

Integrated Climate Adaptation and Resiliency Program
Technical Advisory Council
Financing Studies Workgroup

Meeting Notes

May 5, 2017
11:00 AM – 12:30 PM

1. **CALL TO ORDER**

Nuin-Tara Key, OPR

2. **ROLL CALL**

Keali'i Bright, Brian Strong, Louis Blumberg, Bruce Riordan, Jana Ganion, Jonathan Parfrey.

3. **INTRODUCTION**

Nuin-Tara Key, OPR

Nuin-Tara Key (OPR) reviewed the conversation and direction from the March 27th Technical Advisory Council (Council) meeting. The full council had discussed financing as a key area of work to focus on this coming year. The purpose of the workgroup is to move the adaptation financing conversation forward by identifying the audience and purpose of the group's work and discuss what the product(s) should be. The outcomes of this group's conversation will be shared at the next full Council meeting on June 16th.

Bruce Riordan stated that he was under the impression that sea level rise (SLR) was going to be the focus of the case studies plus.

Nuin-Tara Key clarified that the full Council had discussed focusing on the financial implications of different impact areas (SLR being one of them). The Council also discussed the OPC SLR Guidance Update process, which is a separate conversation.

Public Comment:

No public comment received by OPR staff.

4. **AUDIENCE AND PURPOSE**

Nuin-Tara Key, OPR

Keali'i Bright started the conversation by discussing "tiers" of financing issues. The first tier consists of situations or case studies in which funding is available that could be used to expand to similar case studies. For example, transportation adaptation planning funding is now available through SB 1. The second tier consists of projects that currently don't have funding available but should be an area of focus. .

Brian Strong stated that producing case studies is a good idea but that there are so many to choose from. Brian suggested starting with a framework to start with. He also noted that leveraging different funds is important in climate resilience (as opposed to climate change more generally).

Bruce Riordan suggested doing two things. 1) Creating something practical for those who need funding to use as an example (case study) that includes a creative analysis and 2) creating something more high-level such as breaking down how much money is needed in the field.

Louis Blumberg responded to Bruce by stating that part of these analyses are site specific, which makes creating an account of need difficult on a large scale.

Bruce Riordan agreed and responded by suggesting taking on one category or need, such as a vulnerability assessment. (ie. How much does a vulnerability assessment cost across California on local scales).

Kit batten noted that looking at funding that is already available is helpful to see how much is *already* being spent. It is harder to tell what *isn't* being spent.

Jonathan Parfrey brought to the group's attention the framework developed by the Los Angeles Regional Collaborative for Climate Action and Sustainability (LARC) which has a finance chapter (<http://climateaction.la/>). This chapter lists many available resources for funding adaptation work. Jonathan noted that while the list isn't exhaustive, the group could focus on some of those categories and study how they apply to the local and regional levels as case studies.

Brian Strong agreed with that approach. He also noted that his jurisdiction (San Francisco) looked at 48 different potential revenue sources for their sea wall and has come up with funding needs for risks more generally.

Keali'i Bright stated that one of the goals could be to simplify sophisticated examples to create a toolkit for local governments that don't have the same capacity.

Bruce Riordan asked if OPR staff had researched more financing to build off of and noted that ABAG is doing creative resilience financing.

Nuin-Tara responded that they have started but not done a comprehensive scan. OPR has also been looking to compile examples and categories (like the LARC example). OPR can provide ongoing support in this way.

Nuin-Tara brought back the question: what is the product the Council wants and who is the audience for that?

One group member agreed with Brian Strong's approach of starting with a framework or categories and then figuring out areas to highlight using case studies.

Brian Strong notes that San Francisco published a very accessible Sea Level Rise Action Plan. He also noted that financing will be a big consideration in the Resilient By Design Bay Area Competition.

Nuin-Tara added that the SPARCC initiative just launched (a national effort). SF and LA are 2 participating locations that are implementing resilience based projects. The Federal Reserve Bank of San Francisco is engaged in that project. San Francisco Bay Conservation and Development Commission is also creating a financing workgroup specific to SLR. This group could connect to them.

Nuin-Tara also noted that there were many suggestions to focus on other impacts related to financing at the last full Council meeting, and would like to keep those on the radar for this conversation too.

Brian Strong stated that he would like to see a process for vetting methods that haven't been proven to be successful.

Bruce Riordan suggested using Council members and Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) to ask which regions have done some of the things we have mentioned to create an inventory.

Louis Blumberg agreed with the idea of a bottom up approach to find out what people are doing.

Nuin-Tara brought the group's focus back to the question of who the audience is.

Jonathan Parfrey stated that he thought special districts should be part of the audience, as well as infrastructure financing districts, community development organizations, banking groups, and other municipal-type staff.

Brian Strong agreed with Jonathan and stated that he did not want to forget about policy makers at the local government level. He also added that the insurance industry is important, along with those holding mortgages to buildings that will be affected by climate impacts.

Louis Blumberg noted that insurance companies are paying attention to this issue but there is no market for it, and thus there is no effort put forward.

Nuin-Tara Key suggested taking Brian's framework suggestion and Keali'i's tiering concept within each category. From there, the group could identify where there is existing funding and where the challenges lie. The group could bring that to the council to figure out where some early gains would be while not losing sight of the bigger picture.

Louis Blumberg asked how broad the product should be and pointed out the need for outreach.

Brian Strong stated that it makes sense to have products that work on multiple levels and thought it would be worthwhile to have other tools geared towards those in need of financing on the municipal level.

Nuin-Tara Key stated that OPR would work to propose an approach for potential options. She also stated that Council members could do outreach if they were interested and able. Once the Council defines what it is that it is developing, we can discuss collaborating with others as well.

Bruce Riordan suggested having the council provide evidence as to why the state needs a funding strategy for this.

Jonathan Parfrey agreed and suggested potentially hiring an academic institution to sketch out what numbers we are looking at in terms of need in California. From there we can look at assets and the costs required to protect those assets

Brian Strong, Louis Blumberg, and Bruce Riordan agreed.

Bruce Riordan agreed and stated that ballpark figures would be better than nothing.

Louis Blumberg stated that we need as much money as we can get because this is an evolving need.

Nuin-Tara responded to this conversation by bringing up a point that came up at the first BCDC financing meeting. At that meeting, individuals discussed the challenge in coming up with one number that satisfied California's needs. They talked about the importance of changing how we think about financing more broadly in this field because things are constantly changing.

Bruce Riordan agreed.

Nuin-Tara Key proposed next steps for action:

Work to bring content to the next full Council meeting by building off of LARC's Funding chapter and adding/modifying it. From there we can identify potential areas to highlight with case studies, moving from areas of existing resources to those that are lacking in the framework. We should also work to

identify stakeholders who need to be engaged in this work and the intended audience. Nuin-Tara stated that if members had suggestions for case studies or priority areas to focus on, they should send them to her via email

Public comment:

Alice Sung stated that there needs to be a distinction in audience. The Council needs to consider who the stakeholder are that need to be involved in creating the product and who the product will be aimed at. For example, banks and insurers might be involved stakeholders rather than audience.

Matt Armsby (Resources Legacy Fund): Matt stated that he liked the framework approach that lays out different kinds of costs. He also would like to see laid out potential roles for public and private for addressing those costs.

He noted that in the public sector, we aren't just talking about infrastructure/capital investments, but also wildlife management, natural resources etc. How adaptation is built into public health programs is also important. He also noted that costs of planning and science adds up, and that the money from SB 1 will likely not be enough for good long term planning efforts.

Matt discussed the private side as well by discussing insurance. He would like to know what cost the private sector should bear and how they could be guided towards the right way of bearing those costs.

Matt also had suggestions for case studies: 1. *Seismic upgrade ordinances*. Cities look at most vulnerable infrastructure and tell landowners to seismically upgrade structures. This is a case where owners take the responsibility rather than a public subsidy or tax. 2. *Geological hazard abatement districts*. Local communities have formed these to respond to emergencies. Cities often use these as an excuse to not do thoughtful planning ahead of time. You should look at upgrading these. 3. *How we talk about costs*. Matt expressed concern for talking about costs as if there is an end in sight, which leads to conversation stoppers rather than starters in this field. Talk about costs in terms of case studies and how financing packages can be built around those.

Adam Fullerton (BCDC) thanked the group for calling out BCDC's work group. He stated that it would be valuable to have cross pollination between groups. He also highlighted the question: where is there money for implementation? Not just planning. BCDC works mostly on SLR but would like examples of how to fund green infrastructure (rather than just a sea wall) as well.

ACTION:

Approve workgroup next steps as mentioned by Nuin-Tara prior to public comment.

All: Aye

5. GENERAL PUBLIC COMMENT

No public comment received by OPR staff.

6. MEETING ADJOURNED