

# LAND CONSERVATION FUNDING: A PRIMER

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## WHY IT MATTERS

To conserve land means to permanently protect it, and any unique features or characteristics it may have, from being changed by developing that land for a different use. Land conservation is the tool used to help ensure working farms and forests, unique historical sites, and rare habitats remain part of the landscape rather than being transformed into housing subdivisions, industrial warehouses, or highways.

Land conservation is important for protecting everything that land contributes to our wellbeing and ways of life: healthy ecosystems that provide clean water and air, the critical natural resources that anchor Virginia’s agriculture, tourism, and forestry industries, and the natural landscapes that shape our history, define where we live, play, and work, and draw countless visitors to experience Virginia’s beauty.

## HOW LAND CONSERVATION WORKS

Imagine a sandwich where each layer of the sandwich represents a different right associated with owning a particular parcel of land. Examples include the right to control access, withdraw water, mine for minerals, and develop the land by adding roads and buildings.

Land conservation permanently protects the land by removing the right to development from this sandwich. This ensures the important characteristics of

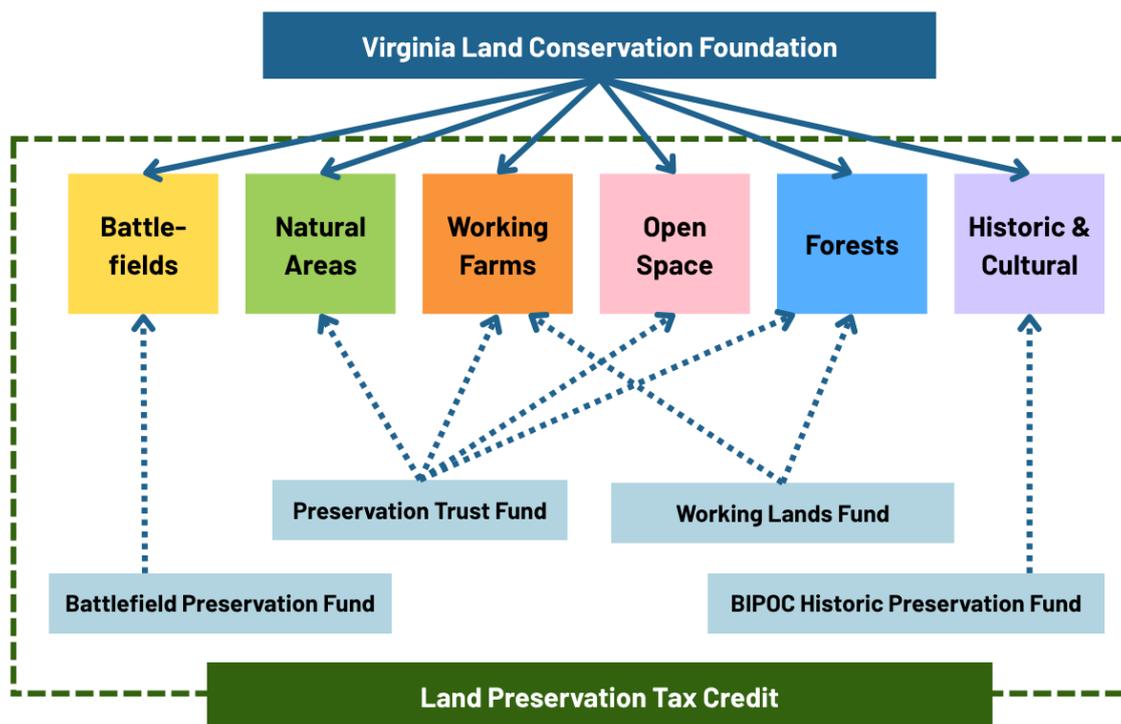
that land, such as high-quality farmland, habitat for rare plants or animals, or an important piece of history, are permanently protected for future generations.

Conservation easements are the most common tool to protect land. Easements are legally binding and enforceable agreements that amend the title of a piece of land to remove the right to development, even if the land is later sold to a different owner. Landowners interested in conserving their land work with a private conservation nonprofit or public agency to sell or donate a conservation easement. Landowners receive financial benefits from sale proceeds or through decreased tax bills. The organization they work with then “holds” the easement and is responsible for enforcing the terms of this legal agreement in perpetuity. Land in conservation easements typically remains privately owned.

Fee acquisitions are when the landowner donates or sells their land and all associated rights to a conservation organization or public agency (i.e., the whole sandwich!). Sometimes state agencies partner with nonprofits, which can move more nimbly, to acquire land.

Both conservation easements and fee acquisitions are only completed voluntarily and with willing landowners. Both of these tools help compensate landowners

## VIRGINIA’S LAND CONSERVATION PROGRAMS



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for their development rights and the future income they forgo by keeping land undeveloped.

## HOW LAND CONSERVATION IS FUNDED

Few conservation projects are accomplished without multiple funding sources. Examples include:

- Federal and state grants, which are often paired to meet requirements for matching funds
- Appropriated state and local public funding for specific projects or a conservation fund
- Grants and donations from foundations and private individuals
- Tax incentives such as Virginia's highly successful Land Preservation Tax Credit

Having multiple sources of funding, all with their own requirements and deadlines, makes consistent public funding essential to effectively leverage funding and complete projects efficiently. Funding unpredictability creates uncertainty and delays for landowners and often leads to projects being lost to development or other non-conservation purposes.

## KEY FUNDING SOURCES IN VIRGINIA

The Virginia Land Conservation Foundation (VLCF) is a state-funded competitive grant program run by the Department of Conservation and Recreation (DCR) to purchase land and conservation easements for the benefit of the public. Nonprofit land trusts and localities are eligible for 50% matching grants, while state agencies do not have a matching requirement.

DCR provides staff and administrative support. An interagency task force reviews and recommends grant applications to the Virginia Land Conservation Foundation Board of Trustees, who are appointed by the Governor. The criteria for awarding grants are reviewed and updated annually to ensure alignment with the best available data and any updates to relevant statewide plans.

VLCF routinely receives grant applications for twice the available funding. To date, it has awarded funds for over 380 projects preserving over 167,900 acres with state funds totaling about \$137 million. Those funds have leveraged more than \$400 million in funding from other sources.<sup>1</sup>

A quarter of VLCF's annual appropriation goes to the Preservation Trust Fund (PTF), a grant program operated by the Virginia Outdoors Foundation (VOF). PTF

provides funding to

- Help private landowners afford the transaction costs to place their land in easements
- Protect new or expanded public access to open space, such as parks, trails, and outdoor classrooms
- Protect land through acquisitions or easements of high importance for farming, forestry, recreation, public access, wildlife, or water quality

Several small state-funded grant programs provide additional funds to help protect specific types of land. These include the Virginia Battlefields Preservation Fund, the BIPOC Historic Preservation Fund, and the Working Lands Fund.

## OPPORTUNITIES

These land conservation programs have a proven track record of success, but their impact has been hampered by inconsistent and insufficient funding in the state budget. Right now, Virginia is missing out on key land conservation opportunities because there isn't enough funding to make grants to fund every worthy application, nor fully fund every request, leading to scaled-down projects and prolonged timelines.

While many Virginia landowners are strongly conservation-minded, few can afford to wait 3 or more years for all the funding pieces to come together. Addressing these funding issues would help meet the demonstrated demand from landowners and ensure the lands that support our physical, mental, and economic well-being are safeguarded for future generations.

## TOP TAKEAWAYS

Land conservation is necessary to protect critical natural and historic resources that benefit all Virginians.

Conservation easements and fee acquisition are the two most common tools to permanently protect land from development, and both tools need public funding to incentivize landowners to participate.

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## ENDNOTES

1. *Report of the Virginia Land Conservation Foundation: Fiscal Year 2024*. (2024). Virginia Department of Conservation and Recreation. <https://www.dcr.virginia.gov/land-conservation/document/FY24-Virginia-Land-Conservation-Fund-Report.pdf>