1. **CALL TO ORDER**

   *Nuin-Tara Key, OPR*

2. **ROLL CALL**

   Brian Strong, Jana Ganion, Kate White, Karalee Brown (alternate for Martin Gonzalez), Jonathan Parfrey.

   Public Participants: Sarah Van Der Schalie (NOAA), Becky Lunde (NOAA), Adam Fullerton (BCDC).

3. **INTRODUCTION**

   *Nuin-Tara Key, OPR*

   Nuin-Tara Key: OPR staff brought a proposed financing framework approach to last quarterly council meeting. The Council decided that there was a need to further refine the framework with the support of case studies while also recognizing that case studies alone will not solve local climate adaptation financing challenges or provide all of the resources needed. The question for this group to answer is how can we move the conversation forward without having the resources to provide a ‘hotline’ support service, which was discussed at the full council meeting?

4. **FINANCING FRAMEWORK**

   *Nuin-Tara Key, OPR*

   Nuin-Tara Key gave a summary of the June 16th TAC Financing Discussion, described proposed next steps, and gave an overview of other financing focus areas for the group to continue engaging with.

**DISCUSSION**

Kate White: It would be helpful to have a list of potential state funding sources available to the public and have points of contacts for various agencies/departments that have adaptation provisions in the allocations.

Brian Strong: I’m not sure that the order of the steps matters very much (matrix first or case studies first). It would also be useful to have something like this be searchable.

Kate White: I support both of next steps. Perhaps we could call them part 1 and part 2 so they don’t infer as much of an order.

Nuin-Tara Key: We did not intend for the matrix we put together for the June TAC meeting to identify all state funding opportunities (just examples of current funding), but we know this is a need and can discuss this.
Louise Bedsworth: This type of information is available through Funding Wizard too, right?

Nuin-Tara Key: Yes, but not all state funding sources are captured in Funding Wizard.

Jonathan Parfrey: Climate adaptation is now going to be in the criteria for 40% of Cap and Trade money, but not sure what that will look like going forward. SB 5 is another potential pool of money, which, if passed and approved by voters, would provide 400 million planning or implementation dollars for climate adaptation activities.

On another note, we should consider bringing in professionals who work in municipal financing (California Society of Municipal Finance Officers). They could help walk us through these ideas. In terms of case studies, there are some proven mechanisms to highlight, but there are also areas that are not exactly adaptation but have adaptation benefits (storm water capture programs, flood protection, etc.) We should still be capturing these.

Louise Bedsworth: Can you clarify the criteria for the Cap and Trade money?

Jonathan Parfrey: AB 398 calls out 8 different priorities for spending. One of those is climate adaptation and resiliency (SEC. 6. Section 38590.1)

Kate White: Is SB 5 the parks bond?

Jonathan Parfrey: Yes, this also calls out climate adaptation.

Brian Strong: I like Jonathan’s idea of bringing in private financing officers from the California Society of Municipal Finance Officers, but they do all come with their own ideas and preferred mechanisms, which we would need to be aware of.

Jonathan Parfrey: The Government Finance Officers Association would be another resource. It is also probably better to go to cities that are doing the financing.

Nuin-Tara Key: In addition to these suggestions, and as mentioned at the June meeting, OPR staff are still discussing regionally focused convenings supported by the SF Federal Reserve Bank. We are planning a series of regional meetings (tentatively 4) that will include individuals from private sector institutions, adaptation subject matter experts, members from CBOs, etc. to identify adaptation financing needs within regions and different mechanisms that could be used to support those specific needs. We are hoping to host a pilot meeting in late August or early September.

Brian Strong: What is the timeline for these meetings?

Nuin-Tara Key: The goal is to have the first meeting before the September TAC meeting and to host the additional meetings through the end of this year. Tentative timeline. We will keep the Council updated as we move forward with this.

Brian Strong: Will you invite TAC Financing Workgroup members?

Nuin-Tara Key: We would like to, but need to consider Bagley-Keen requirements as well.

Kate White: Perhaps we could have report outs from those meetings to the Financing Workgroup.
Nuin-Tara Key: We are hoping to have this first meeting done before September and have some participants from the convening report to the Council in September.

I would like to now go back to the question of identifying potential case studies. Do Workgroup members have ideas for specific case studies? Also, do member have suggested changes to proposed next steps and how we develop criteria and framing?

Louise Bedsworth: One question we should consider is how much we want to make financing a common criteria across case studies that are already being developed for the clearinghouse versus focusing on financing aspect of a specific example. We are already highlighting financing in each case study, but maybe we should focus more on this.

Nuin-Tara Key: Yes, we are identifying where funding for projects are coming from. Right now we haven’t been diving into specific innovative ways to achieve a project/implement a project through financing.

Louise Bedsworth: It would be helpful to have categories that we want to curate or focus on.

Nuin-Tara Key: Yes, we have the beginnings of that with the matrix we made for the June 16th meeting. We need guidance on specific projects that are underway or have been implemented that we can write up.

Louise Bedsworth: The matrix is very big. Can we start with just one category at a time, or work on aggregating categories?

Kate White: There aren’t many specific climate adaptation specific financing projects. The coastal Conservancy grant for living streets in LA could be a case study. It’s so specific to climate adaptation.

Louise Bedsworth: There are a lot of grants we could highlight, but also other types of efforts such as Measure AA in the bay. It would be interesting to know how ART (Adapting to Rising Tides) got underway at BCDC.

Adam Fullerton (BCDC): In terms of initial funding for ART, it was partnership with NOAA. Sarah may be able to speak to that initial phase. Now we are mostly grant funded (Caltrans, MTC, Bay Area Toll Authority, new grant from Delta Stewardship Council), which is not that innovative.

Kate White: How many case studies are we looking to create?

Nuin-Tara Key: Enough case studies to show a framework for what the financing landscape looks like in California now.

Louise Bedsworth: We could look at Rebuild by Design and consider highlighting examples outside of California. Could also tap into more innovative approaches such as fee-based structures.

Brian Strong: Some examples that we will highlight will be cobenefit projects where climate adaptation was just a piece of the effort. One example is the sewer system improvements in SF. We are doing green infrastructure along with other improvements as a part of this project.
Kate White: If we want to think boldly and internationally we could look at the Netherlands and how they have planned for sea level rise.

Louise Bedsworth: We should draw from a larger universe of projects for more transferability across jurisdictions. Thinking big in this sense (not just California) will make this easier to uncover ideas. We could also look at the SGC grant database to find examples. These will be mostly grant funded, but some may have other leveraging funds that we might be able to identify.

Nuin-Tara Key: As proposed next steps: We can work to refine and simplify the matrix that was shared with the council in June to identify broad categories that Louise was mentioning. We can send this out to Workgroup members and ask for examples of case studies in addition to those that were mentioned today.

Other focus areas:

**SB 1**

Kate White: The new sustainability provisions apply to the vast majority of the funds, which are for road maintenance and rehabilitation. The language says that where feasible, cities and counties receiving funds shall include features to adapt and withstand to impacts of climate change, pointing out fire, flood and sea level rise. To clarify, this is 3 billion dollars for actual infrastructure, not the smaller adaptation planning grant program.

**National Disaster Resilience Competition**

Nuin-Tara Key: The NDRC project in Tuolumne County has a Replicability Working Group that will come to the council to share their efforts (not September, but possibly in December).

Louise Bedsworth: Yes. This isn’t directly finance related, but is about community resilience investments. We are documenting everything that we have done to create replicability.

**CalOES Disaster Mitigation Funds**

Nuin-Tara Key: We have asked CalOES to provide an update on these grants at the September meeting.

**BCDC Financing the Future Working Group**

Nuin-Tara Key: I will be attending the BCDC Financing Working Group meeting tomorrow (8/20), and will give an overview of this Council’s efforts. One of the things we are interested in talking about tomorrow is opportunities to connect their work and ours. There may be an opportunity, as people on their Working group are more private sector focused. Will report back on that.

**Public Comment**

No public comment was received by OPR staff.
5. GENERAL PUBLIC COMMENT

No public comment was received by OPR staff.