrictions on applying for or receiving future grants.

Inspections
RCO staff is responsible for implementing the compliance policy. RCO has a policy to inspect completed projects to compare actual conditions to the terms and conditions of the project agreement. An inspection may be done at any time during the life of an RCO funded project. Inspection will result in a determination of compliance, non-compliance, or conversion.

RCO encourages sponsors to regularly inspect their projects and to advise RCO if potential compliance issues exist. For more information see RCO Manual 7: Long Term Obligations.

Stewardship monitoring and reporting
A community forest monitoring report must be submitted to RCO at least once every 5 years. The report must include a description of resource management that occurred within the last five years including harvest, stewardship, development or restoration activities; any anticipated changes to the operation or management of the community forest; and any natural or unplanned human alterations to the land. The report may be the same report developed or used for other funding sources such as the USFS Community Forest Program.

Use of Income
Regardless of whether income or fees from a community forest are gained during or after the reimbursement period cited in the agreement, unless precluded by state or federal law, the revenue must first be used to offset:

- The expense of operation, maintenance, stewardship, monitoring, or repair of the Community Forest assisted by the grant.
- The expense of operation, maintenance, stewardship, monitoring, or repair of other properties in the community forest.

If the income exceeds the expenses of operating, maintaining, monitoring, stewarding or restoring the community forest, it must be used to further the public benefits identified in the sponsor’s community forest plan or future plan updates. Expenses may include current and future operational costs, funding a reserve account or endowment for future management and operational costs, or payment of debt incurred to cover expenses the forest is not yet able to fund. Such debt may not be secured by a lien on the grant-funded property.

Accounting Assurances
The sponsoring organization must maintain financial oversight of the community forest regardless of community engagement, governance and decision-making structure. Transferring property and financial oversight responsibilities to another eligible sponsor is allowed at any time upon approval by RCO.

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8 This policy has been adopted from the RCO’s Income Use policy in WAC, but is revised specifically for the community forests program.
All project sponsors must follow and comply with generally accepted accounting principles, financial reporting, and audit requirements for their organizational structure. Sponsors must ensure accounting practices for community forests allow for the tracking of revenues and disbursements to ensure funds are used to further the public benefits identified in the community forest plan.

For the first five years after establishment of a new community forest, and once every five years thereafter, sponsors must submit to RCO a copy of the annual financial report for the community forest which includes an accounting of all income, expenditures and transfers of revenue from the community forest during that reporting period. The financial report can be the same report used to satisfy annual Internal Revenue Service or Washington State financial audit and reporting requirements.

Deed of Right
RCO requires a Deed of Right to be recorded on each parcel acquired with RCO funding assistance. The Deed of Right grants to the State of Washington the right of public access, and grants to RCO the right to inspect the property, to enforce the terms of the grant agreement, and protect the property for the primary purpose of the grant funding. For more information on RCO’s Deed of Right, recording process, and an example see Manual 3: Acquisition Projects.

Other Considerations
Administrative Rule Exceptions
The following Recreation and Conservation Office administrative rules do not apply to the Community Forests Program:
286-13-040 Grant Deadlines
286-13-045 Matching Resources
286-13-110 Income, Income Use

Policy Addendums for the first grant cycle
Application Deadlines
For the first grant cycle, because of the compressed timeline for the application and review period, the following application deadlines are extended. Applicants must satisfy these requirements prior to RCO issuing a project agreement.
• Executed agreement between state agencies and local entities to fulfill the “working directly” policy requirement
• Request for Waiver of Retroactivity for property currently held by an eligible applicant
• Local Jurisdiction Review
• Eligibility requirements for new applicants

Property already owned by an eligible project applicant
Since project sponsors did not have the benefit of requesting a Waiver of Retroactivity prior to the budget proviso directing RCO to develop the Community Forests Program, RCO may issue a waiver of retroactivity on property already owned by an applicant. Property acquired by an eligible sponsor within the four years prior to the first grant cycle may be eligible for grant funds as long as other RCO funds were not used for the acquisition. This effectively “grandfathers” properties previously
acquired for inclusion in a community forest and allows them to be eligible for grant funding. The property is then eligible for funding in the first two grant cycles.

**Project Evaluation**

**Evaluation process**

The project proposals will be evaluated by the Community Forest Advisory Committee using materials submitted through PRISM, and written responses to the detailed evaluation questions. Applicants must provide a map and photos of the project location and responses to the detailed evaluation questions. The map, photos, a project summary, including budget and timeline, and the responses the evaluation questions will be provided the committee during the project review period and used to score the projects. Individual evaluator scores to these criteria will be compiled and a project’s averaged score is used to create the ranked project list. The ranked list will be provided to the RCFB and the legislature. Scoring is by confidential ballot.

The director provides the preliminary ranked list to the Recreation and Conservation Funding Board to review. RCO then submits the ranked list to the Governor and Legislature as part of RCO’s budget request. After the Legislature authorizes funding, RCO awards grants to the projects in ranked order.

**Evaluation criteria**

<table>
<thead>
<tr>
<th>Community Forest Program Evaluation Criteria</th>
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<tbody>
<tr>
<td>All criteria scored by the Advisory Committee</td>
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<table>
<thead>
<tr>
<th>Topic</th>
<th>Elements</th>
<th>Project Type</th>
<th>Maximum Score</th>
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</table>
| 1. Forestland Benefits | • Forest resources  
• Property features  
• Landscape context  
• Threat | All Projects | 15 |
| 2. Public Benefits | • Economic benefit  
• Recreational and cultural benefits  
• Environmental benefits  
• Income use | All Projects | 15 |
| 3. Stewardship and Management | • Operation and management  
• Future development and restoration  
• Organizational experience | Acquisition Projects | 15 |
| 4. Development and Restoration | • Development or restoration goals  
• Budget and timeline  
• Risks | Combination Projects | 3 |
| 5. Community Engagement | • Community engagement process  
• Governance structure  
• Organizational capacity  
• Support and partnerships | All Projects | 15 |

**Maximum Possible Score** 60
Detailed Evaluation Questions

1. Forestland Benefits – 15 points
What are the specific forestland values this project will protect? Please describe in detail the characteristics of the property to be acquired, current land uses, zoning and land use restrictions, how much of the property is forested, and whether any property rights were previously severed or will be severed before acquisition. Include all the following in your description:

- A summary of the timber and non-timber forest resources on the property, their condition, and the potential of the property to support future forests.
- A summary of other features of the property such as wetlands, streams, buildings, roads, and other notable natural or manufactured elements and their condition.
- A summary of the landscape surrounding the project area including non-forest land uses and connectivity to other working forestlands, protected habitat lands, or public recreation opportunities.
- A summary of the threat the property faces and why this project should be prioritized at this time. Threat may be posed by plans for subdivision or conversion to land uses other than forestland, impacts from changing ecological or economic conditions, climate change, unauthorized public use or other factors.

2. Public Benefits – 15 points
How will the community forest be developed or maintained to provide public recreational, educational, cultural, environmental and economic opportunities? Please provide a socioeconomic description\(^9\) of the community that will primarily benefit from the community forest and describe:

- How the project area will provide economic benefits including anticipated financial returns (and timing), job creation, and how the project area will support infrastructure critical to the forest products industry, tourism, and other public services.
- How the public will experience the project area including opportunities for recreation, hunting and gathering, environmental education, and cultural enrichment.
- The project’s anticipated environmental benefits including how the project area will benefit ecosystem services, water quality, and other sensitive natural resources, or how it supports the goals of a state or local plan (climate action plan, wildlife habitat plan, forest action plan, salmon recovery plan, comprehensive plan, etc.).
- How any income that exceeds the costs of on-going operation and management of the community forest will be redistributed to benefit the public.

3. Stewardship and Management – 15 points (12 points for combination projects)
What are the primary anticipated management objectives for the community forest and how will they likely be funded and achieved? Please include an assessment of:

- The ongoing stewardship, operation and maintenance needs on the property, the associated costs, and anticipated funding sources.
- Future anticipated restoration or development needs including forest health treatments, upgrades to fish passage and other infrastructure, forest road improvements, and any other development to facilitate public access, and how these activities will be funded.

\(^9\) Applicants may use RCOs Grant Application Data Tool as a starting reference point for describing the community socioeconomic conditions.
• The expertise and capacity of the applicant’s organization and partners for long-term management of the site including staff, volunteers, partners and contractors, financial resources, and any other relevant factors.

4. **Development and Restoration – 3 points (scored for combination projects only)**

What are your plans for development and/or restoration activities on the property acquired? Include in your description details about:

• The development and/or restoration project goals
• A budget narrative and timeline
• Anticipated risks to achieving the project goals
• How the development and/or restoration activities will support the forest’s economic and community benefits

5. **Community Engagement and Support – 15 points**

What is the community engagement process used for developing or implementing this project? How will the community participate in future decisions on the management and use of forest resources? In the response please describe:

• How residents, elected officials, tribal governments, and community organizations are or will be engaged, and how their input is or will be incorporated into the project.
• Strategies used or planned to seek input from segments of the population that have been historically marginalized or underrepresented in land use management decision making.
• The anticipated governance structure of the community forest and who will have final decision-making authority over the community forest management.
• The capacity and experience within the applicant’s organization and partners that will be dedicated to facilitating continued, long-term governance and community engagement.
• Community support or partnership commitments you have secured for this project.