



Technical Advisory Council

Item 5: Update on Climate Bond (Proposition 4)

Mar. 6, 2026

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](#), referred to as the Climate Bond (Proposition 4). This bond allows the State of California to borrow up to \$10 billion to implement projects and activities through programs identified in the bond statute. The bond focuses on critical areas such as renewable energy, water infrastructure and conservation, forest management, coastal resilience, biodiversity protection, sustainable agriculture, recreational access, and urban greening projects.

The Climate Bond will drive forward our state's overarching climate goals: protecting Californians from the climate crisis and achieving carbon neutrality, including the advancement of California's nature-based solutions climate targets. The funds will help implement key priorities, including the California's 30x30 initiative to conserve 30 percent of the state's lands and coastal waters by 2030: outdoors for all: water and wildfire resilience; ancestral land return/tribal stewardship; and coastal protection.

Breakdown of Climate Bond Funding by Chapter

Chapter	Allocation
Ch. 2 Safe Drinking Water, Drought, Flood, and Water Resilience	\$3,771,500,000
Ch. 3 Wildfire and Forest Resilience	\$1,488,750,000
Ch. 4 Coastal Resilience	\$1,191,000,000
Ch. 5 Extreme Heat Mitigation	\$446,625,000
Ch. 6 Protect Biodiversity and Accelerating Nature-Based Climate Solutions	\$1,191,000,000
Ch. 7 Climate Smart, Sustainable, and Resilient Farms, Ranches, and Working Lands	\$297,750,000
Ch. 8 Park Creation and Outdoor Access	\$694,750,000

Ch. 9 Clean Air	\$843,625,000
Ch. 10 Statewide Bond Costs	\$75,000,000
Overall	\$10,000,000,000

Within these chapters, the Climate Bond allocates funds for all types of work across the State. Bond funds support state-managed work, directed programs, block grant programs, and competitive local assistance grant programs. A listing of all programs by chapter can be found on the [Climate Bond website](#).

Importantly, at least 40% of Climate Bond funding is legally required to benefit disadvantaged and severely disadvantaged communities and vulnerable populations. The many departments implementing these funds are deeply focused on delivering on that commitment.

Of the \$10 billion, the Governor and Legislature has now authorized in the 2024-25 and 2025-26 Budget Acts approximately \$3.3 billion in Climate Bond funds for various purposes. Included in these appropriations, the Legislature also designated approximately \$545 million in Climate Bond funds from various bond program areas for specific projects. Additionally, the Governor’s 2026-27 Budget proposes authorizing an additional \$2.1 billion in 2026-27 to continue funding critical programs and projects, as outlined here: [Climate Bond \(Proposition 4\) 2026-27 Expenditure Plan](#).

Coordinating Climate Bond Funding Across State Agencies/Programs

The successful rollout of Climate Bond funding requires effective coordination among various state agencies and programs. The California Natural Resources Agency (CNRA) serves as the administrator for the bond, responsible for ensuring bond accountability, oversight, and reporting requirements are met. CNRA entities implementing the Climate Bond have come together to establish principles to ensure that projects and programs are efficient, accessible, and impactful. The key principles are:

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

Although CNRA helps to coordinate the bond, the actual funds will flow through many departments, conservancies, boards, and offices across states agencies. Each of these develops its own grant program guidelines, explaining what projects are eligible, how

proposals will be evaluated and what compliance and accountability measures are required.

Efforts to Make Funding More Accessible

Recognizing the need to ensure equitable distribution of funds, several measures are being implemented to make grants more accessible to a diverse range of applicants. These efforts include:

- **Simplified Application Process:** Streamlining application procedures to reduce complexity and administrative burden.
- **Outreach Programs:** Conducting workshops and informational sessions to educate potential applicants about available grants and the application process.
- **Technical Assistance:** Providing support to smaller organizations and underrepresented communities to help them prepare competitive grant proposals.
- **Clear Guidelines:** Developing comprehensive guidelines that outline eligibility criteria, evaluation metrics, and reporting requirements.

CNRA requirements and best practices for delivering Climate Bond programs have been shared in a comprehensive guidance document that is posted to the Climate Bond website. In addition to this resource, CNRA has also prepared and shared a Tribal Grants Administration Guide, specific to grants for tribes, and a Climate Benefits Guide to help departments deliver and understand climate benefits of Climate Bond programs. These documents to guide Climate Bond funding are posted on the Climate Bond website at: [Prop. 4 Documents - CNRA Bond Accountability](#).

Direct and Meaningful Benefits to Disadvantaged and Severely Disadvantaged Communities and Vulnerable Populations

As noted above, 40% of Climate Bond allocations must fund projects that benefit disadvantaged and severely disadvantaged communities and vulnerable populations. To meet this requirement, CNRA developed an overarching framework and guidance document for departments, board, conservancies, and offices to integrate into their grant guidelines.

This [Meaningful and Direct Benefits Assessment](#) outlines a step-by-step process to help staff to assess whether proposed projects provide community benefits and help Californians become more climate resilient. It also includes definitions, resources, sample application questions, tips, and more.

Departments are guided through this process to help answer the following questions:

- What benefits will the project provide?
- Who will the project benefit?

- Are the anticipated benefits “meaningful and direct” to disadvantaged or severely disadvantaged communities or vulnerable populations?
- How will the project count toward the 40-percent requirement?

The document also outlines in plain English the specific community benefits that projects eligible for the bond may provide, such as making neighborhoods cooler, creating good jobs, providing safe and dependable drinking water, creating or expanding outdoor access, improving air quality, and more.

As funding is committed to projects that deliver meaningful and direct benefits to disadvantaged communities, severely disadvantaged communities, and vulnerable populations, CNRA will track and report out on these investments to ensure the requirement is met and to communicate the outcomes that are achieved.

Next Steps

Programs across agencies will continue to collaborate and coordinate on the rollout of the Climate Bond funding. CNRA will continue to share on the Climate Bond website information and progress as programs are implemented and funding is committed to projects, with plans to provide the public with comprehensive reporting on project outcomes.