Notice of Funding Availability:
Sacramento District California In-Lieu Fee Program
Updated July 2026

The National Fish and Wildlife Foundation's ("NFWF") Sacramento District California In-Lieu Fee Program ("ILF Program") was established in October 2014 and approved by the U.S. Army Corps of Engineers ("USACE"), the U.S. Environmental Protection Agency, the National Marine Fisheries Service, the California State Water Resources Control Board, the Central Valley Regional Water Quality Control Board, and the Lahontan Regional Water Quality Control Board (each an "Agency" and collectively the "Agencies") in accordance with the 2008 Compensatory Mitigation for Losses of Aquatic Resources Final Rule (33 CFR Parts 325 and 332; and 40 CFR Part 230) (the "2008 Rule").

The ILF Program offers permittees an in-lieu fee option to satisfy their compensatory mitigation obligations as determined by any of the Agencies, as applicable, for impacts to aquatic resources authorized under the Clean Water Act, the Rivers and Harbors Act, the Endangered Species Act, the Porter-Cologne Water Quality Control Act, and other applicable laws, in the "Program Area," which covers the geographic area under the jurisdiction of the Sacramento District of the USACE within California. For reference, the overall Program Area is subdivided under the ILF Program into discrete geographies comprising 17 "Aquatic Resource Service Areas" and 12 "Vernal Pool Service Areas." The ILF Program offers two types of Credits: 1) Vernal Pool Credits for authorized impacts to vernal pool wetlands; and 2) Aquatic Resource Credits for authorized impacts to wetlands (excluding vernal pools), other Waters of the United States, Waters of the State, and certain species.

As a result of Aquatic Resource Credit sales to date, NFWF has accumulated certain funds that may be made available to fund projects that establish, enhance, restore, or, in certain circumstances, preserve aquatic resources in an applicable Service Area ("ILF Projects"). NFWF is issuing this Notice of Funding Availability in order to solicit proposals for the implementation of eligible ILF Projects to be funded through the ILF Program.

The ILF Program currently has approximately $11.7 million in available funding for ILF Projects. The funding is divided among eight priority Service Areas as summarized in Table 1.

Table 1. Priority Service Areas and Available Funding.

Aquatic Resource Service Areas	Maximum Potential Funding
American River	$1,466,096
Cache/Putah Rivers	$1,531,621
Calaveras/Stanislaus Rivers	$879,380
Carson/Walker Rivers	$2,865,199
Kaweah/Tule Rivers	$1,864,122
Merced/Tuolumne Rivers	$956,490
Northeast Sacramento Rivers	$809,715
Tahoe	$1,292,973

Eligibility Criteria

Eligible ILF Projects must be located in a designated priority Service Area (see map on page 3 of this Notice) and must provide demonstrable benefits to aquatic resources. ILF Projects may be stand-alone projects or may be an identifiable component of a larger restoration project.

In each case, the ILF Project must meet all applicable requirements set forth in the 2008 Rule (see pages 6 and 7 of this Notice).

Eligible applicants include non-profit organizations, U.S. Federal government agencies, state government agencies, local government agencies, Indian tribal entities, educational institutions, and private businesses.

For more information, please contact:

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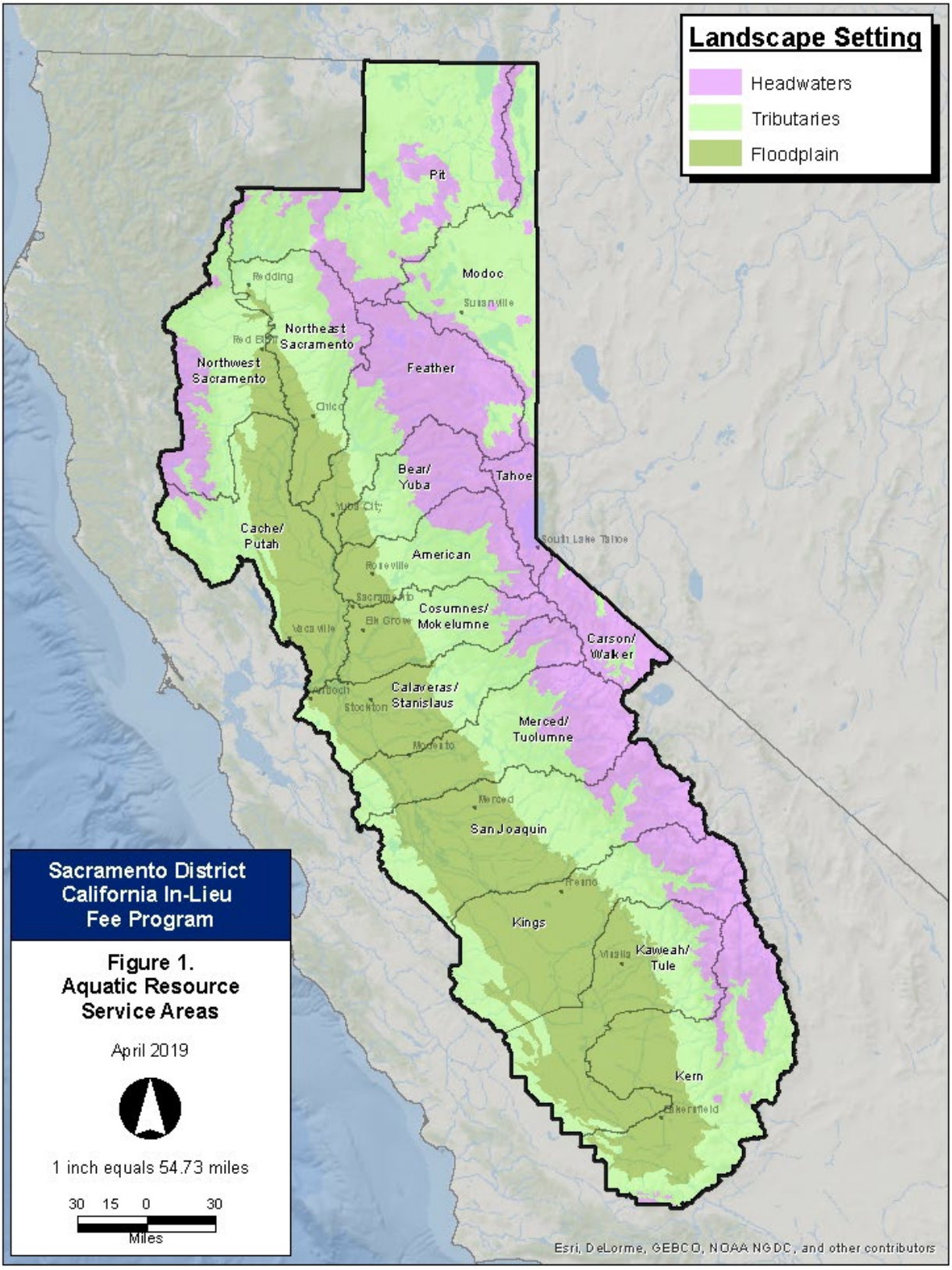
Landscape Setting
Headwaters
Tributaries
Floodplain
Pit
Modoc
Redding
Susanville
Northeast Sacramento
Red Bluff
Northwest Sacramento
Feather
Chico
Bear/ Yuba
Tahoe
Yuba City
Cache/ Putah
South Lake Tahoe
American
Roseville
Sacramento
Cosumnes/ Mokelumne
Elk Grove
Vacaville
Carson/ Walker
Calaveras/ Stanislaus
Antioch
Stockton
Merced/ Tuolumne
Modesto
Merced
San Joaquin
Fresno
Kings
Visalia
Kaweah/ Tule
Kern
Bakersfield
Sacramento District
California In-Lieu
Fee Program
Figure 1.
Aquatic Resource
Service Areas
April 2019
1 inch equals 54.73 miles
30 15 0 30
Miles
Esri, DeLorme, GEBCO, NOAA NGDC, and other contributors

Frequently Asked Questions

1. How does the ILF Program operate?

Through the ILF Program, permittees that are required to mitigate for their impacts to aquatic resources may pay a "fee" to NFWF rather than undertake a mitigation project of their own. The fee is paid in the form of the price for "Credits" that permittees purchase from NFWF under the ILF Program. In turn, NFWF uses the fees it collects to pay for the implementation of aquatic resource mitigation projects, generally within the same Service Area as the permitted impact.

2. How does NFWF identify priority Service Areas and allocate funding among Service Areas?

The priority Service Areas are identified based on ILF Program funding availability and ILF Project need. As described above, the funding that NFWF receives from the sale of Credits generally must be used within the same Service Area as the impact for which the Credits were sold. Therefore, the amount of funding available in a particular Service Area is based on the number of Credits sold in that Service Area. A Service Area that is not listed in Table 1 has either 1) insufficient ILF Program funding available for ILF Project development because there have been few if any Credits sold in the Service Area; or 2) ILF Program funding is available in the Service Area and ILF Project development is underway.

3. What project expenses can be paid for with ILF Project funds?

ILF Project funds can be used to pay for all costs associated with an ILF Project including, without limitation, the following:

- Land Acquisition
- Project Planning and Design
- Technical Studies
- Construction
- Materials
- Labor
- Monitoring
- Long-term Management
- Securing a Conservation Easement
- Project Management, and
- Other costs necessary to complete ILF Projects.

However, please note that an eligible ILF Project must provide ecological uplift via on-the-ground implementation of aquatic resource restoration, establishment, enhancement, and/or preservation project. Therefore, ILF Project funds cannot be used solely to pay for the planning, permitting, or design phase of a project; ILF Project funds may pay for the planning, permitting, or design phase of a project only in conjunction with funding of the implementation phase.

4. Can the ILF Project funds be used for scientific research or environmental education related to wetland restoration?

No. Eligible ILF Projects must provide demonstrable ecological uplift via on-the-ground implementation of aquatic resource restoration, establishment, enhancement, and/or preservation projects. As such, research and education projects are not eligible for ILF Project funds.

5. Can ILF Project funds be used for the preservation of land, without any enhancement or restoration?

Restoration and enhancement projects are strongly preferred. A preservation project should include enhancement and restoration because preservation-only projects are rarely approved. Preservation-only projects are eligible for ILF Project funds if they preserve aquatic resources that contribute significantly to the ecological sustainability of the watershed and if the resources being preserved are under clear threat of degradation without such protection. Preservation-only projects are considered most appropriate in cases where they would remove potential threats to difficult-to-replace resources such as fens and vernal pools.

6. Is a conservation easement required on ILF Project sites?

Typically, ILF Project sites must be conserved in perpetuity and generally a conservation easement is the preferred mechanism to ensure such protection. However, alternative site protection instruments may be considered on a case-by-case basis. Such instruments could include the following:

- Deed Restrictions (restrictive covenants)
- Transfer of Title to a natural resource management agency or land trust
- Other Documents, such as Conservation Land Use Agreements, Federal Facility Management Plans or Integrated Natural Resources Management Plans, that protect real property or mitigation projects on federal, state, or local government lands

7. Is grazing allowed on ILF Project sites?

The compatibility of livestock grazing will be evaluated on a case-by-case basis. Grazing must not conflict with the purposes of the ILF Project and must be consistent with the Long-Term Management Plan for the ILF Project site.

8. Does the ILF Program require any matching funds?

No, the ILF Program does not require any matching funds. However, projects are more likely to be competitive if additional funding is available. Projects that combine ILF Project funds with other funding sources are generally able to implement larger projects with greater ecological benefits at a lower cost due to economies of scale. Please note, however, that projects combining both ILF Project funds and other, non-ILF funds will be required to specifically identify the ecological uplift (and thus the "credit") associated with the ILF-funded portion(s) of the Project.

9. Can ILF Project funds be used as match for federal or state funding sources?

The answer depends on the funding source. We recommend consultation with the applicable grant program administrator to verify the grant program's matching requirements and prohibitions. Please note, however, that projects combining both ILF Project funds and other, non-ILF Project funds will be required to specifically identify the ecological uplift (and thus the "credit") associated with the ILF Project-funded portion(s) of the Project as described above in FAQ #8.

2008 Compensatory Mitigation for Losses of Aquatic Resources Rule

Eligible ILF Projects must be able to demonstrate compliance with the following 12 components of the 2008 Compensatory Mitigation for Losses of Aquatic Resources Rule (33 CFR 332.4(c)(2) through (13)).

1. Objectives (33 CFR 332.4(c)(2)):

A description of the resource type(s) and amount(s) that will be provided, the method of compensation (i.e., restoration, establishment, enhancement, and/or preservation), and the manner in which the resource functions of the compensatory mitigation project will address the needs of the watershed, ecoregion, physiographic province, or other geographic area of interest. In addition, to the extent applicable, include a description of any aquatic species and/or habitat benefits that will be provided to address any aquatic species and/or habitat needs.

2. Site selection (33 CFR 332.4(c)(3)):

A description of the factors considered during the site selection process. This should include consideration of watershed needs, onsite alternatives where applicable, and the practicability of accomplishing ecologically self-sustaining aquatic resource restoration, establishment, enhancement, and/or preservation at the compensatory mitigation project site. In addition, to the extent applicable, include a description of any aquatic species and/or habitat considerations.

3. Site protection instrument (33 CFR 332.4(c)(4)):

A description of the legal arrangements and instrument, including site ownership, that will be used to ensure the long-term protection of the compensatory mitigation project site.

4. Baseline information (33 CFR 332.4(c)(5)):

A description of the ecological characteristics of the proposed compensatory mitigation project site. This may include descriptions of historic and existing plant communities, historic and existing hydrology, soil conditions, a map showing the locations of the impact and mitigation site(s) or the geographic coordinates for those site(s), and other site characteristics appropriate to the type of resource proposed as compensation. The baseline information should also include a delineation of waters of the United States on the proposed compensatory mitigation project site. In addition, to the extent applicable, include a description of aquatic species and/or habitat characteristics of the proposed compensatory mitigation project site.

5. Determination of credits (33 CFR 332.4(c)(6)):

A description of the number of credits to be provided, including a brief explanation of the rationale for this determination.

6. Mitigation work plan (33 CFR 332.4(c)(7)):

Detailed written specifications and work descriptions for the compensatory mitigation project, including, but not limited to, the geographic boundaries of the project; construction methods, timing, and sequence; source(s) of water, including connections to existing waters and uplands; methods for establishing the desired plant community; plans to control invasive plant species; the proposed grading plan, including elevations and slopes of the substrate; soil management; and erosion control measures. For stream compensatory mitigation projects, the mitigation work plan may also include other relevant information, such as planform geometry, channel form (e.g., typical channel cross-sections), watershed size, design discharge, and riparian area plantings.

7. Maintenance plan (33 CFR 332.4(c)(8)):

A description and schedule of maintenance requirements to ensure the continued viability of the resource once initial construction is completed.

8. Performance standards (33 CFR 332.4(c)(9)):

Ecologically-based standards that will be used to determine whether the compensatory mitigation project is achieving its objectives. (See § 332.5.)

9. Monitoring requirements (33 CFR 332.4(c)(10)):

A description of parameters to be monitored in order to determine if the compensatory mitigation project is on track to meet performance standards and if adaptive management is needed. A schedule for monitoring and reporting on monitoring results to the district engineer must be included. (See § 332.6.)

10. Long-term management plan (33 CFR 332.4(c)(11)):

A description of how the compensatory mitigation project will be managed after performance standards have been achieved to ensure the long-term sustainability of the resource, including long-term financing mechanisms and the party responsible for long-term management.

11. Adaptive management plan (33 CFR 332.4(c)(12)):

A management strategy to address unforeseen changes in site conditions or other components of the compensatory mitigation project, including the party or parties responsible for implementing adaptive management measures. The adaptive management plan will guide decisions for revising compensatory mitigation plans and implementing measures to address both foreseeable and unforeseen circumstances that adversely affect compensatory mitigation success. (See § 332.7(c).)

12. Financial assurances (33 CFR 332.4(c)(13)):

A description of financial assurances that will be provided and how they are sufficient to ensure a high level of confidence that the compensatory mitigation project will be successfully completed, in accordance with its performance standards.