Delivering a Successful Climate Bond

Requirements & Best Practices to Implement Proposition 4

CLIMATE BOND

PROP 4 · 2024

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STATE OF CALIFORNIA

California Natural Resources Agency
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IMPORTANT NOTE ABOUT THIS GUIDE

THIS GUIDE HAS BEEN PREPARED AS A RESOURCE FOR STATE DEPARTMENT
STAFF WHEN IMPLEMENTING CLIMATE BOND PROGRAMS. IT CONTAINS
GENERAL INFORMATION AND IS NOT A CLIMATE BOND PROGRAM
GUIDELINE OR REGULATION THAT ESTABLISHES SELECTION CRITERIA FOR
HOW FUNDS ARE DISBURSED. THIS RESOURCE SHOULD BE CONSIDERED
EVERGREEN AND MAY BE UPDATED PERIODICALLY.

OVERVIEW

In November 2024, California voters approved a $10 billion General Obligation Bond called the *Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024*. It is also commonly known as the "Climate Bond." This bond allocates $10 billion across state agencies to confront climate change, protect California communities and nature from its impacts, and improve the lives of Californians. State agencies, in turn, provide this funding to a broad range of entities to implement projects across our state.

The California Natural Resources Agency (CNRA) is the Administrator of this bond, responsible for the bond accountability, oversight, and reporting activities. Our agency also includes a range of departments, conservancies and commissions that are charged with implementing climate bond programs. CNRA is committed to maximizing the positive impact of this bond by building upon the successful implementation of previous bonds to improve how we fund projects and administer programs.

CNRA entities implementing the Climate Bond have come together to establish principles to ensure that projects and programs are efficient, accessible, and impactful. Key principles:

- Deliver funding in a strategic and focused way to help meet the state's key climate goals and complementary priorities.
- Develop and implement bond funding programs in a transparent way in partnership with groups that utilize this funding.
- Support historically underinvested communities, many of which are most vulnerable to climate impacts.
- Maintain momentum and build on California's climate progress.

PURPOSE OF THIS GUIDE

This guide encompasses bond **requirements** for CNRA departments. It also includes specific requirements that apply to all agencies across state government (such as fiscal and administrative requirements). These administrative-wide requirements are noted below in each section.

This guide also includes **recommended best practices** for CNRA departments based on experience and public input. The guide provides direction and resources to enable incorporation of these best practices into grant programs and projects. All CNRA departments should strive to implement these practices wherever possible.

The Climate Bond allocates funds for many purposes that are administered in a variety of ways, such as through competitive or directed local assistance grant programs, as capital outlay projects, or as funding for state staff doing work on state lands. The requirements and best practices in this guide are primarily focused on programs that administer local assistance grants because most bond allocations will be delivered in that way. For departments administering projects or activities that are not local assistance grants, there is no expectation to build in additional processes or tasks that are not practical or applicable. For example, bond funds used for deferred maintenance projects on state lands would not need to develop grant guidelines or run a grant solicitation process. However, the selection and design of projects could still incorporate climate benefits or help to advance state policy objectives.

Requirements and practices in this guide do not replace or supersede specific requirements in the Climate Bond. Departments must carefully review the language of the Climate Bond and all applicable sections within the bond that impact their programs. Requirements within the Climate Bond may narrow or expand direction shared in this document. Likewise, this guide does not supersede departments' existing authorities and existing requirements on the use of general obligation bond funds.

The remainder of this guide provides a checklist of requirements and best practices for bond programs under seven categories. Each of these categories is discussed in greater detail later in the document.

1. Simplify funding pathways.
2. Ensure community input and transparency.
3. Utilize common definitions and methodologies.
4. Use consistent approaches to administer bond programs.
5. Align programs with the State's established priorities.
6. Collaborate across programs.
7. Fulfill all bond accountability and project reporting requirements.

REQUIREMENTS LIST

CNRA departments, conservancies, and commissions that implement Climate Bond programs are required to complete all actions listed below. A subset of these requirements applies to all bond programs beyond CNRA across the Administration, as established by CNRA as the Bond Administrator. These requirements that apply to all state agencies' bond programs are highlighted by the notation: "**Required for All State Agencies' Programs**."

1. Simplify Funding Pathways

☐ **Use clear language:** Use clear, concise, and plain language to describe program guidelines, and requirements for bond program applicants.

☐ **Enable Efficient Application Process**: Use a "two-step process" and/or a "rolling process" to invite applications for competitive grant programs. In the two-step process, the first step involves grant applicants sharing a short "pre-proposal" or "concept proposal." The second step involves submitting a longer full proposal for those projects that have been identified as holding potential for program funding. A rolling process allows applicants to submit applications at any point (not confined to an application period) and is usually accompanied by a two-step process and significant staff interaction with applicants.

☐ **Provide Staff Assistance**: Ensure program staff can assist potential applicants with their specific program and process-related questions. Ensure this assistance is publicized and available in ways that applicants can utilize.

☐ **Use Shared Application Portal:** Use one shared web-based portal to submit applications for all Climate Bond programs within CNRA. This provides a one-stop shop submittal for applicants across many programs, which intends to broaden access to funding opportunities and simplify the application process. [*This requirement will come into effect once built. It is under development by CNRA and not yet available*.]

2. Ensure Community Input and Transparency

☐ **Enable Community Input**: Seek public input to develop bond program guidelines, including inviting feedback on written draft program guidelines. Provide many ways to provide this input. Once the bond program is underway, invite feedback from grantees to adapt and improve the program over time.

☐ **Seek Tribal Consultation**: Seek tribal consultations when establishing or updating bond program guidance.

☐ **Share Timely Information on Climate Bond Website**: CNRA maintains a website that provides one-stop information on the Climate Bond and all its programs. Provide timely information on programs to this website to ensure external partners have updated information on the program.

☐ **Communicate Funding Opportunities**: Share timely and accurate information about bond program opportunities using the Department's communication channels. Share this information with CNRA to amplify through its agency-wide channels. Utilize shared Climate Bond logo on public notices.

☐ **Report on State Library Grants Portal**: Share and update program information to the State Library Grants Portal in a timely and accurate manner, as required by statute. This ensures all Climate Bond programs are visible on this statewide [website](#).

3. Use Common Definitions and Methodologies

☐ **Utilize Common Method to Determine Meaningful & Direct Benefits for Disadvantaged Communities (DAC), Severely Disadvantaged Communities (SDAC), and Vulnerable Populations.** Use common CNRA-approved framework to calculate the bond's requirement that at least 40% of overall bond funds are allocated to projects that provide direct and meaningful benefits to DACs, SDACs, and vulnerable populations. **Required for All State Agencies' Bond Programs**

☐ **Identify Climate Benefits with Common Framework**: Use CNRA-approved framework to identify and report climate change-related benefits of funded projects.

4. Use Consistent Approaches to Administer Bond Programs

☐ **Enable Indirect Cost Rate**: Allow for the reimbursement of grantee indirect costs (IDC) as an eligible cost. Use the IDC rate options listed in the bond statute for determining allowed reimbursement percentage.

☐ **Allow Advance Payments to Grantees**: Provide advanced payments of bond funding, if allowed and requested by a grantee. Implement advanced pay in a manner that meets grantee needs, improves program efficiencies, and limits risk to state funds.

☐ **Require Location Data:** Require that grantees provide their project's location and spatial data through the Resources Agency Project and Tracking System (RAPTR). For property acquisitions and conservation easement projects, which count towards the state's 30x30 initiative, programs will pay for and require grantees to provide spatial data to the California Protected Areas Database and/or the

California Conservation Easement Database. Exceptions may be made to protect sensitive tribal data or other sensitive information.

☐ **Prioritize Utilizing California Conservation Corps (CCC)**: Include language within guidelines prioritizing the use of services from the California Conservation Corps or certified community conservation corps, or tribal corps, where applicable. Use the CCC consultation process to request their services, as described in this link: *CCCs Consultation Process*.

☐ **Communicate About Bond Projects**. Include language within guidelines and grant agreements requiring grantees to establish project signage and issue a press release and/or a short video to highlight the bond funded project and share with granting department.

☐ **Work Respectfully with Tribes**. Use consistent principles and language regarding limited wavers of sovereign immunity if required in bond programs. Collaborate with tribes to protect sensitive tribal data and promote tribal data sovereignty. Utilize the CNRA Tribal Grant Guidance as a resource for best practices when granting funds to tribes.

☐ **Build Staff Capacities.** Provide opportunities for staff development, in areas such as facilitation, program management, tribal consultation, implicit bias, and cultural humility.

5. Align programs with the State's Established Priorities.

☐ **Advance Strategic Goals**. Identify in bond program guidelines existing state laws, strategies, and targets on climate change or other key priorities that are relevant to that bond program. For example, reference specific state strategies that are advanced by the types of projects primarily funded by the program.

☐ **Follow Agency Policies.** Deliver programs that follow CNRA's Tribal Consultation Policy, Tribal Stewardship Policy, and the Equity and Environmental Justice Policy. [*These policies are under development and will be posted when final to the CNRA website*.] Aligning bond programs with these policies will support communities most vulnerable to climate change impacts and help to ensure the bond delivers climate benefits for all Californians.

6. Collaborate Across Programs.

☐ **Coordinate Across Programs to Reduce Grantee Burdens:** Identify complementary Climate Bond programs across our agency and coordinate with these programs to streamline and align processes to reduce administrative burdens

for grantees managing multiple grants.

☐ **Work with Other Bond Programs to Broaden Impact**: Align program funding where possible across bond programs to achieve projects or outcomes that are not possible within a single program. Collaborate in creative ways to achieve transformative, multi-benefit outcomes.

☐ **Build Communities of Practice:** Empower staff to collaborate within subject-matter peer groups to share best practices, develop standard templates and processes, and align administrative policy to make access to funding more consistent across departments. Share these learnings and improvements broadly across the agency and with external partners.

7. Fulfill all Bond Accountability and Project Reporting Requirements

☐ **Report through Agency Bonds Consolidated Reporting System (ABCRS) & Allocation Management.** Report all program and project-level information through ABCRS. Provide timely responses to the Statewide Bond Accountability team regarding cash projection surveys, allocation balance requests, and other requests. **Required by All State Agencies' Bond Programs**

☐ **Report Project Information to the Resources Agency Project Tracking and Reporting (RAPTR) System.** Report accurate information for completed projects to track the benefits and outcomes of funded projects toward state goals.

CLIMATE BOND IMPLEMENTATION GUIDE: REQUIREMENTS & RECOMMENDED PRACTICES

This section expands on the check-list categories and **requirements** presented in the previous section and provides additional key points and best practices.

1. SIMPLIFY FUNDING PATHWAYS

☐ **Use clear language**: Use clear, concise, and plain language to describe program guidelines and requirements for bond program applicants.

- o Write all materials and information in a way that the public will understand. Avoid jargon and spell out acronyms. Use executive summaries and bullet points wherever possible.

- o In all public facing materials use plain language that a person can understand the first time they read it and make materials digital friendly, especially for viewing on a mobile phone.

☐ **Enable Efficient Application Process:** Use a "two-step process" and/or a "rolling process" to invite applications for competitive grant programs. In the two-step process, the first step involves grant applicants sharing a short "pre-proposal" or "concept proposal." The second step involves submitting a longer full proposal for those projects that have been identified as holding potential for program funding. A rolling process allows applicants to submit applications at any point (not confined to an application period) and is usually accompanied by a two-step process and significant staff interaction with applicants.

- o Programs can broaden access to critical state funding to disadvantaged communities, severely disadvantaged communities, and vulnerable populations, including California Native American tribes, by designing programs that are simpler to navigate.

- o Simplifying grant solicitation is responsive to external partner feedback by recognizing the upfront workload, time, and capacity it takes to deliver complex, full proposals by hard set deadlines, often where funding is limited and the likelihood for a grant award is extremely competitive.

- o Programs should limit information requested in applications to only that which is needed and directly useful for consideration in grant reviews. Ensure conciseness of

requested information.

- o Consider the time and capacity needs of applicants when designing programs. If programs include steps such as applicant interviews or site visits, be clear about the expectations and their weight within the project's overall evaluation. Give sufficient lead time for applicants to prepare. Some organizations, and their community supporters, may have fewer resources or less time available to host state partners than larger organizations may have.

- o If the applicant is serving as a fiscal sponsor for a lesser-capacity organization, be clear about project contacts so that project questions are directed to the right representative. A fiscal sponsor may be able to help with administrative-focused questions related to the grant received but may not be the best representative to answer questions about the project's benefits and importance for the community.

- o It may not be feasible for programs to use a two-step or rolling process for block grant or directed grant structures, but all programs should commit to simplifying process steps where possible.

- ☐ **Provide Staff Assistance**: Ensure program staff can assist potential applicants with their specific program and process-related questions. Ensure this assistance is publicized and available in ways that applicants can utilize.

- o Staff should assist applicants, or use a third-party provider, to help applicants navigate program steps and understand program requirements and priorities. Offer assistance early in the process, and during clearly communicated timeframes, so that potential applicants can use feedback received before a formal application deadline occurs. For example, grant teams could offer the following:
  - Host multiple workshops, including virtual or hybrid options, to walk potential applicants through the grant solicitation. Consider holding some workshops after 5:30 pm to allow people to attend after work hours.
  - Have presentations recorded and posted online.
  - Share clear information on how people can connect with the grant team if they have questions.
  - Host open office hours for people to attend and ask questions.
  - Offer training in the use of tools or grant administration/management requirements for applicants or new grantees.
  - Create and update Frequently Asked Questions documents that can be found online.

- ☐ **Use Shared Application Portal:** Use one shared web-based portal to submit applications for all Climate Bond programs within CNRA. This provides a one-stop submittal for applicants across many programs, which intends to broaden access to funding opportunities and simplify the application process. [*This requirement will come*

into effect once built. It is under development by CNRA and not yet available.]

- When built, the portal will collect concise project information from potential applicants and use technology to match the project concept with relevant and active program opportunities. Project information can then be matched and shared with applicable programs. Common applicant information could be submitted and saved, reducing redundancy. As envisioned, the portal will reduce the administrative workload of both applicant and funder and deliver process efficiency through digitization and technology. Department programs will have access to all projects, enabling opportunities for greater collaboration. Programs should track progress of this effort and engage when required.

2. ENSURE COMMUNITY INPUT and TRANSPARENCY

☐ **Enable Community Input**: Seek public input to develop bond program guidelines, including inviting feedback on written draft program guidelines. Provide many ways to share this input. Once the program is underway, invite feedback from grantees to adapt and improve the program over time.

- CNRA recommends departments provide 90 days for input on draft grant guidelines for new programs or significant revisions to existing programs. This allows time for tribal consultation, and for community-based organizations or lesser-capacity organizations, to provide comments that reflect their priorities and needs. Further, departments should host at least two tribal roundtable discussions on the draft grant guidelines as best practice.

- Give advanced notice of meetings (ideally at least 10 business days). Hold in-person meetings in trusted and accessible locations, with options at times convenient for working individuals.

- Review and attend trainings on the [RUBIN Race and Equity-Focused Engagement Model](#) to gain knowledge and skills about outreach and community engagement tools and methods.

- Additional recommendations and best practices to ensure community input, access, and transparency will be shared in a forthcoming guide, "Making Funding Available for All."

☐ **Seek Tribal Consultation**: Seek tribal consultations when establishing or updating bond program guidelines.

- o Ensure opportunities for early, often, and meaningful tribal consultation on guidelines and grant awards.

- o CNRA engaged in consultation with various California Native American tribes and hosted two tribal roundtables to inform the development of this Climate Bond Implementation Guide and its requirements and practices. These consultations should be considered as early consultation that informs the development of all Climate Bond programs. However, tribes have further iterated in early consultation that tribes should be consulted on the development and updating of specific program grant guidelines.

- o Departments should carefully develop their timelines to ensure early, often, and meaningful tribal consultations on the creation and updating of grant programs and guidelines. For more information, CNRA has developed an appendix to the Agency's Tribal Consultation Policy discussing best practices for early, often, and meaningful tribal consultation. More information can be found on the CNRA website at https://resources.ca.gov/Initiatives/Tribalaffairs/TribalConsultation.

- ☐ **Share Timely Information on Climate Bond Website**: CNRA maintains a website that provides one-stop information on the Climate Bond and all its programs. Provide timely information on programs to this website to ensure external partners have updated information on the program.

- ☐ **Communicate Funding Opportunities**: Share timely and accurate information about bond program opportunities using the Department's communication channels. Share this information with CNRA to amplify through its agency-wide channels. Utilize shared Climate Bond logo on public notices.

  - o Programs should do targeted outreach to California Native American tribes and community leaders and members representing disadvantaged communities, severely disadvantaged communities, and vulnerable populations to meet the priorities of the Climate Bond. This outreach should happen on the day of or closely after the grant solicitation has been announced. Program staff should prepare a targeted outreach contact list to facilitate this and have a communication plan in place before a solicitation for projects is released.

- ☐ **Report on State Library Grants Portal**: Share and update program information to the State Library Grants Portal in a timely and accurate manner, as required by statute. This ensures all Climate Bond programs are visible on this statewide website.

  - o The State Library Grants Portal delivers grant program information about available funding opportunities to potential applicants. All CNRA programs should share accurate and timely grant opportunity information, as required.

- The State Library Grants Portal allows advertisement of "forecasted" grant opportunities. Providing this advanced notice of upcoming opportunities is also encouraged.

3. USE COMMON DEFINITIONS and METHODOLOGIES

☐ **Utilize Common Method to Determine Meaningful & Direct Benefits for Disadvantaged Communities (DAC), Severely Disadvantaged Communities (SDAC), and Vulnerable Populations.** Use common CNRA-approved framework to calculate the bond's requirement that at least 40% of overall bond funds are allocated to projects that provide direct and meaningful benefits to DACs, SDACs, and vulnerable populations. **Required by All State Agencies' Programs**

Meaningful & Direct Benefits. PRC § 90140: At least 40 percent of the total funds available pursuant to this division shall be allocated for projects that provide meaningful and direct benefits to vulnerable populations or disadvantaged communities. At least 10 percent of the total funds available pursuant to this division shall be allocated for projects that provide meaningful and direct benefits to severely disadvantaged communities.

- As the Bond Administrator, CNRA is tasked with tracking progress toward meeting the statutory requirement. All state agencies with Climate Bond funds are required to use the **Meaningful & Direct Benefits Assessment for the Climate Bond** to determine whether a funded project can be counted toward the required target to ensure consistency in approach across programs.

- All state agencies with Climate Bond funds are required to specify the projects that provide meaningful and direct benefits to disadvantaged communities, severely disadvantaged communities, and vulnerable populations when reporting program and project information in the Agency Bonds Consolidated Reporting System (ABCRS).

- CNRA may require state agencies with Climate Bond funds to commit to a program percentage target from their allocated bond funds to ensure the 40 percent target is reached. CNRA will monitor progress toward meeting the overall requirement and will work with departments to set program targets annually, if necessary.

- CNRA encourages departments to go beyond the requirement wherever possible. To help exceed this requirement, departments should consider whether they are authorized to create set-asides within funding rounds for tribal governments, and severely disadvantaged communities within programs.

Refer to: **MEANINGFUL & DIRECT BENEFITS ASSESSMENT FOR THE CLIMATE BOND**

☐ **Identify Climate Benefits with Common Framework**: Use CNRA-approved framework to identify and report climate change-related benefits of funded projects.

o   Best practices for ensuring Climate Bond investments deliver climate benefits for Californians are included in the Climate Benefits Guide. Requirements that facilitate climate benefit tracking and reporting are listed in the "Reporting" section below. Detailed guidance and resources to support programs' administration can be found in the **CLIMATE BENEFITS GUIDE.**

- New Program and Grant Guidelines Development: If an existing program does not already do so, programs are encouraged to implement California's climate change goals and California's Nature-Based Solutions (NBS) Climate Targets through eligibility requirements and project scoring where appropriate.

- Pre-Application: If an existing pre-application process does not already do so, ask applicants or non-competitive fund managers to identify whether the proposed project will deliver a climate benefit. Track the number of projects without climate benefits that move to application phase.

- Application: If an existing application does not already do so, ask applicants to identify how their proposed project will deliver a climate benefit. Track the number of projects without climate benefits that are awarded bond funds.

4. USE CONSISTENT APPROACHES TO ADMINISTER BOND PROGRAMS.

The Climate Bond includes general provisions related to eligibility requirements, priorities, and administrative practice. This section presents CNRA requirements (marked with a checkbox) and/or recommended practices related to the general provisions, along with other practices that can build better consistency across bond programs.

Eligible Applicant. PRC § 90110: An eligible applicant under this division is a public agency, local agency, nonprofit organization, special district, joint powers authority, tribe, public utility, local publicly owned utility, or mutual water company.

o   Eligible applicants may be further limited by enabling legislation of an administering agency's program or by special sections of the bond itself.

Planning, Monitoring, & Reporting. PRC § 90050(c): Projects funded pursuant to this division shall, where appropriate, include the planning, monitoring, and reporting necessary to ensure successful implementation of this division's objectives.

o The costs associated with planning, monitoring and outcomes reporting for a specific project should be considered an eligible cost component of a funded project.

o Stand-alone planning projects are an eligible use of bond funds if they are intended to result in the potential implementation of a capital project or projects.

o Programs should prioritize funds for implementation projects where the planning has been funded in a prior round.

o Programs may also consider, where feasible, awards for phased projects that fund both the pre-construction/planning costs and implementation under one agreement, or by setting aside funds for future implementation of funded plans. This can reduce overall project costs by creating more seamless timelines and by reducing the administrative burden for grantees having to apply and secure funding for each phase of a project.

o Programs should note that Proposition 4 does not include an additional percentage allowance that can be used to augment a department's support costs for planning and monitoring activities like in previous bonds. Department support costs for planning and monitoring activities will need to be absorbed within the program delivery allowance.

Leveraging. PRC § 90050(a): In expending funds pursuant to this division, an administering state agency shall give priority to projects that leverage private, federal, and local funding or produce the greatest public benefit.

o Program evaluation criteria should prioritize projects for awards that demonstrate private, federal and/or local in-kind services or cost share funding, and/or that demonstrate strong need and the potential to deliver tangible public benefit outcomes.

   Programs may build this prioritization into its evaluation criteria for selecting projects, with or without a requirement to track match in grant administration.

☐ **Enable Indirect Cost Rate.** Allow for the reimbursement of grantee indirect costs (IDC) as an eligible cost. Use the IDC rate options listed in the bond statute to determine allowed reimbursement percentage.

IDC. PRC § 90133**:** For grants awarded for projects under this division, the administering agency may, when awarding a grant, reimburse the grantee's indirect costs. When reimbursing a grantee for indirect costs, the administering agency shall apply one of the following rates as requested by the grantee:
(a) The grantee's negotiated indirect cost rate, pursuant to its negotiated indirect cost rate agreement.
(b) The de minimis indirect cost rate specified in Part 200 of Title 2 of the Code of Federal Regulations.
(c) A rate negotiated by the grantee with another state agency within the last five years.

(d) A rate proposed by the grantee in the grantee's program application with the administering state agency if the grantee does not have an existing state rate.

o All programs should allow reimbursement of grantee IDC rate using the statute's options, rather than using a default across-the-board capped rate (i.e., 10%).

o Where possible, and as requested, allow for higher IDC rates for vulnerable, disadvantaged, and severely disadvantaged grantees to support capacity building, workforce development, and equity.

o Although the statute states that the administering agency may, *when awarding* a grant, reimburse the grantee's indirect costs – the requested IDC should be included as a part of the grant application to be able to review it in context of the project's scope and budget.

o Program administrators should strive to develop consistent, set practices for approving, applying and managing grants using varied IDC rates. CNRA will continue to convene a grant administration peer group to work toward a standard approach for IDC (among other administrative processes) to share and apply across Climate Bond programs.

☐ **Allow Advance Payments to Grantees**. Provide advanced payments of bond funding, if allowed and requested by a grantee. Implement advanced pay in a manner that meets grantee needs, improves program efficiencies, and limits risk to state funds.

Advance Payments. PRC § 90130**:** For grants awarded for projects under this division, the administering agency may provide advanced payments in the amount of 25 percent of the grant award to the recipient, including state-related entities, to initiate the project in a timely manner. The administering agency shall adopt additional requirements for the recipient of the grant regarding the use of the advance payments to ensure that the moneys are used properly.

o Departments should allow advances within an established program protocol that ensures safeguards and proper management of funds.

o Programs should develop advance pay in a way that addresses the recipient's ongoing cashflow needs and prioritizes administrative efficiencies. This can include allowing advance pay for organizations with varying degrees of administrative capacity. Programs may also support reimbursement and advance pay options for the same grant, as may be deemed necessary for efficient implementation of the project.

o Allowable advances need not be limited to underserved organizations.

- The department should require protocols for safeguarding advanced funds, such as, requiring the grantee to deposit advances into a federally insured account; to hold advanced funds in a separate account in the grantee's name; and/or to track and report on interest earned.

- Although PRC § 90130 states that the administering agency may advance funds to other state-related entities, funds advanced to another state entity are not considered spent by the IRS and may result in arbitrage if funds are earning interest at a rate higher than the bond. Therefore, advanced payments to state agencies are not advised and should be avoided. If Department leadership determines program objectives cannot be met without granting advances to other state agencies, a case-by-case exception will be considered. Programs must consult with CNRA prior to decisions regarding advancing funds to another state-related entity and pending authorization by the State Treasurer's Office Bond Counsel via project submittal through the ABCRS system.

☐ **Require Location Data –** Require that grantees provide their project's location and spatial data through the Resources Agency Project and Tracking System (RAPTR). For property acquisitions and conservation easement projects, which count towards the state's 30x30 initiative, programs will pay for and require grantees to provide spatial data to the California Protected Areas Database and/or the California Conservation Easement Database. Exceptions may be made to protect sensitive tribal data or other sensitive information.

- A grantee's cost related to producing location and spatial data should be considered a reimbursable cost of a grant.

- When requesting project spatial data, it is highly encouraged, but not required, to reference the state's 30x30 initiative in guidelines and grant agreements.

  Proposed language for grant agreements as follows:

  "Grantees who receive funding for acquisitions and conservation easements are required to provide spatial data to the California Protected Areas Database and/or the California Conservation Easement Database. These Geographic Information System (GIS) databases inform state planning and policy, including the state's goal to conserve 30% of lands and coastal waters by 2030 (30x30). Grantees can submit spatial data or request help via email to cpad@calands.org."

  Exceptions may be made in respect to sensitive tribal data or other sensitive projects.

- Important note: The reporting of project location and spatial data will not be limited to acquisitions and conservation easements that implement 30 x 30. This

information is also a required variable when reporting project details into the Resources Agency Project Reporting and Tracking (RAPTR) system.

☐ **Prioritize Utilizing California Conservation Corps (CCC)**: Include language within guidelines prioritizing the use of services from the California Conservation Corps or certified community conservation corps, or tribal corps, where applicable. Use the CCC consultation process to request their services as described here: **CCCs Consultation Process**.

CCCs. PRC § 90150**:** To the extent feasible, a project whose application includes the use of services of the California Conservation Corps or certified community conservation corps, as defined in Section 14507.5, shall be given preference for receipt of a grant under this division.

- o   Programs should review and adhere to the CCC's consultation process as provided.

- o   Note: Tribal corps are not included in PRC § 90150 for receiving preference of a grant, however, departments are still encouraged to include tribal corps that have been funded by the CCCs and may still prioritize projects that include tribal corps. Additionally, tribal grantees do not need to consult the use of CCCs or certified community conservation corps if completing the work themselves.

Workforce Education & Training. PRC § 90610: To the extent practicable, a project that receives moneys pursuant to this division may provide workforce education and training, contractor, and job opportunities for vulnerable populations.

- o   Granting agencies may fund projects that include as a component of the project's scope and budget, opportunities for workforce education and job training, and contractor and job opportunities for vulnerable populations, including Native American and tribally owned businesses.

☐ **Communicate About Bond Projects**. Include language within guidelines and grant agreements requiring grantees to establish project signage and issue a press release and/or a short video to highlight the bond funded project and share with granting department.

Signage. PRC 90050 (b) To the extent practicable, a project funded pursuant to this division shall include signage informing the public that the project received funding from the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024.

- o   Share the approved Climate Bond logo with grantees for use on signs and bond-funded deliverables.

- Project signage, video releases and other communication materials within reason should be an allowable reimbursable cost.

- Programs are encouraged to amplify project successes and share with CNRA for additional outreach.
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- ☐ **Work Respectfully with Tribes**. Use consistent principles and language regarding limited waivers of sovereign immunity if required in bond programs. Collaborate with tribes to protect sensitive tribal data and promote tribal data sovereignty.

    - Respect and weigh tribal input and Traditional Knowledges equally with science and other information to the extent reasonable.

    - Ensure your program is engaging in early, often, and meaningful tribal consultations throughout your program.

    - Provide ample opportunities to connect and communicate with tribal representatives and tribal grant administrators throughout the grant process (application through execution if selected for award). A vital part of this is being patient and open during trust-building and being aware of the historical wrongs California Native American tribes have faced committed against them by the State of California. One positive meeting does not heal all, but it is a good start to building relationships.

    - Respect tribal data sovereignty and requests for confidentiality when tribes share knowledge in confidence and/or note sensitivity that prevents public sharing.

    - Communicate as early on as possible to potential applicants, if accepting grant funds will require a limited waiver of sovereign immunity.

    - Offer and commit to work closely with the tribe (and their legal counsel) to draft a narrow and limited waiver of sovereign immunity that applies only to the scope of the grant project and grant funds.

    - If possible, the program should provide a base template limited waiver of sovereign immunity with the grant guidelines so grantees are aware of the requirement of a limited waiver of sovereign immunity early on, can review the base language, and see what conditions of the grant would trigger the need for a limited waiver of sovereign immunity (and may plan accordingly.)

    - Respecting tribal sovereignty and having cultural humility for different ways of being/knowing. For example: being direct and up front about the need for a limited waiver or sovereignty as soon as possible; adjusting grant deadlines and timelines

to reflect and accommodate tribal council schedules.

☐ **Build Staff Capacities.** Provide opportunities for staff development, in areas such as facilitation, program management, tribal consultation, implicit bias, and cultural humility.

- o Prioritize participation in training sessions, panel discussions and other opportunities to sharpen staff's ability to meaningfully engage with underserved communities (such as the **RUBIN Race & Equity-Focused Engagement Model**), consult with Native American tribes, recognize and mitigate unconscious bias and other efforts to improve the state funding process for applicants.

- o Encourage participation in cross departmental peer learning communities of grant staff to share insights, best practices and exchange ideas on how best to work with disadvantaged, severely disadvantaged and vulnerable communities.

Technical Assistance. PRC § 90600 (b)(1) Up to 10 percent of the funds available pursuant to each chapter of this division may be allocated for technical assistance to disadvantaged communities, severely disadvantaged communities or vulnerable populations. The agency administering the moneys shall operate a multidisciplinary technical assistance program for disadvantaged communities, severely disadvantaged communities or vulnerable populations, including California Native American tribes. (b)(2) Funds used for providing technical assistance to disadvantaged communities, severely disadvantaged communities or vulnerable populations, including California Native American tribe, may exceed 10 percent of the funds allocated under each chapter of this division if the state agency administering the moneys determines that there is a need for additional funding.

- o Programs may provide technical assistance in a variety of ways to assist lesser-capacity organizations with accessing and managing state funding. Look for ways to build-in technical assistance as a standard component of program delivery. Clearly communicate the types of technical assistance offered and how and when it can be accessed by interested entities.

- o The Climate Bond allows for additional funding (up to 10 percent, or more if determined necessary) to be used by departments to provide technical assistance to disadvantaged communities, severely disadvantaged communities, and vulnerable populations. For tracking purposes, please note that the technical assistance provided using this provision will be counted as a project toward the requirement that 40 percent of the total bond funding "be allocated for projects that provide meaningful and direct benefits to vulnerable populations or disadvantaged communities."

- o To access the additional allowance for technical assistance as authorized in the bond, programs should work with the Statewide Bond Accountability team to adjust their allocation splits across purpose types (i.e., program delivery, projects, technical

assistance.) The Statewide Bond Accountability team will track dollars for each purpose type within the allowed caps in the bond.

o   If using the additional allowance for technical assistance, the statute also requires that the agency administering the money shall operate a multidisciplinary technical assistance program. A multidisciplinary technical assistance program could offer a broad range of services to provide holistic, strategic, and tailored support, such as capacity building, strategic planning, grant management assistance, cross-sector collaboration and coordination, technical subject-matter expertise, implementation support, equity and justice integration, etc.

o   Departments may consider building their own technical assistance teams, contracting with a third-party provider, or cross-collaborating with other department programs to facilitate this work. Technical assistance can be defined broadly to include: organizational capacity development, application assistance, grant management and administration assistance, scientific and best management practice knowledge transfer, etc.

Cutting Green Tape Permitting Tools. Programs should familiarize themselves with the various Cutting Green Tape permitting tools that are available to reduce the administrative time and capacity needed to execute projects, and how granting agencies can promote the use of these tools while managing expectations with grantees.

o   Permitting tools include the Statutory Exemption for Restoration Projects (SERP) – statutory CEQA exemption, and the new Restoration Management Permit which consolidates all CDFW permit authorizations for restoration projects.

o   Through communities of practice, CNRA will continue to facilitate opportunities for grant program staff to learn more about the applicability of these tools and how grantees can utilize them when executing projects for various purposes.

5. ALIGN PROGRAMS with the STATE'S ESTABLISHED PRIORITIES

☐   **Advance Strategic Goals**: Identify in bond program guidelines existing state laws, strategies, and targets on climate change and other key priorities that are relevant to that bond program.

Policies that may be evaluated for relevance include, but are not limited to:

- *California's Climate Adaptation Strategy*
- *2022 Scoping Plan for Achieving Carbon Neutrality*
- *Climate Smart Lands Strategy*
- *Nature-Based Solutions Climate Targets*

- *Water Resilience Portfolio*
- *Water Supply Strategy Adapting to a Hotter, Drier Future*
- *Central Valley Flood Protection Plan*
- *Sustainable Groundwater Management Act*
- *Pathways to 30x30: Accelerating Conservation of California's Nature*
- *Salmon Strategy for a Hotter, Drier Future*
- *Wildfire and Forest Resilience Action Plan*
- *Extreme Heat Action Plan*
- *Strategic Plan to Protect California's Coast and Ocean*
- *Salton Sea Management Program*
- *San Francisco Bay Regional Shoreline Adaptation Plan*
- *Delta Adapts: Adaptation Plan*
- *California Water Plan*
- *State Parks Sea Level Rise Strategy*
- *State Lands Commission's Strategic Plan*
- *Outdoors for All Strategy*

☐ **Follow Agency Policies**. Deliver programs that follow CNRA's Tribal Consultation Policy, Tribal Stewardship Policy, and the Equity and Environmental Justice Policy. [*These policies are under development and will be posted when final to the CNRA website*.] Aligning bond programs with these policies will support communities most vulnerable to climate change impacts and help to ensure the bond delivers climate benefits for all Californians.

o When working with and granting to tribes, departments should review and implement best practices as shared in the **Tribal Grant Guidance** available on the CNRA website.

o Program communications should reflect our commitment to supporting communities most vulnerable to climate change impacts and ensuring that the bond delivers climate benefits for all Californians.

6. COORDINATE ACROSS PROGRAMS

☐ **Coordinate Across Programs to Reduce Grantee Burdens**. Identify complementary Climate Bond programs across our agency and coordinate with these programs to streamline and align processes to reduce administrative burdens for grantees managing multiple grants.

o Share pre-proposals and project concepts across aligned bond funding programs and across departments to help connect potential projects to applicable funding programs.

o For a tribal grantee with multiple Climate Bond projects, consider streamlined administrative processes to combine funding from multiple programs under one grant

agreement to reduce administrative burdens on tribes.

☐ **Work with Other Bond Programs to Broaden Impact**. Align program funding where possible across bond programs to achieve projects or outcomes that are not possible within a single program. Collaborate in creative ways to achieve transformative, multi-benefit outcomes.

Collaborative Projects. PRC § 90620: Funds allocated pursuant to this division may be used by the Natural Resources Agency and its departments, boards, and conservancies to collaboratively fund projects at a landscape or multijurisdictional scale to provide multiple benefits.

o Bring together complementary bond programs interested in aligning around shared priorities, funding decisions, and administrative approaches to jointly fund projects at a landscape or regional scale.

o Award block grants to regional scale planning and implementation efforts. Working with a regional partner or partners to sub-award and manage various project grants across a large landscape can help programs improve strategic outcomes, reduce administrative burden for state agencies, shift grant program staff workload from individual projects to larger regional objectives, build stronger regional governance to meet state and local multi-benefit objectives, and streamline granting experience for local subgrantees.

o Establish a streamlined administrative solution that allows the transfer or pooling of funds from multiple programs wanting to jointly invest in large, multi-benefit projects.

☐ **Build Communities of Practice.** Empower staff to collaborate within subject-matter peer groups to share best practices, develop standard templates and processes, and align administrative policy to make access to funding more consistent across departments. Share these learnings and improvements broadly across the agency and with external partners.

o The bond provides an opportunity to align grant administration policies, templates, and requirements across our programs. Using common practices can create less confusion and administrative complexity for external partners that manage multiple grants from various departments.

o Subject matter peer groups help build professional networks across program practitioners. CNRA will continue to convene an ongoing grants administration peer group focused on aligning policies and templates, where possible.

o CNRA will establish a shared site for resources, tools, and guidance that can be referenced by program administrators across departments.

7. FULFILL ALL BOND ACCOUNTABILITY and PROJECT REPORTING REQUIREMENTS

Reporting. PRC § 90135 (a) "The Secretary of the Natural Resources Agency shall publish a list of all program and project expenditures pursuant to in this division not less than annually, in written form...of all the following information:

1. Information about the location and footprint of each funded project
2. The project's objectives
3. The status of the project
4. Anticipated outcomes
5. The public benefits to be derived from the project, including whether the project has meaningful and direct benefits to vulnerable populations, disadvantaged communities, or severely disadvantaged communities
6. The total cost of the project, if known
7. The amount of bond funding provided
8. Any matching moneys provided for the project by the grant recipient or other partners
9. The applicable chapter of this division pursuant to which the recipient received the funding.

o CNRA will use two systems for collecting and reporting program and project data to meet bond requirements and other statutory requirements: the Agency Bonds Consolidated Reporting System (ABCRS), and the Resources Agency Project Tracking and Reporting (RAPTR) System.

o ABCRS is a system that reports program and project information to the State Treasurer's Office to determine the appropriate type of bond-sale proceeds that can be used for direct payments and reimbursing related costs. ABCRS tracks information required by the bond statute, including data needed to monitor progress toward the (S)DAC and vulnerable populations targets. ABCRS pushes project information to the Bond Accountability website, which reports project details and other bond related information.

o RAPTR is a system that reports on the benefits and outcomes of state-funded projects toward state goals. The system is designed to collect progress information regardless of fund source. RAPTR can be used as a project management system, but it also gathers metrics (or variables) that accommodate reporting to the public, the Legislature, and others on project outcomes. As such, it is important that all information in the system is validated and clearly described for a public audience.

o CNRA is working to align these two systems (ABCRS and RAPTR) to streamline project reporting and reduce redundant data entry workload where it is feasible to

do so.

☐ **Report through Agency Bonds Consolidated Reporting System (ABCRS) & Allocation Management**. Report all program and project level information through ABCRS. Provide timely responses to the Statewide Bond Accountability team regarding cash projection surveys, allocation balance requests, and other requests. **Required by All State Agencies' Programs**

   o All bond program costs must be reported through the ABCRS system prior to expenditure. This system provides the State Treasurer's Office with the information needed to review and approve the use of bond sale proceeds for departments and project costs.

   o All departments are required to report, through ABCRS, all projects that provide meaningful and direct benefits to (S)DACs and vulnerable populations so that progress can be tracked toward the requirement set forth in PRC Section 90140.

   o Departments should respond timely and accurately to all bond drills: cash projection surveys, allocation balance reviews, and other requests by the Statewide Bond Accountability teams at California State Parks and Department of Water Resources.

   o Administering departments must designate staff for roles and permissions within the ABCRS system.

   o Department staff should attend ABCRS training and annual tax training offered by the State Treasurer's Office, which provides detailed information on the use of general obligation bond funds.

☐ **Report Project Information to the Resources Agency Project Tracking and Reporting (RAPTR) System**: Report accurate information for Climate Bond funded projects to track the benefits and outcomes toward state goals.

   o All CNRA departments are required to report Climate Bond funded project information to the RAPTR System. RAPTR will be used to report on the individual and collective outcomes of funded projects, as well as track progress toward meeting various statutory requirements and state priorities.

   o Departments outside of CNRA are not required to report Climate Bond project data to RAPTR.

   o RAPTR collects information about projects, including the parsing out of specific activities, actions, assets, benefits and metrics. The information reported will require the entry of brief narrative text responses, as well as making choices from

drop-down menus.

- Programs should assign staff to become proficient in RAPTR. The system collects information that may require departments to update their existing processes to be able to collect specific required data up front, in order to later submit it in agreement with the RAPTR protocols. User roles, permissions, and assistance for state staff can be set up by visiting the RAPTR website: raptr.resources.ca.gov

- Project information should be reported for grant projects and for state-managed projects. Initial project information should be reported by the time of grant agreement execution, or by the time of project initiation for state-managed work. Project data should be reviewed and updated: 1) if/when a project changes in scope and 2) when the project is complete. It is also preferred to review and update project information at major milestones or deliverables. This information will help to report the timely and accurate status, and collective impact, of Climate Bond investments across our Agency.

- RAPTR will be adding U.S. Geological Survey GAP Status Codes to a required reporting variable. GAP Status Code is a measure of management intent to conserve biodiversity, including how natural habitats are managed and how durable the protections are. Two of the four types of GAP Status Codes count towards the conservation goals of the state's 30x30 initiative. Use of GAP Status codes will be most relevant for acquisition and easement projects. RAPTR will be updated in the future with the capability to identify GAP Status Codes.

Climate Reporting in RAPTR

- Grant programs funding projects that deliver climate benefits should report on them by providing all required variables in RAPTR. This information will be used to answer questions about the benefits from these projects, such as:

  - Will the project protect people and/or nature from climate impacts, such as extreme heat, wildfire, flooding, drought, and/or sea level rise? If so, how?
  - Did or will the project reduce and/or remove greenhouse gas emissions? If so, how?
  - Was the project designed to be resilient to climate impacts, such as extreme heat, wildfire, flooding, drought, and/or sea level rise? If so, how?
  - Did the project support planning, capacity building, workforce training, or monitoring activities that will protect people and/or nature from climate change impacts or reduce/remove greenhouse gas emissions
  - If so, how?

- For projects that deliver on California's Nature-Based Solution (NBS) Climate Targets, report on key project attributes using RAPTR. California's NBS Climate Target attributes have been added to the RAPTR menu options and will inform the Climate Reporting from the responses and choices that are made.

RAPTR related questions and concerns regarding this guidance can be directed to: Monitoring and Stewardship Unit at CNRA (msu@resources.ca.gov).

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CNRA appreciates the many people that provided their expertise, insight, creativity, and effort into the shaping of this implementation guide. Program representatives from across departments and agencies have shared innovative and best practices that will ensure the Climate Bond can be delivered in a way that advances progress on our shared goals, broadens access to state funding, and simplifies administrative practices to be more efficient, strategic, and effective.

To inform the development of this implementation guide, CNRA consulted with a wide variety of interested partners representing California Native American tribes, community-based organizations, non-governmental organizations, local governments, special districts, advocacy groups, and other interested parties. CNRA also launched a 90-day survey to gather public feedback from grantees (past, present, and potential) on ways the state could work to improve their experiences when applying for, managing, and reporting on grants. The survey garnered 493 responses, and the results highlighted many of the requirements and recommended practices that are shared in this guide.

CNRA is committed to continuing to lead work to maximize efficiency, accessibility, and impact of the Climate Bond. CNRA appreciates all our partners for their continued interest and commitment to this effort.