



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: See Below

DATE: July 27, 2026

Approved

Date:

8/4/26

COUNCIL DISTRICT: Citywide

SUBJECT: Actions Related to the Resilient Facilities Coalition Adoption and Proposition 4 Climate Bond Readiness

RECOMMENDATION

Adopt a resolution authorizing the City Manager, or her designee, to:

- (a) Participate in and execute a Memorandum of Agreement establishing the Resilient Facilities Coalition;
- (b) Apply for grant funding opportunities available under California Proposition 4, currently estimated to range from approximately \$300,000 to \$27,500,000 in aggregate; and
- (c) Negotiate and execute all agreements and documents necessary to accept and implement such grant awards, subject to the appropriation of funds or other City Council approvals, as necessary.

SUMMARY AND OUTCOME

The execution of a Memorandum of Agreement on behalf of the City of San José to participate in and provide leadership for the Resilient Facilities Coalition (RFC) with regional partner agencies will create a platform for collaboration, knowledge sharing, and coordinated pursuit of grant funding opportunities to support improvements to public facilities that enhance resilience, reduce greenhouse gas emissions, and strengthen community-serving infrastructure throughout the region.

The authorization to prepare applications for upcoming funding opportunities through Proposition 4 – The Safe Drinking Water, Wildfire Prevention, Drought Preparedness,

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and Clean Air Bond Act of 2024 (Climate Bond) will help meet the City of San José's Climate Smart San José and Climate Adaptation and Resilience Plan goals while enhancing resiliency throughout the South Bay region. The grants, listed in the Attachment - Proposition 4 Climate Bond and Related Grant Programs, span various California state programs with notice of applications ranging from \$300,000 to \$27.5 million in aggregate for funds related to planning, design, and implementation of green infrastructure such as building decarbonization retrofits, resiliency upgrades, stormwater infrastructure, and nature-based solutions.

BACKGROUND

On November 5, 2024, California voters approved Proposition 4, the Climate Bond, which authorized the state to issue \$10 billion in general obligation bonds for climate resilience, water infrastructure, wildfire prevention, clean energy, parks, and natural resource projects.

The Climate Bond allocates funding across several major categories, including approximately \$1.3 billion for clean energy and extreme heat reduction measures, like microgrids, battery storage, building decarbonization, and cooling infrastructure. Additionally, approximately \$99 million was set aside for the Strategic Growth Council's Transformative Climate Communities program.

City staff have been tracking Climate Bond funding opportunities as they unfold and anticipate applying for several upcoming opportunities this summer and fall, including the Transformative Climate Communities program. These funding opportunities can support many of the City's Climate Smart initiatives, including decarbonizing building stock, developing a green workforce, transitioning fleet to all-electric vehicles, and fortifying critical facilities with green backup power. These investments will also support implementation of the Climate Adaptation and Resilience Plan's 19 measures, including development of the City's network of resilience hubs and improvements that increase the resilience of critical facilities and communities to climate-related hazards such as flooding, extreme heat, drought, sea level rise, wildfire, and wildfire smoke.

In 2024, the City of San José championed and the City Council approved Resolution No. RES2024-83 that allowed the City to join as a coalition partner to apply for over \$14 million of the Environmental Protection Agency's Climate Pollution Reduction Grant funds. The coalition formed under the Climate Pollution Reduction Grant initiative was originally called the Public Facilities Resiliency Implementation Project. The success of this original collaboration effort demonstrated the value of regional coordination among public agencies pursuing climate and resilience funding opportunities for public facilities. Participating agencies have continued to collaborate informally and now seek to formalize the partnership through the RFC. Under the Memorandum of Agreement, the

RFC will become a permanent coalition eligible to jointly pursue future funding opportunities.

The initial signatory partners identified in the Memorandum of Agreement include the Cities of Cupertino, Morgan Hill, Mountain View, San José, and Sunnyvale, along with non-profit partner ProspectSV. The Cities of Cupertino and Mountain View have each received City Council approval to execute the RFC Memorandum of Agreement, with approvals on June 2, 2026, and June 23, 2026, respectively. Other participating agencies will seek approval through their respective internal approval processes.

RFC members' first collaborative funding opportunity will be to apply for Proposition 4 California Climate Bond Funds that have highly competitive grant applications prioritizing regional partnerships and coordinated investments to sustainability solutions. Participation in the RFC will strengthen the City's ability to compete for these funding opportunities while providing flexibility to pursue Climate Bond grants identified in the Attachment either independently or in collaboration with Coalition partners.

ANALYSIS

City staff recommend approval of the RFC as a long-term regional strategy to strengthen San José's ability to secure external funding, advance climate resilience objectives, and deliver sustainable infrastructure projects that benefit residents. The RFC provides a framework for collaboration among public agencies, nonprofit organizations, and technical partners to pursue funding opportunities, share expertise, and coordinate implementation of projects that may be difficult for individual agencies to undertake independently.

The RFC is particularly well-positioned to support participation in funding opportunities created through the Climate Bond. Many Climate Bond programs emphasize multi-benefit infrastructure investments, regional collaboration, resilience planning, disadvantaged community benefits, and climate adaptation strategies. These priorities closely align with the RFC's focus on decarbonization retrofits, energy resilience, fleet electrification, renewable energy, battery storage, microgrids, resilience hubs, urban greening, and extreme heat adaptation projects within community-serving public facilities such as community centers, fire stations, police facilities, and emergency shelters.

To maximize the City's ability to compete for Proposition 4 funding, staff also seek authority to apply, either as part of the RFC or as an individual jurisdiction, for the Climate Bond grant opportunities identified in the Attachment as they become available during Fiscal Year 2026-2027. Many state agencies are currently developing program guidelines and are expected to release funding solicitations with compressed application timelines, often involving both pre-application and full application phases

occurring within a matter of weeks. These timelines frequently do not allow sufficient time to obtain separate City Council authorization for each individual grant opportunity. Providing advance authority, subject to funding availability and the appropriation of funds, will enable City staff to respond efficiently and competitively while coordinating with departmental subject matter experts and regional partners as appropriate.

Participation in the RFC provides additional benefits beyond grant competitiveness. The Coalition creates opportunities to leverage shared technical expertise, increase awareness of emerging funding opportunities, coordinate regional applications, develop best-practice resources and design guidance, support workforce development, and facilitate peer learning among agencies facing similar challenges in modernizing public facilities. By working collaboratively, participating agencies can strengthen project readiness and competitiveness, improve implementation capacity, and accelerate investments that reduce greenhouse gas emissions while enhancing the reliability and resilience of critical public infrastructure.

Approval of the RFC will also position the City of San José as a regional leader in sustainable and resilient public facilities, creating opportunities for strategic partnerships and future funding initiatives that support the City's climate, energy, and community resilience goals.

Participation in the RFC does not commit the City to any specific project, funding match, grant acceptance, or financial obligation without the appropriate internal reviews and approvals. Rather, the Coalition serves as a collaborative platform for identifying opportunities, coordinating regional efforts, and pursuing external funding when participation is determined to be in the City's best interest. Staff anticipate serving either as a Coalition partner or, where appropriate, as a Lead Agency for Climate Bond applications and recommend authorizing the City Manager, or her designee, to negotiate and execute grant-related documents for the funding opportunities, subject to the appropriation of funds.

Climate Smart San José Analysis

The RFC proposal and Climate Bond grant applications support implementation of Climate Smart San José strategies related to building electrification, renewable energy deployment, fleet electrification, climate adaptation and resilience, and workforce development. Furthermore, implementation of the RFC and proposed applications will advance Climate Adaptation and Resilience Plan goals by protecting critical assets, improve community resilience to climate hazards (e.g., extreme heat, flooding, drought, sea level rise, wildfire, and wildfire smoke), and strengthen the long-term sustainability and reliability of City facilities and operations. These investments will facilitate reductions in energy and water consumption and increase the use of renewable energy at City-owned facilities classified as commercial buildings. Implementing green building

projects will also increase demand for green building vendor support and facilitate green job creation in San José.

The recommendations of this memorandum enable the advancement of several City climate goals by facilitating the following:

- The reduction of energy or water use consumption or increases the demand for renewable energy;
- The energy and water efficiency of homes or commercial buildings; and
- Job creation within city limits.

EVALUATION AND FOLLOW-UP

Evaluation and follow-up will be provided on the outcome of grant applications and related RFC activities through Climate Smart program updates at future Transportation and Environment Committee meetings.

FISCAL IMPACTS

Participation in the RFC itself does not create a direct fiscal obligation or budgetary impact for the City and does not commit the City to submitting applications for, accepting, or implementing any future Climate Bond funding opportunities.

Potential fiscal impacts associated with future Climate Bond grant applications will vary by opportunity and will only occur if the City elects to pursue a specific grant opportunity and, where applicable, receives an award. Potential funding opportunities are currently estimated to range between \$300,000 to \$27.5 million in the aggregate; however, these estimates do not represent a commitment by the City to apply for, accept, or implement any grant-funded projects.

If the City elects to pursue a grant opportunity, grant awards, if received, will increase City revenues and expenditures in amounts dependent on the specific funding opportunity, award amount, and grant conditions. California state agencies provide estimated funding amounts and maximum award amounts but reserve the right to increase or decrease the total available funding, partially fund applications, or make additional awards consistent with agency policy and available appropriations.

Some funding opportunities may require a local match of up to 50 percent. Any required City matching funds will be evaluated on a case-by-case basis, coordinated with the City Manager's Budget Office, and subject to future City Council approval and appropriation of funds. Any budgetary actions to recognize and appropriate grant

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funding will be brought forward through future budget or City Council processes, as necessary. Where eligible, grant funds may support staff time associated with project administration, implementation, reporting, community engagement, and other grant-required activities, thereby offsetting a portion of City personnel costs.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Office of Administration, Policy and Intergovernmental Relations, City Manager's Budget Office, Energy Department, Environmental Services Department, Parks, Recreation and Neighborhood Services Department, and the Transportation Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the August 18, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No. PP17-006, Grant Application with no commitment or obligation to enter into an agreement at the time of application and File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

Matt Loesch
Director of Public Works

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For questions, please contact Carol Whattam, Program Manager, Public Works, at carol.whattam@sanjoseca.gov or (408) 839-7563.

ATTACHMENT: Proposition 4 Climate Bond and Related Grant Programs

ATTACHMENT

PROPOSITION 4 CLIMATE BOND AND RELATED GRANT PROGRAMS

Program / Grant	Administering Agency	Estimated Funding Amount (Program Total Allocation)	Estimated Maximum Award per Individual Applicant	Expected Application Period	Expected Award Announcement
Coastal Conservancy Prop 4 Grants	California Coastal Conservancy	Within ~\$1.2 billion coastal resilience allocation	Varies by program; often up to ~\$10–20 million	Late FY 2026–2027; some programs may release earlier	TBD 6–9 months after application deadline, subject to Conservancy Board approval
Community Energy Reliability & Resilience Investment (CERRI) Program	California Energy Commission & Distributed Energy Backup Assets (DEBA) program	Approximately \$280 million statewide	Expected to range from \$1 million–\$25+ million depending on project type and scale	Late Fiscal Year (FY) 2026–2027	To Be Determined after application release (TBD)

Community Resilience Centers (CRC) Program	Strategic Growth Council	~\$55 million	\$500k Planning; \$10 million for Implementation (varies by scope)	Planning: July 2 - September 4, 2026, Implementation: July 2 - September 25, 2026	Spring 2027
Extreme Heat and Community Resilience Program	Office of Land Use and Climate Innovation	\$50 million	Up to \$4.5 million (varies by scope)	Pre-application June 16 – August 11; Full application (upon invite) by October 13, 2026	Summer 2027
Integrated Regional Water Management (IRWM) Grants	California Department of Water Resources (DWR)	~\$200+ million statewide (varies by cycle)	Typically ~\$1–15 million per project (can be higher for regional projects)	Summer–Fall 2026	Fall 2026 – Summer 2027
Statewide Park Development & Community Revitalization Program	California Department of Parks and Recreation, Office of Grants and Local Services	\$188.5 million	\$8.5 million	Summer 2026	TBD

Storm Water Grant Program (SWGP)	State Water Resources Control Board	~\$110 million available	Up to ~\$10–20 million per project	Fall 2026	Spring/Summer 2027
Stormwater & Flood Management Multi-Benefit Projects	California Department of Water Resources (DWR)	Multi-hundred-million statewide allocation across programs	Typically ~\$5–25 million per project	Fall 2026 – Winter 2027	Fall 2026 – Summer 2027
Transformative Climate Communities (TCC) Program	Strategic Growth Council	\$98.8 million	\$5 million Design/Planning; \$27.5 million per implementation award	May 29, 2026 - September 30, 2026	Spring/Summer 2027
Tribal Nature-Based Solutions Climate Bond Grants	California Natural Resources Agency / Grants CA	Approximately \$9.2 million available in the 2026 solicitation (within ~\$1.2 billion biodiversity allocation)	Anticipated up to ~\$1–15 million depending on project type and tribal priorities	TBD in 2027	TBD

Urban and Community Forestry Grants	California Department of Forestry and Fire Protection	Prop 4 funding expected to support future urban greening rounds	Historically \$150K–\$5M+	TBD in FY 2026–2027	TBD in FY 2026–2027
Urban Greening Program	California Natural Resources Agency	~\$100 million total allocation	Typically up to ~\$5 million per project.	May - August 2027	December 2027
Urban Streams Restoration Program	California Department of Water Resources	\$25 million total allocation	Maximum award amount not specified in draft guidelines.	Likely Fall/Winter 2026; Public comment period opened May 20 - July 29, 2026	Spring/Summer 2027
Watershed Resilience Grant Program	California Department of Water Resources / California Natural Resources Agency	Embedded within Prop 4 watershed and climate resilience allocations (programmatic bucket across	Varies by project scope; typically ~\$1–20 million per project depending on planning vs. implementation	Fall 2026–Winter 2027	Summer–Fall 2027

Wildfire Prevention Grants	Wildfire Prevention Grants CAL FIRE	CAL FIRE indicated that up to \$70 million has been allocated for award	Maximum award amount not specified in draft guidelines. Guidelines state “The recommended funding amount is \$950,000 or less”	May 7 -July 8, 2026	Winter 2026
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