

Resourcing Resilience

Aligning Public and Philanthropic Funding
for California Communities





About Nonprofit Finance Fund

Nonprofit Finance Fund® (NFF®) is a nonprofit lender, consultant, and advocate. For more than 40 years, we've worked to strengthen nonprofit organizations and improve the way money flows to social good. We believe that alongside others we must build a more equitable and just social sector, and are committed to helping community-centered organizations led by and serving people of color access the money and resources they need to realize their communities' aspirations.

About Philanthropy California

Philanthropy California is an initiative of Northern California Grantmakers (NCG), SoCal Grantmakers (SCG), and Catalyst of San Diego & Imperial Counties. Our combined membership represents more than 600 foundations, corporate funders, philanthropic individuals and families, giving circles, and government agencies who invest billions every year to support communities across the state, the country, and worldwide.

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Foreword

Dear Partners and Colleagues,

This report is being released in the wake of devastating wildfires in Los Angeles County, with the Eaton and Palisades fires ranking among the worst in California history. People have lost their lives, their homes, their neighborhoods, and entire communities. Angelenos have had to drop everything to navigate how they stay safe and for many, how they rebuild.

As we grapple with the escalating impacts of the climate crisis, it is abundantly clear that the path to resilience lies in how we support the communities most affected.

“Resourcing Resilience” arrives at a pivotal moment, as climate change continues to disproportionately affect vulnerable communities and communities of color – those who often bear the brunt of extreme weather events, extractive industries and practices that drive climate change, and environmental degradation. These impacts threaten lives, disrupt local economies, and erode the social fabric of communities already struggling with historic inequities.

Over the last four years, unprecedented partnerships and funding opportunities at the federal level have shifted the trajectory toward climate resilience. With substantial new state and federal investments aimed at combating climate change and fostering resilience, we have had the chance to marshal resources to empower communities to protect, restore, and thrive. However, the new federal administration in 2025 poses significant challenges to maintaining this momentum. Proposed rollbacks of climate-focused policies, cuts to federal funding, and a potential weakening of environmental regulations could undo much of the progress enacted over the last four years. Despite these threats, the work of achieving climate resilience and supporting a just economic transition is generational. Funders must maintain a long-term focus, investing in the capacity of communities to build readiness, establish partnerships, and implement solutions that endure.

“Resourcing Resilience” serves as a call to action for the philanthropic and public sectors to work in concert, unlocking pathways to more equitable, accessible funding. By building cross-sector partnerships and addressing systemic barriers, we can enable a more effective flow of resources directly into the hands of communities on the front line of the climate crisis. These communities possess invaluable local knowledge and innovative solutions, but need support to scale these efforts in a sustainable way.

The most consistent theme undergirding this report is that both the public and philanthropic sectors must take action now to ensure that communities most impacted benefit from the nation’s largest-ever investment in climate and energy resilience as (regardless of political administration) whole economies transition toward climate resilience. This investment must prioritize new systems, partnerships, structures, and capacities that enable lasting self-determination and progress toward climate and economic justice. Alternatively, we run the risk of replicating the harms and generational injustices with today’s funding, as has been the case with previous eras of large-scale economic transition.

Our collective future depends on acting boldly and collaboratively. By strategically investing in resilience and evaluating and addressing the obstacles to funding, we can transform how communities confront the challenges of climate change. This will lay the groundwork for a more equitable and resilient future for all not just in the near term, but for generations to come.

Sincerely,

Dwayne S. Marsh
President & CEO
Northern California Grantmakers

Christine Essel
President & CEO
SoCal Grantmakers

Megan Thomas
President & CEO
Catalyst of San Diego & Imperial Counties



Executive Summary

Unprecedented Climate Funding: The Moment We Are In

In the last four years we have seen unprecedented state and federal funding for climate adaptation, mitigation, and disaster resilience that provided an opportunity for communities to implement critical investments in infrastructure, clean energy, and community priorities for resilience. Yet, access to these resources has been uneven and there is now a real risk the new federal administration could claw back some of this funding.

California is widely regarded as a leader in disaster and climate resilience with a longstanding commitment to state-wide climate adaptation strategies. As part of the California Climate Commitment and through state budget allocations and the Cap-and-Trade Program, California has generated billions of dollars to support this work. The 2024 election also saw California residents' continued focus on climate through the passage of a \$10 billion bond that will provide a more reliable source of funding for water, wildfire, and climate projects.

Despite this commitment and the passage of the bond, there remains the need for billions of additional dollars in investment in California over the coming decades to realize the vision of a climate-resilient and disaster-prepared state as we transition energy systems, restore natural habitats, and invest in climate infrastructure.

At the federal level we have seen the Inflation Reduction Act (IRA) and Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA), significantly increase federal climate-related funding that has required collaborative approaches between community-based organizations and local or Tribal governments. The Biden administration's intentional focus on rural areas and communities of color through the Justice40 initiative presented a shift in how prior federal funding for infrastructure was prioritized.

Justice40 commitments now present an opportunity for the state of California and philanthropy to continue efforts focused on ensuring at least 40% of state and federal funds are invested in low-income and disinvested communities despite the likelihood of this commitment disappearing at the federal level.

Despite this availability of funding, there is a documented gap between well-resourced communities that can pursue significant climate and disaster resilience funding and rural areas and communities of color that are often stuck in a cycle of crisis response. We know climate change disproportionately impacts communities of color, Tribes, and rural communities – the same communities that too often face barriers accessing the resources available to address its impact and break the cycle of crisis response through planning for resilience. The barriers outlined in this report include the legacy of structural inequity, institutional racism, and intentional disinvestment in Tribes, rural regions, and communities of color; the lack of reliable, long-term funding streams for resilience; and the lack of coordination, communication, and trust across the public and private funding landscape that is needed to confront the climate crisis.

Philanthropy and government alike play unique roles in counteracting this reality by investing in the development of more sustainable operating models for community nonprofits and Tribes, and bolstering their capacity to lead locally-driven solutions that build resilience, well-being, and community wealth creation. As our nation transitions from a federal administration that has been a partner in climate action toward one that will likely be hostile toward climate action, philanthropy has an opportunity to deepen its investment in the long arc of resilience and readiness to access public and philanthropic funding moving forward.

Recommendations in this Report

Philanthropic and government funders have important roles to play in addressing the real challenges communities face when securing funding for their work on climate adaptation, mitigation, and disaster resilience. Neither can achieve meaningful and equitable climate action alone, and community-led solutions require coordinated public and private support. The actions recommended in this report outline a path forward for ensuring communities are able to access funding they need.

Protect progress and continue the momentum:

- Balance rapid response funding with investments in long-term community and climate resilience.
- Reframe the narrative away from only responding. Focus on building power, community self-determination, and establishing the foundation for lasting partnerships and resilience. Find intersections with key issues facing communities like access to high-road jobs and economic mobility.

Make access to funding more equitable:

- Improve the accessibility of information about funding opportunities and eligibility requirements.
- Design funding programs with more flexibility and longer time horizons.
- Offer a meaningful amount of set-aside, earmarked, or priority funding for under-resourced communities, and take responsibility for ensuring it reaches them.
- Facilitate access to public funding beyond grant support.
- Improve consistency and tracking of technical assistance and capacity-building programs.
- Increase funding for capacity-building and pre-development needs.
- Once funded, set project partners up for success with advance payments and resources to address financial risks presented by public funding.

Prioritize investments that build community wealth and well-being:

- Invest in community-led, collaborative efforts that build shared power.
- Use Community Benefit Agreements (CBAs) as part of the project development process.
- Fund the capacity of community stakeholders to engage in the Community Benefit Agreement and Community Benefit Plan (CBP) development process.
- Fund disaster preparedness, long-term recovery, and resilience.

 **Prioritize sustainable, collaborative, and cross-sector approaches:**

- Prioritize climate and capacity-building funding as a core aspect of the California state budget.
- Incorporate and align cross-sector partners in state funding programs.
- Invest in relationship building within philanthropy.
- Respond to community needs and government budgeting trends.

 **Repair fractured relationships and rebuild trust in disinvested communities:**

- Take accountability for understanding your institution's role in creating or perpetuating inequities and engage in learning to improve funding practices.
- Engage stakeholders in critically evaluating your current grantmaking practices.

Significant influxes in state and federal funding for climate adaptation and disaster resilience alone will not foster transformative outcomes without cross-sector collaboration and strategic, long-term coordination. Without stepping back to intentionally remove barriers inherent within the resource landscape, funding will give way to the perpetuation and reinforcement of an inequitable system.

This report makes clear: Now, more than ever, is the time to invest in our communities. The scale and complexity of the climate crisis requires philanthropy and government funders to shift the status quo, think long term, and resource community leadership.