CONSEROSOLUTIONS

POLICY ANALYSIS FOR THE PUBLIC AND PRIVATE SECTORS
M.CUBED

County of Sonoma

Climate Resilience Comprehensive Action Plan

Funding & Financing Strategy

2024-2027

Introduction

The County of Sonoma Funding & Financing Strategy supports the County of Sonoma's (County) efforts to implement the Climate Action and Resiliency Pillar of the County's 2021 Strategic Plan by matching 11 priority climate action measures in the Sonoma County Climate Resilience Climate Action Plan to State, regional, and federal funding opportunities. The Climate Action and Resiliency Pillar sets an overarching goal for the County to achieve carbon neutrality, zero waste, and climate resiliency by 2030. The Pillar's five goals promote wildfire resilience, support community progress to assist with achieving carbon neutrality and climate resilience, encourage carbon free, zero waste, and resilient County facilities, a zero and low emission fleet, and direct County departments to maximize carbon sequestration and adaptation in land use and conservation policies and actions. The County's Climate Resilience Comprehensive Action Plan (Climate Plan) identifies climate resilience actions needed to achieve these five goals, prioritizing those in related studies, strategies, and planning efforts. Significant funding is required to fully implement all measures. The County further created the Climate Action and Resiliency Division (CARD) in the County Administrator's Office to help implement the goals and objectives outlined by this pillar. CARD is systematically tracking funding opportunities and will use the Funding and Financing Strategy to apply for grants for 11 priority climate action measures over the next three years.

In April 2024, the County identified 11 priority climate action measures on which to focus funding and financing research. CARD, Consero Solutions (Consero) and M.Cubed, together referred to as the team, worked together to research funding and financing opportunities. Less State, federal, and regional grant funding is available than in previous years because of the State of California's (State) budget deficit, projected to last at least two years, and the end of significant funding from the federal Inflation Reduction Act and the Infrastructure Investment and Jobs Act. The State continues to fund climate action grant programs with Greenhouse Gas Reduction Fund revenue and the State Legislature passed a climate action bond for consideration by voters in November 2024. The team therefore expects some significant funding will be available for the County's priority climate action measures, but the County will benefit from the advance planning supported by this strategy to increase competitiveness.

The team identified 30 funding opportunities over the course of three years and a suite of financing strategies to help implement the County's climate action measure priorities. Inclusion of an opportunity in the Funding & Financing Strategy does not commit the County to apply for the grant or implement the financing option, rather to consider applying based on project readiness and competitiveness, as well as staff resources available to apply, manage, and implement a grant. The strategy also allows the County to prepare ahead of time for grant applications, coordinate with grant managers to ensure an application is competitive, take stock of grants pursued across departments, and conduct community engagement and other work to strengthen the proposal. Since grant funding and financing opportunities change, the Funding & Financing Strategy is a living document which CARD will update as needed. The County anticipates future work to prioritize and develop funding strategies for additional measures to achieve goals outlined by the Board of Supervisors and from the Climate Plan.

Funding Strategy Climate Action Measures

The County selected the following 11 climate action measures for the three-year grant strategy and will use the Climate Plan to support funding applications. The County prioritized climate action measures for this funding which will substantially advance the climate resilience of County facilities and/or operations, address a key gap in operational climate resilience, and/or complete a critical step to enable substantial climate resilience progress. The County also prioritized one community-facing climate action measure aligned with the Board of Supervisors' Strategic Plan, which would help establish programs to provide financing for energy upgrades for low-income households and multi-family residential properties. The County needs to secure more community input to refine and prioritize measures and actions the County could take to support community progress.

Climate Action Measure	Climate Plan Sector
E-CP-7: Prioritize and support energy efficiency and renewable energy access in underserved communities.	Energy
E-CO-2: Reduce energy use and increase resilience at existing County facilities in the mid-term through energy upgrades.	Energy
NWL-CO-5: Increase carbon sequestration on County-owned lands by implementing beneficial practices described in the Carbon Stock Inventory and Potential Sequestration Study through 2030.	Natural and Working Lands
T-CO-1: Decarbonize the County fleet of light duty vehicles by 2040.	Transportation
T-CO-3: Decarbonize the fleet of Medium and Heavy-Duty vehicles (greater than 8,500 lbs. gross vehicular weight) by 2042.	Transportation
T-CO-4: Decarbonize the transit bus fleet by 2040.	Transportation
T-CO-5: Deploy zero emission vehicle infrastructure in number and locations to support the decarbonization schedule for light and heavy duty fleets.	Transportation
T-CO-11: Create and connect to an interconnected system of Class 1 Bikeways through partnerships, acquisitions, and collaborative efforts.	Transportation
W-CO-4: Evaluate and prioritize conservation practice projects on County-owned lands to enhance water resilience and mitigate drought, flood, and debris flows.	Water
W-CO-8: Conduct a vulnerability assessment/feasibility study by 2027 for County-owned infrastructure and lands that are at-risk for near term sea level rise and riverine-related flooding and/or erosion to identify protect, accommodate, and/or retreat strategies.	Water
WF-CO-5: Implement fire-safe landscape practices, tree care, and protection on County-owned lands.	Wildfire

Climate Action Funding Opportunities

The following summarizes 30 funding opportunities for which the County or its partners will consider applying between 2024 and 2026. The table serves as a quick reference guide organized by the fiscal year in which the Consero team recommends the County consider applying and identifies the applicable climate action measure or measures matched to the funding opportunity.

Fiscal Year	Grant Program	Climate Action Measure
2024-25	Congressional Directed Funding (recommended because no grant opportunities)	E-CP-7
2024-25	Metropolitan Transportation Commission | One Bay Area Grant Regional Program | Climate Initiatives Program (Transportation Electrification) | Multiple Programs	E-CO-2, T-CO-1, T-CO-3, T-CO-4, T-CO-5
2024-25	California Air Resources Board | California Hybrid and Zero Emission Truck and Bus Voucher Incentive Project	T-CO-3, T-CO-4
2024-25	Bay Area Quality Management District | Transportation Fund for Clean Air	T-CO-1, T-CO-3, T-CO-4
2024-25	Sonoma County Transportation Authority | Transportation Fund for Clean Air 40 Percent Program	T-CO-1, T-CO-3, T-CO-4
2024-25	San Joaquin Valley Air Pollution Control District | California Volkswagen Mitigation Trust Funds for Transit, School, and Shuttle Bus	T-CO-4
2024-25	CalTrans | Sustainable Transportation Planning Grants	T-CO-5
2024-25	Metropolitan Transportation Commission | Transportation Development Act, Article 3	T-CO-11
2024-25	National Fish and Wildlife Foundation & National Oceanic and Atmospheric Administration | National Coastal Resilience Fund	W-CO-8
2024-25	California Ocean Protection Council | Sea Level Rise Adaptation Program	W-CO-4, W-CO-8
2024-25	CalFire | Wildfire Prevention Grant Program	WF-CO-5
2025-26	Bay Area Quality Management District | Transportation Fund for Clean Air	T-CO-5
2025-26	Sonoma County Transportation Authority | Transportation Fund for Clean Air 40 Percent Program	T-CO-5
2025-26	California Energy Commission | Community Energy Reliability and Resilience Investment	E-CO-2
2025-26	U.S. Department of Transportation | Charging and Fueling Infrastructure Grant Program (Community Program)	E-CO-2
2025-26	California Transportation Commission | Local Partnership Program	T-CO-4, T-CO-11
2025-26	Metropolitan Transportation Commission | One Bay Area Grant Program	T-CO-11
2025-26	State of California Ocean Protection Council | Sea Level Rise Adaptation Planning Grant Program	W-CO-8
2025-26	State of California Coastal Conservancy | Multiple Programs	NWL-CO-5, W-CO-4, WF-CO-5, W-CO-8
2025-26	California Department of Food and Agriculture | Multiple Programs	NWL CO-5

2025-26	Wildlife Conservation Board | Multiple Programs	NWL-CO-5
2025-26	California Transportation Commission | Active Transportation Program	T-CO-11
2025-26	Metropolitan Transportation Commission | Active Transportation Program (Regional)	T-CO-11
2025-26	California State Parks | Land and Water Conservation Fund	T-CO-11
2025-26	Bay Area AQMD | Carl Moyer Voucher Incentive Program (Agricultural Equipment and Heavy-Duty On-Road Vehicles and Buses)	T-CO-3, T-CO-4
2025-26	Northern Sonoma County Air Pollution Control District | Carl Moyer Program	T-CO-3, T-CO-4
2026-27	North Coast Resource Partnership | CalFire Forestry Health Implementation Program	WF-CO-5
2026-27	California Department of Food and Agriculture | Multiple Programs	NWL-CO-5
2026-27	Wildlife Conservation Board | Multiple Programs	NWL-CO-5
2026-27	State of California Coastal Conservancy | Multiple Programs	NWL-CO-5
Note: The team sometimes estimated the deadline based on conversations with grant managers or the history of the program. The funding strategy requires regular updates to maintain usefulness.		

Funding Strategy Early Implementation

The 2024-2027 grant strategy builds on the significant past work of the County of Sonoma CARD to secure funding to implement the Climate Plan, as well as implement financing mechanisms. Between January 2022 and July 2024, CARD secured $11.5 million in State and federal funding, plus over $5.4 million in tax credits and incentives. Highlights include the following:

- **United States Department of Agriculture / Natural Resources Conservation Service Partnerships for Climate-Smart Commodities ($10,000,000)**. The County of Sonoma worked with the Sonoma-Marin Agriculture and County Climate Coalition to secure $10 million to help Marin and Sonoma Counties achieve their 2030 climate goals through on-farm carbon sequestration.

- **California Environmental Protection Agency California Water Board Nonpoint Source 319(h) Grant Program for the Russian River Pathogen Reduction Planning Project ($250,000).** CARD secured $250,000 to complete a preliminary mapping study of Onsite Wastewater Treatment Systems in the Russian River watershed, prepare a Source Characterization Report and a Priority Solutions Planning Guide for the Russian River watershed by reviewing available data and information about sources of pathogens, and develop a comprehensive outreach and education program. This work will help develop projects to assist the regulated community comply with the proposed Russian River Pathogen Total Maximum Daily Load Action Plan.

- **Energy Efficiency and Conservation Block Grant / Voucher Program ($233,790).** The U.S. Department of Energy awarded the County of Sonoma $233,790 to purchase electrical vehicle charging equipment for municipal fleet use.

- **U.S. Department of Housing and Urban Development Congressional Appropriation for the Equitable Energy Resilience and EV Infrastructure and Green Jobs Training Project ($791,200).** The County is finalizing drawdown of $791,200 from the U.S. Housing and Urban Development Department, which will expand the number of ARC EV charging stations to provide charging capacity to under-resourced communities while supporting a local green workforce infrastructure.

- **Caltrans Sustainable Transportation Planning Grant Program ($247,000).** CARD secured $247,000 for the Equitable Electric Vehicle Charging Plan for Sonoma County.

- **Inflation Reduction Act direct payment tax credits and other reserved incentives for solar generation and battery storage ($5,413,052).** The planned installation of solar generation and battery storage at the Santa Rosa Veterans Memorial Building will receive $518,509 in tax credits and other incentives. The solar generation with storage included in near term energy upgrades at the County's administration center will receive $4,894,543.

Funding Strategy Approach

For the funding component of the Funding & Financing Strategy, the team identified and matched State, federal, and regional grants and rebates over a three-year period to each of the 11 selected climate action measures using the three-step process below. The team worked with CARD to develop a list of grant programs to research, tracked the 2024-2025 State budget and the proposed 2024 climate action bond to identify additional funding opportunities, and communicated with dozens of State and federal grant managers. The 2024-2027 grant strategy builds on CARD's significant past work. The team used the following approach:

Step 1: Identify priority climate action measures for inclusion in the Funding & Financing Strategy and complete climate action measure descriptions to provide detailed information about the measures.

Step 2: Work with the County's grant analyst to develop a list of funding opportunities to research, as well as evaluate eligibility and competitiveness of climate action measures for each opportunity based on grant program guidelines.

Step 3: Develop a three-year funding strategy to organize the County's efforts to consider funding opportunities, prioritizing grants for specific fiscal years based on availability of funding, phasing of projects (e.g., planning versus implementation), and competitiveness.

The following section provides a brief description of each climate action measure and recommends grants for which the County should consider applying, either individually or with partners, to implement the climate action measure. Inclusion of a grant in the three-year strategy does not obligate the County to apply, rather provides an opportunity for the County to consider applying based on competitiveness, need, staff resources, and other factors.

E-CO-2: Reduce energy use and increase resilience at existing County facilities in the mid-term through energy upgrades.

SUB-MEASURES

- **E-CO-2.1** Upgrade existing HVAC at 38 facilities to heat pump systems.
- **E-CO-2.2** Install 110 EV Chargers to support municipal fleet electrification.
- **E-CO-2.3** Upgrade water heating systems.
  - **E-CO-2.3.1** Replace 46 domestic water heaters with heat pumps.
  - **E-CO-2.3.2** Upgrade the water heating system at the Central Mechanical Plant to air and water source heat pumps.
- **E-CO-2.4** Replace gas-consuming kitchen equipment with high-efficiency electric equipment at 17 County facilities.
- **E-CO-2.5** Install high efficiency transformers at 23 County facilities.
- **E-CO-2.6** Replace the existing ice plant at the Spud Point Marina with a new, efficient ice-making facility.
- **E-CO-2.7** Upgrade existing HVAC controls at 24 facilities to advanced building management systems.

MEASURE SUMMARY

E-CO-2 focuses on electrifying equipment, including installing electric vehicle charging infrastructure (some of which will be open to the public) to reduce greenhouse gas emissions from County buildings and operations. The plan includes replacing old heating, ventilation, and air conditioning systems and water heating systems with efficient electric heat pumps, installing mandated electric vehicle chargers, and upgrading the Spud Point Ice Plant. The latter, while not cost-effective in energy savings, will reduce refrigerant emissions and is crucial for the coastal economy. In July 2021, the County partnered with PG&E's Sustainable Solutions Turnkey program to audit energy use in County facilities. Out of 96 reviewed buildings, 66 were chosen for detailed energy audits and assessments to enhance efficiency, reduce utility costs, and improve resilience.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Metropolitan Transportation Commission | One Bay Area Grant Regional Program | Climate Initiatives Program (Transportation Electrification) | Multiple Programs:** The County can apply for these programs to fund construction of publicly accessible EV charging stations at County-owned buildings. Check frequently for 2024 NOFOs.

   Deadline: Anticipated Fall or Winter 2024 (Annual Program)

   Maximum Funding Request: Dependent on program

Competitiveness: Unknown. The One Bay Area Grant Regional Program's Climate Initiatives Program includes multiple includes scoring criteria for project readiness and alignment with regional policies and priorities. More information is needed about the project to fully determine competitiveness for this grant program.

FY 2025-2026

2. **California Energy Commission Energy Research and Development | Community Energy Reliability and Resilience Investment Program:** The County may be able to partner with Sonoma Clean Power or request eligibility through the Energy Commission for this program to fund installation of high efficiency transformers at County facilities (E-CO-2.5).

   Deadline: Anticipated July 2025

   Maximum Funding Request: $25.5 million for large entities (which sell >4,000 GWh/year) and $9.5 million for small entities (which sell <4,000 GWh/year)

   Competitiveness: Unknown. The Community Energy Reliability and Resilience Investment Program prioritizes projects aimed at maximizing community benefits through mitigation of electrical system outages. Preference is given to projects nearing shovel-ready status, those in the initial stages of environmental review, or those utilizing stranded assets or existing infrastructure. If the County can demonstrate E-CO-2.5 benefits the community the application may be competitive.

3. **US Department of Transportation | Charging and Fueling Infrastructure Grant Program (Community Program):** The County can apply for this program to fund construction of publicly accessible EV Chargers at County-owned buildings.

   Deadline: Anticipated August 2025 (annual program)

   Maximum Funding Request: $15 million

   Competitiveness: Unknown. The Charging and Fueling Infrastructure Grant Program prioritizes projects which are accessible to the public (on public roads), which benefit disadvantaged communities, and create workforce development. More information is needed about the project to fully determine competitiveness for this grant program.

E-CP-7: Prioritize and support energy efficiency and renewable energy access in underserved communities.

SUB-MEASURES

- **E-CP-7.1:** Evaluate developing a low-income weatherization program.
- **E-CP-7.2:** Develop an appliance direct-install program for multi-family income-restricted properties.
- **E-CP-7.3:** Seek funding to expand incentives for energy efficiency, electrification, renewable energy, and storage at low-income, multi-family properties.
- **E-CP-7.4:** Seek funding to develop a pilot a Neighborhood Retrofit Program to improve resiliency in residential buildings (e.g., on-site power generation and storage, weatherization, cooling, etc.), with an emphasis on connecting incentives and resources with rental property owners and low-income residents. Partner with community organizations to maximize resources.

MEASURE SUMMARY

The County will work with community-based organizations to develop an outreach and technical assistance strategy to help property owners decarbonize homes and multi-family properties, with a focus on assisting low-income residents. This work includes assistance with accessing rebates and other incentives, such as the Farmworker Housing Component of the Low-Income Weatherization Program at the Department of Community Services and Development (the proposed 2024 climate bond contains $10 million for this program) and the California Energy Commission's Equitable Decarbonization Program incentives.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Congressionally Directed Funding:** The Consero team recommends applying for congressional directed funding to develop and implement this measure because there are no funding opportunities available for which the County is eligible to create an outreach strategy and technical assistance program, but implementation of this measure will help property owners access significant State and federal rebates funded by the federal Infrastructure Investment and Jobs Act and other sources.

   Deadline: Winter 2024-2025. Congressional members have different deadlines for submitting congressionally directed funding requests for inclusion in the Fiscal Year budget, which starts October 2025.

   Maximum Funding Request: Successful congressionally directed funding requests range from $500,000 to $1 million, but sometimes Congress approves higher awards.

   Competitiveness: Helping low-income households access State and federal rebates is a priority of the State and federal government, so this congressionally directed funding request is likely to be competitive. The request will be more competitive if the County develops a plan, including a community outreach strategy, with local funds and requests funding to implement the plan.

NWL-CO-5: Increase carbon sequestration on County-owned lands by implementing beneficial practices described in the Carbon Stock Inventory and Potential Sequestration Study through 2030.

SUB-MEASURES

- **NWL-CO-5.1** Develop Climate/Carbon Farm Plans for Regional Parks, including prioritization of climate-smart practice implementation through 2030.
- **NWL-CO-5.2** Establish short- and long-term targets for practice implementation to increase carbon sequestration by 2030 based on NWL-CO-5.1.
- **NWL-CO-5.3** Implement regenerative land management practices at the municipal scale, including practices that draw down carbon, reduce GHG emissions, and improve watershed and human health through 2030 based on NWL-CO-5.1 and NWL-CO5.2.
- **NWL-CO-5.4** Evaluate progress-to-date for short-term and long-term targets established for NWL-CO-5.1 and NWL-CO-5.2, and determine next steps for implementation of sequential practices beyond 2030.

MEASURE SUMMARY

Measure NWL-CO-5 will protect critical habitat and sequester carbon through development and implementation of Climate/Carbon Farm Plans on up to 59 parks totaling 15,500 acres managed by the County. The Climate/Carbon Farm Plans will guide land management practices that sequester carbon, reduce greenhouse gas emissions, and conserve habitat consistent with the Sonoma County Carbon Stock & Potential Sequestration Inventory. Sonoma County saw an overall decline in carbon stocks on County-owned park lands between 2013 and 2022 in part because of drought, wildfire, and land conversion. Implementation of measure NWL-CO-5 will result first in the identification of priority lands for development of Climate/Carbon Farm Plans based on specified criteria, development of the Climate/Carbon Farm Plans, and implementation of climate-smart land management practices recommended by the plans. Climate-smart land management practices include application of compost, restoration of riparian habitat and wetlands, improved forest management, installation of wildlife-friendly fencing. Key partners in this work are University of California Cooperative Extension, Gold Ridge and Sonoma Resource Conservation Districts, and the Carbon Cycle Institute.

FUNDING OPPORTUNITIES

FY 2025-2026 & FY 2026-2027

1. **State of California Coastal Conservancy Grants | Multiple Programs:** The Coastal Conservancy offers a rolling pre-application. Most funding in these programs support all aspects of a project, from planning to construction to implementation, for watershed improvement, wildfire resilience, and forest health.

   Deadline: The Conservancy offers a rolling pre-application process and matches competitive projects with available funding. The Conservancy did not receive any funding in the 2024-2025 State budget for any Conservancy programs. The proposed 2024 climate bond allocates $33.5 million to State Coastal Conservancy programs of interest to the County, including watershed improvement and wildfire resilience, which would be available in the 2025-2026 fiscal year if the bond passes.

Maximum Funding Request: TBD

Competitiveness: Unknown. NWL-CO-5 aligns well with the State Coastal Conservancy's strategic goals.

2. **Wildlife Conservation Board | Multiple Programs:** The Wildlife Conservation Board (Board) funds climate adaptation and resilience, habitat enhancement and restoration, rangeland, grazing land, and grassland protection, inland wetland conservation, ecosystem restoration on agricultural lands, and oak woodland conservation, as well as other projects to achieve the State's biodiversity, public access, and conservation goals. The Wildlife Conservation Board does not utilize traditional grant guidelines, instead uses a pre-application and works with the applicant to develop a competitive project.

   Deadline: The Board offers a rolling pre-application process and matches competitive projects with available funding, although the Board is not currently accepting applications because of a lack of funding. The Board expects to reopen the pre-application process in FY 2025-2026 based on the Consero team's communication with the Deputy Director of the Board. The 2024-2025 State budget allocated over $70 million to Wildlife Conservation Board for streamflow improvements and protection of fish and wildlife habitat. The proposed 2024 climate bond allocates $870 million to the Board for priorities of interest to the County, which should be available in 2025 if the bond passes.

   Maximum Funding Request: TBD

   Competitiveness: The Deputy Director of the Wildlife Conservation Board communicated to Consero the Board has funded measures similar to NWL-CO-5 in the past. Competitiveness will depend on individual County proposals.

3. **California Department of Food and Agriculture | Multiple Programs:** The California Department of Food and Agriculture provides funding to private landowners and government agencies for work to improve climate resilience of agricultural land.

   Deadline: Unknown, as programs are not funded. The proposed 2024 climate bond contains $65 million for grants to promote practices on farms and ranches that improve soil health or accelerate atmospheric carbon removal or soil carbon sequestration. Bond funding is likely to be available for both the 2025-2026 fiscal year and the 2026-2027 fiscal year. Consero believes the California Department of Food and Agriculture will develop new programs for these funds, so the County should coordinate closely with California Department of Food and Agriculture staff.

   Maximum Funding Request: TBD

   Competitiveness: Unknown. The County's proposals will be more competitive for funding if the County starts now to develop specific projects which are shovel ready by the time bond funding is available in late 2025.

T-CO-1: Decarbonize the County fleet of light duty vehicles by 2040.

SUB-MEASURES

- **T-CO-1.1** Achieve 30% zero-emission vehicle light duty fleet by 2026 by electrifying at least 50% of light-duty vehicles scheduled for replacement each year and purchasing the lowest emission model available for the service need if purchasing gasoline powered vehicles.
- **T-CO-1.2** Decarbonize 50% of light duty vehicles by 2030.
- **T-CO-1.3** Decarbonize 70% of light duty vehicles scheduled for replacement each year and purchase the lowest emission model available for the service need when purchasing gasoline powered vehicles.
- **T-CO-1.4** Decarbonize 100% of light duty vehicles scheduled for replacement each year.

MEASURE SUMMARY

Measure T-CO-1 utilizes a phased vehicle replacement schedule to decarbonize County's light-duty vehicle fleet by 2040. The County will decarbonize 30% of light-duty vehicles (including Sheriff pursuit vehicles) by 2026 and increase the percentage of decarbonized vehicles every five years to achieve 100% by 2040. In June 2023, CARD's Greenhouse Gas Inventory Report highlighted that mobile combustion from County vehicles accounted 26% of the County of Sonoma's total greenhouse gas emissions in 2021, respectively.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Metropolitan Transportation Commission | One Bay Area Grant Regional Program | Climate Initiatives Program (Transportation Electrification) | Multiple Programs:** The County can apply for these programs to fund planning and technical assistance for local public fleet electrification. Check frequently for 2024 NOFOs.

   Deadline: Anticipated Fall or Winter 2024 (Annual Program)

   Maximum Funding Request: Dependent on program

   Competitiveness: Unknown. The One Bay Area Grant Regional Program's Climate Initiatives Program includes multiple includes scoring criteria for project readiness and alignment with regional policies and priorities. More information is needed about the project to fully determine competitiveness for this grant program.

2. **Bay Area Air Quality Management District (AQMD) | Transportation Fund for Clean Air:** This annual grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including decarbonizing fleets by funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated April 2025 (annual program)

   Maximum Funding Request: $5.5 million per year

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is “surplus,” meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet Bay Area AQMD’s cost effectiveness criteria to be eligible.

3. **Sonoma County Transportation Authority | Transportation Fund for Clean Air 40 Percent Program:** This annual grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including decarbonizing fleets by funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated March 2025 (annual program)

   Maximum Funding Request: Unknown, but the Authority only had $138,000 in 2024 for grants from the competitive program to which the County is eligible to apply along with other Sonoma County agencies.

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is “surplus,” meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet other criteria to be eligible.

T-CO-3: Decarbonize the fleet of Medium and Heavy Duty vehicles (greater than 8,500 lbs gross vehicular weight) by 2042.

SUB-MEASURES

- **T-CO-3.1** Decarbonize 50% of heavy duty vehicles scheduled for replacement each year (unless exempted by CARB under the Advanced Clean Fleets regulation) and purchase the lowest emission model available for the service need when purchasing diesel powered vehicles.
- **T-CO-3.2** Beginning in 2030, decarbonize 100% of heavy duty vehicles scheduled for replacement each year unless exempted by CARB under the Advanced Clean Fleets regulation.

MEASURE SUMMARY

Measure T-CO-3 focuses on the decarbonization of the County's heavy-duty vehicle fleet by 2042. The plan involves a two-phase approach: decarbonizing 50% of heavy-duty vehicles annually until 2027, then purchasing electric vehicles for 100% of those scheduled for replacement each year by 2030. Fleet Operations, under Sonoma Public Infrastructure, will oversee compliance, supporting the County's goal of becoming climate resilient and carbon neutral by 2030. Following the CARB April 28, 2023 regulation, the County also must phase out medium and heavy-duty combustion trucks by 2036. The regulation requires 50% of vehicle purchases to be zero-emission starting in 2024, and 100% by 2027. To satisfy both mandates, the County will replace 6-16 qualifying vehicles annually until 2030.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Metropolitan Transportation Commission | One Bay Area Grant Regional Program | Climate Initiatives Program (Transportation Electrification) | Multiple Programs:** The County can apply for these programs to fund planning and technical assistance for local public fleet electrification. The County should check frequently for 2024 NOFOs.

   Deadline: Anticipated Fall or Winter 2024 (Annual Program)

   Maximum Funding Request: Dependent on program

   Competitiveness: Unknown. The One Bay Area Grant Regional Program's Climate Initiatives Program includes multiple includes scoring criteria for project readiness and alignment with regional policies and priorities. More information is needed about potential projects to fully determine competitiveness for this grant program.

2. **California Air Resources Board | California Hybrid and Zero Emission Truck and Bus Voucher Incentive Project:** The Project provides point-of-sale vouchers to make heavy-duty trucks and buses more affordable.

   Deadline: Rolling application. The program provides vouchers to applicants on a first come, first served basis.

   Maximum Funding Request: Vouchers range from $30,000 to $85,000.

Competitiveness: The program provides vouchers to applicants on a first come, first served basis.

3. **Bay Area AQMD | Transportation Fund for Clean Air:** This grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated April 2025 (annual program)

   Maximum Funding Request: $5.5 million per year

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is "surplus," meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet Bay Area AQMD's cost effectiveness criteria to be eligible.

4. **Sonoma County Transportation Authority | Transportation Fund for Clean Air 40 Percent Program:** This annual grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including decarbonizing fleets by funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated March 2025 (annual program)

   Maximum Funding Request: Unknown, but the Authority only had $138,000 in 2024 for grants from the competitive program to which the County is eligible to apply along with other Sonoma County agencies.

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is "surplus," meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet other criteria to be eligible.

FY 2025-2026

1. **Bay Area AQMD | Carl Moyer Voucher Incentive Program (Agricultural Equipment and Heavy-Duty On-Road Vehicles and Buses):** The Carl Moyer Program provides funding to replace, retrofit, or repower heavy-duty engines to reduce carbon emissions beyond the level required by law.

   Deadline: Annual program

   Maximum Funding Request: Unknown

   Competitiveness: Unknown

2. **Northern Sonoma County Air Pollution Control District | Carl Moyer Program:** The Carl Moyer Program provides funding to replace, retrofit, or repower heavy-duty engines to reduce carbon emissions beyond the level required by law.

   Deadline: Unknown

   Maximum Funding Request: Unknown

   Competitiveness: Unknown

T-CO-4: Decarbonize the transit bus fleet by 2040.

SUB-MEASURES

- **T-CO-4.1** Zero emission buses will comprise at least 25% of all new transit bus purchases.
- **T-CO-4.2** Zero emission buses will comprise 100% of all new transit bus purchases, to achieve 100% zero emission transit buses by 2035.
- **T-CO-4.3** Install DC charging infrastructure at Sonoma County Transit Op Yard to support zero emission buses and install DC charging infrastructure at Sonoma County Transit Op Yard and in-route charging by 2030

MEASURE SUMMARY

Measure T-CO-4 will replace County's transit bus fleet with zero-emission buses (ZEBs) by 2040 using a three-stage approach. Existing buses will remain in service until the end of their federally required service life, with no early retirements. By 2035, the County plans to replace all compressed natural gas (CNG), including applicable cutaway vans, and purchase 64 ZEBs at an estimated cost of $50.8 million over 12 years. Initially, at least 25% of new transit bus purchases will be zero-emission, increasing to 100% by 2029, in line with CARB legislation. In December 2018, CARB passed the Innovative Clean Transportation (ICT) Zero-Emission Bus Rollout Plan, mandating a transition to a zero-emission fleet by January 1, 2029. This plan guides Sonoma County Transit's shift from CNG coaches to battery-electric coaches.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Metropolitan Transportation Commission | One Bay Area Grant Regional Program | Climate Initiatives Program (Transportation Electrification) | Multiple Programs:** The County can apply for these programs to fund planning and technical assistance for local public fleet electrification. Check frequently for 2024 NOFOs.

   Deadline: Anticipated Fall or Winter 2024 (Annual Program)

   Maximum Funding Request: Dependent on program

   Competitiveness: Unknown. The One Bay Area Grant Regional Program's Climate Initiatives Program includes multiple scoring criteria for project readiness and alignment with regional policies and priorities. More information is needed about potential projects to fully determine competitiveness for this grant program.

2. **San Joaquin Valley Air Pollution Control District | California Volkswagen Mitigation Trust Funds for Transit, School, and Shuttle Bus:** This program provides to for new zero-emission replacement buses. The County can combine awards from this program with the California Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.

   Deadline: Rolling application. Funds are limited so the County should apply as soon as possible.

Maximum Funding Request: Per battery-electric transit buses, the limit is $216,000. For fuel-cell transit buses, the limit is $480,000.

Competitiveness: The program provides grants to applicants on a first come, first served basis.

3. **California Air Resources Board | California Hybrid and Zero Emission Truck and Bus Voucher Incentive Project.** The Project provides point-of-sale vouchers to make heavy-duty trucks and buses more affordable.

   Deadline: Rolling application. The program provides vouchers to applicants on a first come, first served basis.

   Maximum Funding Request: Vouchers range from $80,000 to $120,000.

   Competitiveness: The program provides vouchers to applicants on a first come, first served basis.

4. **Bay Area AQMD | Transportation Fund for Clean Air:** This grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated April 2025 (annual program)

   Maximum Funding Request: $5.5 million per year

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is "surplus," meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet Bay Area AQMD's cost effectiveness criteria to be eligible.

5. **Sonoma County Transportation Authority | Transportation Fund for Clean Air 40 Percent Program:** This annual grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including decarbonizing fleets by funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated March 2025 (annual program)

   Maximum Funding Request: Unknown, but the Authority set aside $146,000 for County Transit in 2024 from this program. The Authority also allocated $138,000 in 2024 for grants from the competitive program to which the County is eligible to apply along with other Sonoma County agencies.

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is "surplus," meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet other criteria to be eligible.

FY 2025-26

1. **California Transportation Commission | Local Partnership Program:** The Local Partnership Program (LPP) provides funding for bicycle and pedestrian facilities, local roadways, and transit improvements to counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes dedicated solely to transportation improvements or that have imposed fees, including uniform developer fees,

dedicated solely to transportation improvements (as defined by Government Code Section 8879.67[b]).The program will fund the acquisition, retrofit, or rehabilitation of rolling stock, buses, or other transit equipment.

Deadline: The Commission last held a round in 2022 and the next round is anticipated in 2025 as the Commission programs new cycles every two years.

Maximum Funding Request: $25 million

Competitiveness: The County must demonstrate the project improves accessibility and connectivity, reduces greenhouse gas emissions, engages the community, and is ready to construct, among other factors, to increase competitiveness.

FY 2025-2026

1. **Bay Area AQMD | Carl Moyer Voucher Incentive Program (Agricultural Equipment and Heavy-Duty On-Road Vehicles and Buses):** The Carl Moyer Program provides funding to replace, retrofit, or repower heavy-duty engines to reduce carbon emissions beyond the level required by law.

   Deadline: Unknown

   Maximum Funding Request: Unknown

   Competitiveness: Unknown

2. **Northern Sonoma County Air Pollution Control District | Carl Moyer Program:** The Carl Moyer Program provides funding to replace, retrofit, or repower heavy-duty engines to reduce carbon emissions beyond the level required by law.

   Deadline: Unknown

   Maximum Funding Request: Unknown

   Competitiveness: Unknown

T-CO-5: Deploy zero emission vehicle infrastructure in number and locations to support the decarbonization schedule for light and heavy duty fleets.

SUB-MEASURES

- **T-CO-5.1** Develop a zero-emission vehicle infrastructure plan that ensures charging/fueling infrastructure is in place in locations to support the decarbonization schedule for light and heavy duty fleets.
- **T-CO-5.2** Seek funding to deploy 100 Level II EV charging stations.
- **T-CO-5.3** Phased implementation of zero emission infrastructure plan.
- **T-CO-5.4** Complete installation of vehicle charging infrastructure.

MEASURE SUMMARY

The County will plan, fund, and install EV charging stations between 2024 and 2030. From 2024 to 2026, the County will assess municipal fleet operations to identify 23 key locations for charging infrastructure, considering fleet activity, permitting, grid availability, and new technologies. They will deploy 100 Level II EV charging stations, supported by grants from the Department of Transportation and the California Energy Commission. Between 2026 and 2030, the County will develop a funding plan for zero-emission infrastructure, conducting a cost analysis and identifying funding sources such as federal and State grants, public-private partnerships, and matched-funding opportunities. The County expects to conduct community engagement with financial experts and stakeholders. The goal is to complete the EV charging infrastructure by 2035, ensuring full support for a zero-emission fleet and contributing to a sustainable future.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Metropolitan Transportation Commission | One Bay Area Grant Regional Program | Climate Initiatives Program (Transportation Electrification) | Multiple Programs:** The County can apply for these programs to fund planning and technical assistance for local public fleet electrification and charging infrastructure. Check frequently for 2024 NOFOs.

   Deadline: Anticipated Fall or Winter 2024 (Annual Program)

   Maximum Funding Request: Dependent on program

   Competitiveness: Unknown. The One Bay Area Grant Regional Program's Climate Initiatives Program includes multiple scoring criteria for project readiness and alignment with regional policies and priorities. More information is needed about the potential projects to fully determine competitiveness for this grant program.

2. **CalTrans | Sustainable Transportation Planning Grants | Sustainable Communities:** The County may apply for this annual grant program to fund planning zero-emission vehicle infrastructure, including EV charging stations and associated

infrastructure.

Deadline: Anticipated January 2025 (annual program)

Maximum Funding Request: $700,000

Competitiveness: The County will increase competitiveness if the County broadens the proposal beyond County vehicles and planning. A countywide planning effort with multiple partners would increase competitiveness, especially if it focuses on underserved communities.

FY 2025-2026

1. **Bay Area AQMD | Transportation Fund for Clean Air:** This grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated April 2025 (annual program)

   Maximum Funding Request: $5.5 million per year

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is "surplus," meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet Bay Area AQMD's cost effectiveness criteria to be eligible.

2. **Sonoma County Transportation Authority | Transportation Fund for Clean Air 40 Percent Program:** This annual grant program funds projects which reduce motor vehicle emissions and the quantity of vehicles on the road, including decarbonizing fleets by funding purchase of on-road zero-emission vehicles.

   Deadline: Anticipated March 2025 (annual program)

   Maximum Funding Request: Unknown, but the Authority only had $138,000 in 2024 for grants from the competitive program to which the County is eligible to apply along with other Sonoma County agencies.

   Competitiveness: The County must demonstrate the greenhouse gas emission reduction from the proposed project is "surplus," meaning the County is ahead of regulatory requirements mandating replacement of fleet vehicles. Projects also must meet other criteria to be eligible.

T-CO-11: Create and connect to an interconnected system of Class 1 Bikeways through partnerships, acquisitions, and collaborative efforts.

MEASURE SUMMARY

Measure T-CO-11 will create Class 1 Bikeways for Sonoma County communities through community engagement and completion of landowner agreements for bikeway easements. These bikeways serve as fuel breaks for fires and can avoid 74 tons of CO_2 emissions per mile, while also providing active transportation options for underserved communities. Sonoma Regional Parks is the lead for this measure, but partners with Sonoma County Transportation Authority, Sonoma Public Infrastructure, Ag + Open Space, Petaluma, Sebastopol, Sonoma State University, Sonoma Water, State Parks, Vision Zero coalition, and community groups like the Sonoma County Bicycle Coalition, Santa Rosa Cycling Club, and Redwood Trail Alliance. For community engagement, Regional Parks works with public schools, social service providers, and Latinx organizations to gather input from hard-to-reach populations who benefit most from affordable, active transportation solutions.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Metropolitan Transportation Commission | Transportation Development Act (Article 3):** The Commission receives Transportation Development Act funds from a statewide ¼ cent sales tax. Article 3 of the Act sets aside approximately 2% of those funds for bicycle and pedestrian planning and projects. The Metropolitan Transportation Commission distributes these funds.

   Deadline: Anticipated March 2025 (annual program)

   Maximum Funding Request: Unknown, but a total of $997,000 was available to Sonoma County agencies in the 2024 round.

   Competitiveness: Projects the County can build within three years, for which the County has demonstrated maintenance funds, which are consistent with an adopted plan, and which have been reviewed by local advisory committees will be more competitive.

FY 2025-2026

1. **California Transportation Commission | Active Transportation Program:** The County can apply for this bi-annual program to fund planning for active transportation and can fund planning (including acquisition of easements) and construction of Class 1 Bikeways.

   Deadline: Anticipated June/July 2025 (every two years)

   Maximum Funding Request: No maximum listed, at least $250,000. The 2024-2025 State budget provides approximately $300 million for this program.

   Competitiveness: The County should focus applications on projects which benefit disadvantaged communities, which adds 10 points out of 100 total to the application score. The Commission also awards points for need and safety (38 and 20 points, respectively).

2. **Metropolitan Transportation Commission | Active Transportation Program (Regional):** The County can apply for this bi-annual program to fund planning for active transportation and can fund planning (including acquisition of easements) and construction of Class 1 Bikeways.

   Deadline: Anticipated June/July 2025 (every two years consistent with State program)

   Maximum Funding Request: Unknown.

   Competitiveness: Depends on updated guidelines but should be consistent with State program.

3. **California Transportation Commission | Local Partnership Program:** The Local Partnership Program provides funding for bicycle and pedestrian facilities, local roadways, and transit improvements to counties, cities, districts, and regional transportation agencies in which voters have approved fees or taxes dedicated solely to transportation improvements or that have imposed fees, including uniform developer fees, dedicated solely to transportation improvements (as defined by Government Code Section 8879.67[b]).

   Deadline: The Commission last held a round in 2022 and the next round is anticipated in 2025 as the Commission programs new cycles every two years.

   Maximum Funding Request: $25 million

   Competitiveness: The County must demonstrate the project improves accessibility and connectivity, reduces greenhouse gas emissions, engages the community, and is ready to construct, among other factors, to increase competitiveness.

4. **Metropolitan Transportation Commission | One Bay Area Grant Program (County and Local):** The One Bay Area Grant guides the Commission's distribution of federal transportation funding from the Federal Highway Administration to projects and programs that improve safety, spur economic development, and help the Bay Area meet climate change and air quality improvement goals. The County could apply to the County and Local grant program active transportation projects but needs to review consistent with the Commission guidelines.

   Deadline: TBD (program is offered every four years)

   Maximum Funding Request: Unknown, but the program distributes hundreds of millions of dollars in each cycle.

   Competitiveness: Project which are cost-effective and consistent with local and regional plans will be more competitive.

5. **California State Parks Office of Grants and Local Services | Land and Water Conservation Fund:** This program funds land acquisition activities for new bikeways and protects lands in perpetuity.

   Deadline: June/July 2025

Maximum Funding Request: Up to $6 million; the maximum grant amount cannot exceed 50% of the total project cost. The Land and Water Conservation Fund is a federal fund which was permanently funded by the Great American Outdoors Act of 2020.

Competitiveness: Unknown. More information is needed about potential projects to determine project competitiveness for this program.

W-CO-4: Evaluate and prioritize conservation practice projects on County-owned lands to enhance water resilience and mitigate drought, flood, and debris flows.

SUB-MEASURES

- **W-CO-4.1** Identify and prioritize conservation projects to implement based on expertise from technical advisory committees addressing sea-level rise and inland flooding.
- **W-CO-4.2** Evaluate and prioritize conservation projects based on feasibility, cost effectiveness, and climate hazard priorities.
- **W-CO-4.3** Recommend 10% of priority projects for implementation by 2030 with environmental review, and evaluate feasibility for future implementation of remaining projects.

MEASURE SUMMARY

Measure W-CO-4 will result in the implementation of conservation practices on County-owned lands, such as practices to increase the ability of the landscape to absorb water and manage floodwaters, to increase organic matter in soils and otherwise improve soil health, and to restore riparian corridors to reduce runoff. Part of the County's Climate Plan, the first phase begins with technical advisory committees identifying and prioritizing conservation projects based on their expertise in sea-level rise and inland flooding. The County will then evaluate projects for feasibility, cost-effectiveness, and alignment with climate hazard priorities in W-CO-7.1. By 2030, the County plans to implement at least 10% of these prioritized projects, including planning, permitting, and community engagement. In partnership with Regional Parks, the County also will continuously monitor and evaluate project effectiveness, identify implementation barriers, and adjust as needed, ensuring conservation efforts align with evolving climate conditions and community needs. Partners include with Sonoma Public Infrastructure, Sonoma County Agriculture and Open Space, Permit Sonoma, and Sonoma Water.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **California Ocean Protection Council | Senate Bill 1 Sea Level Rise Adaptation Planning Grant Program: Pre-Planning, Data Collection, and Planning Phases and Implementation Projects Phase:** This program is a rolling, quarterly application with two phases: planning and implementation. The program can support planning activities for compliance with SB 1 to complete a sea level rise adaptation plan to account for and mitigate the risk of sea level rise. Pre-planning includes community visioning and vulnerability assessment, data collection includes data/information gathering, and planning includes the development of a sea level rise adaptation plan or sector-specific adaptation plan. Project implementation includes nature-based and green-grey hybrid adaptation projects, feasibility studies, or design plans.

Deadline: The SB1 Grant Program operates on a rolling, quarterly basis, and proposals can be submitted at any time. All projects must be brought to Council meetings for funding approval and award.

Maximum Funding Request: $1.5 million for planning grants; $10 million for implementation grants

Competitiveness: Projects selected for funding will sufficiently meet the Ocean Protection Council's (OPC's) program priorities and evaluation criteria (e.g., alignment with OPC's Strategic Plan and sea level rise adaption criteria, use of best available science, relative need for sea level rise planning, likelihood of success/effectiveness, equity and environmental justice).

FY 2025-2026

1. **State of California Coastal Conservancy Grants | Multiple Programs:** These programs support all aspects of a project, including planning and implementation, for watershed improvement, wildfire resilience, and forest health.

   Deadline: Rolling pre-application. The Conservancy did not receive any funding in the 2024-2025 State budget for any Conservancy programs. The proposed 2024 climate bond contains $33.5 million for State Coastal Conservancy programs of interest to the County, which would be available in the 2025-2026 fiscal year.

   Maximum Funding Request: TBD

   Competitiveness: Unknown. The County may need to plan additional community engagement work to satisfy the program's emphasis on community support. W-CO-4 aligns well with the State Coastal Conservancy's strategic goals, and both planning and implementation funds are covered.

W-CO-8: Conduct a vulnerability assessment/feasibility study by 2027 for County-owned infrastructure and lands that are at-risk for near term sea-level rise and riverine related flooding and/or erosion to identify protect, accommodate, and/or retreat strategies.

SUB-MEASURES

- **W-CO-8.1** Working with Russian River Regional Monitoring Program and San Francisco Estuarine Institute, develop a new, comprehensive stream and riparian corridor map headwaters to ocean/bay for Sonoma County.
- **W-CO-8.2** Conduct a vulnerability assessment. Assemble one or more working groups, as appropriate, to identify, assess, and guide the prioritization of areas facing repeat sea-level rise hazards and riverine flooding/erosion with expected near-term climate impacts.
- **W-CO-8.3** Develop a plan that includes prioritized strategies to protect, accommodate or retreat that aligns with the County of Sonoma Hazard Mitigation Plan and a five-year implementation plan and the Local Coastal Plan, including environmental review.
- **W-CO-8.4** Secure funding and implement top priority projects.
- **W-CO-8** Present results of the pilot project to the County of Sonoma Board of Supervisors and propose a long-term funding plan for priority projects.
- **W-CO-8.6** Convene partners to develop funding mechanisms to address coastal communities and ecosystems vulnerable to sea-level rise impacts.

MEASURE SUMMARY

Measure W-CO-8 enhances water resilience and mitigates the risk of near-term sea-level rise and riverine related flooding and/or erosion on County-owned infrastructure and lands. Part of the County's Climate Plan, the first phase begins with developing a comprehensive map of waterways. Sonoma County Department of Emergency Management will lead this effort, with support from Sonoma Water, Regional Parks, Sonoma Public Infrastructure, and CARD.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **State of California Ocean Protection Council | Senate Bill 1 Sea Level Rise Adaptation Planning Grant Program | Track 1: Pre-Planning, Data Collection, and Planning Phases:** This program funds projects to help communities prepare for sea level rise along the California Coast and the San Francisco Bay. Track 1 includes funding for community visioning, vulnerability assessments, data gathering, and the development of sea-level rise adaptation plans.

   Deadline: Rolling on quarterly basis. The following interim deadlines are in place to ensure projects can be reviewed and considered for funding in time to be brought to quarterly OPC meetings. Upcoming deadlines include June 28, 2024 and October 4, 2024.

Maximum Funding Request: $1,500,000. In 2022 and 2023, OPC received $37.5 million in Greenhouse Gas Reduction Funds and $54.5 million in General Funds respectively to support the implementation of SB 1, with an additional $10 million anticipated in the 2024-2025 State budget.

Competitiveness: W-CO-8 aligns well with the OPC's strategic goals and this grant would allow the County of Sonoma to plan projects to implement via Track 2 of the grant program (see below), which is slated to begin solicitations in mid-late 2024, subject to availability of funding.

2. **National Fish and Wildlife Foundation & National Oceanic and Atmospheric Administration | National Coastal Resilience Fund:** This program supports nature-based solutions that enhance the resilience of coastal communities and habitat to address increasing threats from storms, sea and lake level changes, flooding, erosion, and other coastal hazards

   Deadline: Anticipated Spring 2025

   Maximum Funding Request: No maximum limit on the award. The program had $140 million in funding for 2024, including $93 million from the Infrastructure Investment and Jobs Act. The agency expects a similar amount to be available in 2025 and 2026.

   Competitiveness: The County's proposed vulnerability assessment/feasibility study is likely competitive because it is prioritized in an existing plan, is based on significant community engagement, and meets other criteria for this grant program.

FY 2025-2026

1. **State of California Coastal Conservancy Grants | Multiple Programs:** This is a rolling pre-application. Most funding in this program supports all aspects of a project, from planning to construction to implementation, for watershed improvement, fire wildfire resilience, and forest health.

   Deadline: Rolling pre-application, but the Conservancy did not receive any funding in the 2024-2025 State budget for any Conservancy program. The proposed 2024 climate bond contains $33.5 million for State Coastal Conservancy programs of interest to the County of Sonoma, which would be available in the 2025-2026 fiscal year.

   Maximum Funding Request: TBD

   Project Competitiveness: Unknown. The County may need to plan additional community engagement work to satisfy the program's emphasis on community support. W-CO-8 aligns well with the State Coastal Conservancy's strategic goals, and both planning and implementation funds are covered.

2. **State of California Ocean Protection Council | Senate Bill 1 Sea Level Rise Adaptation Planning Grant Program | Track 2: Implementation Projects Phase:** This program can fund a wide variety of projects to implement SB 1, helping

communities prepare for sea level rise along the California Coast and the San Francisco Bay. Track 2 includes funding for implementing projects.

Deadline: TBD. Solicitations slated to begin in mid-late 2024, subject to availability of funding.

Maximum Funding Request: $10,000,000.

Competitiveness: W-CO-8 aligns well with the OPC’s strategic goals and this grant would allow the County of Sonoma to implement projects identified in Track 1, the pre-planning, data collection, and planning phase (see above).

WF-CO-5: Implement fire-safe landscape practices, tree care, and protection on County-owned lands.

SUB-MEASURES

- **WF-CO-5.1** Inventory and evaluate existing landscape practices on County-owned lands in wildfire hazard areas by 2026.
- **WF-CO-5.2** Identify and prioritize improved fire-safe landscape practices for County-owned lands in wildfire hazard areas by 2027.
- **WF-CO-5.3** Secure funding and implement projects representative of prioritized fires-safe landscape practices and County-owned lands in wildfire hazard areas by 2030.

MEASURE SUMMARY

Measure WF-CO-5 will inventory and evaluate landscape practices on County-owned lands in wildfire hazard areas by 2026. By 2027, the County will identify and prioritize improved fire-safe practices and will secure implementation funding by 2030. If the County does not increase the resiliency of these lands to wildfires, the County is likely to face direct losses and recovery costs. Due to their proximity to communities, these lands also could worsen the impact on residents and businesses if catastrophic wildfires occur. As climate change progresses, wildfire activity in Sonoma County is expected to rise, with the potential to result in billions in insured losses and extensive health and economic impacts. A report by the Bay Area Council Economic Institute, "The True Cost of Wildfires," cites $9.2 billion in insured losses from the 2017 Tubbs fire, $7.85 billion in health costs from wildfire smoke in 2018, and $24.6 billion in total economic damage.

FUNDING OPPORTUNITIES

FY 2024-2025

1. **Cal Fire | Wildfire Prevention Grant Program | Planning Grant:** This program provides planning funding for wildfire prevention projects and activities in and near wildfire threatened communities.

   Deadline: TBD. Anticipated January 2025

   Maximum Funding Request: TBD. The 2024-2025 State budget allocates $40 million for CalFire's Wildfire Prevention Grant Program.

   Competitiveness: Projects will score well which address hazards and risks from wildfire, are included in a strategic plan, utilize existing community support, and demonstrate previous efforts to reduce greenhouse gas emissions. Competitive projects will benefit disadvantaged communities.

FY 2025-2026

1. **State of California Coastal Conservancy Grants | Multiple Programs:** The Coastal Conservancy funds a wide range of activities to plan, accelerate, and support implementation of land and vegetation management activities to reduce wildfire risk to communities.

Deadline: Rolling pre application

Maximum Funding Request: TBD. The proposed 2024 climate bond contains $33.5 million for the Coastal Conservancy.

Competitiveness: Unknown. The County may need to plan additional community engagement work to satisfy the program's emphasis on community support. WF-CO-5 aligns well with the State Coastal Conservancy's strategic goals, and both planning and implementation funds are covered.

FY 2026-2027

1. **North Coast Resource Partnership | Cal Fire Forest Health Pilot Implementation Project:** This program provides funding for landscape-scale land management projects aimed at restoring forest health and enhancing disaster resilience in California's forests.

   Deadline: TBD. Anticipated August 2026

   Maximum Funding Request: Up to $2 million

   Competitiveness: Depends on specific County projects. Check 2026-2027 guidelines: project evaluation and selection criteria rely on objective regional-scale criteria, partner agency goals and objectives and Leadership Council directed guidelines.

Financing Strategy Approach

For the financing strategy, the team reviewed potential financing mechanisms, such as property-related, utility, and development taxes, fees, and charges. The County has two special district options for implementing those mechanisms, including the recently created climate resilience district, as well as two new innovative financing approaches the build on concepts used for habitat management in California.

Financing options will help the County fund implementation of the Climate Action Comprehensive Action Plan, especially climate action measures which require ongoing funding. These financing options will supplement the County's General Fund investment and State, regional, and federal grants. While financing mechanisms are available to locally fund capital investments and ongoing expenditures, each has specific requirements and key hurdles to overcome. The choice of mechanism will depend on both political considerations and fiscal capacity to raise revenue.

The County may also consider innovative incentive-based financing mechanisms that rely on market-like transactions to fund mitigation of greenhouse gas emissions and carbon sequestration activities. These involve selling credits to other parties such as municipalities and developers to achieve overall regional reduction targets. The County may also wish to consider debt financing for residents and businesses through on-bill financing or direct loans. The County could potentially fund these options through utility taxes or revolving loans.

As an important note, bonds are not incremental new funding—they are usually increased obligations on the existing General Fund.[1] This means the County must repay bonds repayment with funding from another expenditure category in the County budget unless a new tax is levied or an existing one increased to offset the bond payment. Bond financing can be an especially useful tool, however, when there is a need to pay for projects with high up-front costs, and the long-term project benefits will accrue over time as the debt is repaid.

[1] Revenue bonds that rely on new fees or charges for repayment are another means of funding a large upfront investment with a future fiscal stream.

Revenue Raising Mechanisms

Financing options will help the County fund implementation of the Climate Plan, especially climate action measures which require ongoing funding, as well as supplement the County of Sonoma's investments and State, regional, and federal grants. While financing mechanisms are available to locally fund capital investments and ongoing expenditures, each has specific requirements and key hurdles to overcome. The choice of mechanism will depend on both political considerations and fiscal capacity to raise revenue. The following are specific financing mechanisms for the County to consider:

#1: Partner with the Regional Climate Protection Authority (RCPA), which has taxing authority as a Climate Resilience District. Sonoma County has the first Climate Resilience District (CRD) in California, established by the State Legislature and governed by the RCPA. The RCPA can propose different taxes and fees for voter approval to raise revenue for the Climate Resilience District. In 2023, the RCPA examined the feasibility of two tax options – a $52 per parcel per year parcel tax and a ¼ cent sales tax. The parcel tax was estimated to generate $9 million annually, and the sales tax $33 million annually. Funds raised by the RCPA would not be County funds, however they could support measures that are a priority for the County, depending on the specifics of the revenue package approved by the voters.

#2: Implement innovative financing programs tied to direct actions. Building on the County's past groundbreaking implementation of financing options, the County could implement options modeled on successful habitat management programs but not implemented elsewhere before: 1) a working lands carbon mitigation bank program could fund carbon sequestration on natural and working lands by selling credits to other jurisdictions to assist in meeting their climate action plan goals; and 2) a residential retrofit offset reverse auction program could collect emission offset payments from developers to achieve net zero emission levels and then pay contractors through a reverse auction to retrofit low-income housing for electrification.

#3: Expand funding for existing successful community financing mechanisms. The County already has implemented one of the two preferred community financing mechanisms, the Sonoma County Energy Independent Program. The Sonoma County Energy Independence Program has financed $109 million in projects through its revolving loans and is backed by $60 million in bonds. The other preferred mechanism, on-bill financing, is available through Sonoma Clean Power. Along with on-bill financing, the Sonoma Clean Power Authority issues rebates for households and businesses to purchase electrification technologies. There are also incentives offered through the Bay Area Regional Energy Network (BayREN) and Pay As You Save (PAYS) programs from utilities.

Background

This section provides descriptions of incremental financing mechanisms available to the County of Sonoma and summarizes the State and local revenue generation mechanisms commonly used in California to finance infrastructure. Propositions 13, 218, and 26 have imposed significant limitations and procedural requirements on State and local governments' ability to raise revenue.

Different constraints apply to each of these mechanisms, depending on whether they are employed by State, regional, or local government agencies. Consequently, the application of each funding mechanism to different infrastructure needs.[2] The following direct revenue-raising mechanisms are available to the County, cities and associated special districts:

- Assessments
- Property-related fees and charges
- Impact fees
- User fees
- Regulatory charges

In addition to the County's own revenue generation authority, the County could potentially partner with the Regional Climate Protection Authority to explore these and other revenue options for climate resilience districts.

General versus Special Taxes

Taxes (general and special) are charges on real property, sales, and income sources which, historically, are not tied to any particular service or benefit provided by a public agency. The County's General Fund raises revenues through *general taxes*, any tax imposed for general governmental purposes because of voter-approved initiatives. A *special tax* is any tax imposed for specific purposes, including taxes placed into the General Fund for a particular purpose. A new tax earmarked specifically to fund GHG reduction and climate adaptation actions would be considered a special tax. Taxes by special districts are now considered to be special taxes. Importantly, establishing a special tax requires super-majority (two-thirds) voter approval, while general taxes require only majority approval.

Assessments

Assessments refer to any levies or charges imposed on real property by an agency. They include but are not limited to special assessments, benefit assessments, maintenance assessments, and special assessment taxes. Assessments are levied based on the benefits to assessed real property created by a government service or public improvement. Assessments have historically served reclamation districts as the primary tool for local funding of levee improvements and maintenance.

California laws authorize the use of assessment districts for a variety of purposes, with the range of authorized purposes varying by specific enactment. New assessment districts or increases in existing assessments are subject to the limitations of enacted State propositions.

Parcel Taxes

Property-related fees and charges are broadly considered as any fees or charges other than an ad valorem tax (i.e., a tax determined as a proportion of property value), special tax, or assessment that an agency imposes upon a parcel or person as an incidence of property ownership. One example is a parcel tax. Another example is a groundwater augmentation charge collected from overlying property owners.

---

[2] See the Appendix, Funding and Financing, for a summary of specific legal issues and constraints for each category.

A parcel tax is usually an annual tax based on either a flat per-parcel rate or a rate that varies by factors such as parcel size, use, or other physical attributes other than value. A parcel tax can only be imposed as a special tax that designates a specific use for the revenues. This tax avoids the more onerous requirements of Proposition 13 because it is not based on the assessed monetary value of the property, and it is intended to be used for special purposes, not general government functions. However, the constitutionality of parcel taxes has not yet been tested.

Sales and Use Taxes

Local jurisdictions including counties, cities, and countywide transportation agencies often impose sales taxes above the 7.75% statewide tax (CDTFA 2024). The County collects 0.25% in local sales tax rate in its unincorporated areas. A few examples of sales and use taxes include:

- Bay Area Rapid Transit District – 0.5%
- Marin Parks, Open Space, and Sustainable Agriculture Transactions and Use Tax – 0.25%
- Sonoma County Transportation Authority – 0.25%
- Sonoma Marin Area Rail Transit District – 0.25%

Using sales tax revenues for general government purposes requires a majority vote of the electorate. A tax for a specific purpose, such as a transportation district, requires a two-thirds majority. The maximum tax rate allowed is 1% for a single entity and 2% for a rate charge by a combination of entities.

Municipal Impact Fees

Impact fees are charges imposed as a condition of land development (e.g., building permit, rezoning or Conditional Use Permit, or subdivision approval) intended to fund public facilities and services that mitigate the impacts of new development. Common examples include city park and road impact fees. Impact fees are not for general revenue purposes, and they must be based on a reasonable relationship, or "nexus," between the development project and the facility or service to be provided. Municipal impact fees can be adopted by cities or counties. Cities and counties frequently collect impact fees either in implementation of Master Plans for infrastructure such as sewers, water facilities, roads, and levees, or as part of the evaluation of individual development projects, typically in conjunction with the environmental review of a development project.

Special District Options

Community Facility Districts

One legislative response to Proposition 13 was to create the authority for a flexible tool designed to facilitate financing for capital improvements and maintenance of certain services. This strategy relies on self-imposed taxes (in contrast to impact fees, charges, or assessments). Special taxes are frequently used in conjunction with new development to finance infrastructure and maintenance through the Mello-Roos Community Facilities Act of 1982 (CFA). CFA special taxes could be used to pay for building and maintain infrastructure related to either emission reductions or climate resilience within a Mello-Roos Community Facilities District (CFD). These taxes are imposed to pay for services or capital facilities and are typically several years in duration, in contrast to impact fees, which are one-time, up-front impositions typically used to fund capital facilities.

Since the developer controls the voting power as the sole property owner in the district at the district's creation, special taxes are frequently used as a source of repayment for land-secured bond financing of public facilities in new development. The special tax obligations are then assumed by future property owners (e.g., buyers of homes in a new home subdivision where public infrastructure was financed) within the Mello-Roos CFD. Notably, CFA special taxes are not limited by the rigors of the benefit analysis (assessments), nexus (impact fees), or reasonableness (user charges), which provides flexibility in structuring levies to be most appealing to the affected voters; however, these special taxes could be repealed by voters in future years under certain circumstances. A limitation of Mello-Roos CFDs (and special taxes in general) is the super-majority voter approval required for establishment, which can be difficult to obtain in areas where many different property owners with divergent interests must agree to tax themselves.

Regional Climate Protection Authority Climate Resilience District

Senate Bill 852 (2022), which allows the formation of a special district to address local issues related to climate change mitigation, adaptation, and resilience, created climate resilience districts. The legislation deemed the RCPA a climate resilience district and granted RCPA all of the powers available to such a district, except that the RCPA may not use any tax increment revenue unless it complies with the requirements for receiving and using tax increment revenue applicable to a new climate resilience district.

A climate resilience district is a form of an Enhanced Infrastructure Financing District (EIFD) with extra financing power and a more limited purpose. However, a climate resilience district can fund both capital investments and operating expenses, while an EIFD is restricted to only capital expenses. A climate resilience district must prioritize natural infrastructure and under-resourced communities, seek input from communities, and employ a trained workforce.

The RCPA staff identified revenue options available at the municipal, regional, and State levels.[3] However, some of these options may not be available to climate resilience districts like RCPA although the statute does not delimit sources as is common for other special districts. These options generally are available to the cities in the district.

The following table summarizes the revenue options identified and indicates which levels of government are authorized to establish the mechanism. Three revenue options are specifically available to the RCPA: a parcel tax, a sales tax, and a vehicle license fee.

[3] Revenue Options Presentation, RCPA Board of Directors Agenda, April 12, 2023

Revenue Type	Municipal	Regional	State
Business license fee	X		
Developer fees	X		
Excise tax			X
Gas tax*		X	X
General obligation bond	X		X
Gross receipts tax	X		
Income tax			X
Mello Roos	X		
Parcel tax (1)	X	X	
Polluter/carbon tax			X
Recycling fee			X
Retail tax	X		
Sales tax (2)	X	X	X
Tax Increment Financing	X		
Tipping Fee	X		
Transient Occupancy Tax	X		
Utility tax	X		
Vehicle license fee (3)		X	
VMT tax			X

* Bay Area Region only

RCPA Revenue Options

1) **Parcel Tax:** Collected as either a flat, per-parcel rate or a rate that varies based on other factors, such as parcel size, use or other physical attributes. **Sample**: SF Bay Restoration $12/year on 174,553 taxable parcels (out of 187,933) in Sonoma Co. for $2.09M annually.
2) **Sales Tax:** Collected as a transactions and use tax on certain goods usually established at 1/8%, 1/4% or 1/2%. A cap is in place limiting how high local sales taxes can be. **Sample**: Go Sonoma 1/4% for transportation = approximately $33M annually.
3) **Vehicle License Fee:** Collected annually on each registered vehicle. Limited to transportation related projects. **Sample**: SCTA has authority for up to $10/vehicle/year. Sonoma Co. has approximately 500k vehicles = $5M annually.

Innovative Financing Through Mitigation Payments

Two other financing methods could potentially be used to pay for specific actions with potentially large emission reductions. This concept can be extended to other actions as well. Both would require additional analysis.

Working Lands Carbon Mitigation Bank Program

Unincorporated Sonoma County is largely agricultural, with a few small communities. Most of that agricultural land is intensively farmed, much of it irrigated. This situation presents the opportunity to sequester large amounts of carbon relative to the total greenhouse gas emissions from all County activities. In other words, the County can approach a level of net-zero emissions with a surplus available to share with other jurisdictions, particularly with those in Sonoma County.

Since the County is already planning to use this sequestration strategy to meet its own emission reduction goals, these reductions will be real, additional, and verifiable, meeting the gold standard for use as credits by other jurisdictions. The County has a strong incentive to ensure these reductions are of sufficient quality to meet its own targets, which should make these attractive to other jurisdictions, unlike other credits offered in the marketplace.

The County would establish a Carbon Mitigation Bank using a similar framework to habitat conservation mitigation banks.[4] The County would establish the parameters that achieve the requisite carbon sequestration and then collect in-lieu fees to cover the costs of the bank's

[4] See CDFW, Conservation and Mitigation Banks Established in California by CDFW, https://wildlife.ca.gov/Conservation/Planning/Banking/Approved-Banks. Several conservation banks exist in Sonoma County – see https://biologistshandbook.com/natural-communities/conservation-and-mitigation-banks/

expenses. By expanding the number of jurisdictions contributing and receiving coverage, overall carbon emissions can be reduced more cost-effectively.

Sequestration from working lands will be achieved at a lower cost than most alternatives. For this reason, the County can use its surplus to finance much of its share of the sequestration program by offering it to cities in the County at a margin above the implementation cost sufficient to cover the County's share of the costs as well. For example, it may cost $50 per CO_2e ton sequestered, and the County may use only half of the potential sequestration to meet its own target. The County could then offer its surplus credits to the other jurisdictions at $100 per ton, which is likely less than the cost of additional reductions elsewhere, to cover the full program costs.

Residential Retrofit Offset Reverse Auction Program

In Sonoma County, most stationary emissions will continue to come from the existing buildings. On the other hand, achieving zero net energy (ZNE) or zero net carbon (ZNC) for new developments can be cost prohibitive, particularly if incremental transportation emissions are included. The Residential Retrofit Offset Reverse Auction Program (Retrofit Program) aims to balance emission reductions from both new and existing buildings s to lower overall costs, encourage new construction that is more energy efficient, and incentivize a broader energy efficiency marketplace for retrofitting existing buildings.

The program could collect carbon offset mitigation fees from project developers who cannot meet ZNE or ZNC standards using current technologies and measures. The County would then identify eligible low-income residential buildings to receive energy efficiency and electrification retrofits. Contractors would be invited to bid on the number of buildings they could retrofit for a specified budget.

The approach proposed here is modeled on the Audubon Society's and The Nature Conservancy's *BirdReturns Program*.[5] That program contracts with rice growers in the Sacramento Valley to provide wetlands in the Pacific Flyway. It asks growers to offer a specified amount of acreage with given characteristics for a set price.

A key impediment to further adoption of energy efficiency measures and appliances is that contractors do not have a strong incentive to "upsell" these measures and products to consumers. In general, contractors pass through most of the hardware costs with little markup; their profits are made on the installation and service labor. In addition, contractors are often asked by homeowners and landlords to provide the "cheapest" alternative measured in initial purchase costs without regard to energy savings or long-term expenditures.

The Retrofit Program Concept is intended to change the decision point for contractors to encourage homeowners and landlords to implement upgrades that would create homes and buildings that are more energy efficient. Contractors would bid to install a certain number of measures and appliances that exceed State and local efficiency standards in exchange for payments from the Retrofit Program. The amount of GHG reductions associated with each type of measure and appliance would be predetermined based on a range of building types (e.g., single-family residential by floor-size category, number of floors, and year built). The contractors can use the funds to either provide incentives to consumers or retain those funds for their own internal use, including increased profits. Contractors may choose to provide more

---

[5] See https://birdreturns.org/

information to consumers on the benefits of improved energy efficiency as a means of increasing sales. Contractors would then be compensated from the Offset Program fund upon showing proof the measures and appliances were installed. The County Building Services Department would confirm the installation of these measures in the normal course of its permit review work.

Funds for the Retrofit Program would be collected as part of an ordinance for new building standards to achieve the no-net increase in GHG emissions. It also could be included as a mitigation measure for projects falling under the purview of the California Environmental Quality Act (CEQA.)

The Retrofit Program would be financed by mitigation payments made by building developers to achieve a no-net increase in GHG emissions. Buildings would be required to meet the lowest achievable GHG emission levels, but then would pay to mitigate any remainders, including for transportation, charged at the current State Cap and Trade Program auction price for an extended collection of annual allowances[6] that cover emissions for the expected life of the building (e.g., 40 years) (CARB 2024).

Resident and Business Debt Financing

Two of the most effective means of financing emission mitigation and climate adaptation measures adopted by residents and businesses are (1) property-related revolving loans and (2) on-bill financing through utility services billing. Sonoma County has already implemented both of these, one through the County and the other through Sonoma Clean Power Authority.

A possible option is to increase the available credit authority to expand the loan program or to supplement SCP's various subsidies (described below). Funds from the RCPA's CRD could be one source. Another source could be the Residential Retrofit Offset Reverse Auction Program.

Direct Loans through the Sonoma County Energy Independence Program

The County established the Sonoma County Energy Independence Program (SCEIP) modeled on the national Property Assessed Clear Energy (PACE) programs.[7] As of June 30, 2024, the Program has cumulatively funded over $109 million dollars in residential and commercial property improvements. Another $60 million in bonds have been authorized for further finance more savings.

This County-administered, public service program provides financing and education services community-wide, without profit, to assist in meeting the County's greenhouse gas emission reduction goals, and to promote community resilience to drought, earthquakes, and wildfires. The Program makes financing available to a property owner by placing an assessment on the property, which is used to fund eligible property improvements and then paid back through property taxes over 10 or 20 years with a fixed interest rate. Financing is available to both residential and non-residential property owners with a minimum assessment amount of $2,500. The amount available for financing is based on the value of the property.

Through the installation of building improvements, the County has eliminated over 127,770 metric tons of carbon dioxide and created or retained over 1,910 jobs. In calendar year 2022,

---

[6] Referred to as a "strip" in the finance industry.

[7] County of Sonoma, Board of Supervisors Agenda Item Summary Report, 2023-0184, March 14, 2023.

the program funded 119 residential assessments for a total of $4,897,150 and five commercial assessments totaling $1,075,858.