

PIPELINES TO PORTFOLIOS: UNLOCKING AND SCALING CLIMATE CAPITAL

Part 2

Co-developed by



Executive Summary

California's climate resilience challenge is increasingly one of capital absorption rather than capital availability. While significant public funding opportunities continue to emerge, communities frequently lack the project readiness, staff capacity, partnerships, and predevelopment resources necessary to access and deploy those investments.

On August 20, 2026, **CA FWD, Resilient Cities Catalyst, Climate Resolve, Philanthropy CA, and SmartGrowth CA** co-hosted a second statewide conversation highlighting an important opportunity for philanthropy and other catalytic investors. This series will be an onramp to the CA FWD Economic Summit and Resilient CA Summit in October 2026, where partners will convene in-person to continue building collaborative infrastructure.

Participants emphasized that successful climate investment requires alignment across three foundational elements: vision, capacity, and money. Vision establishes what communities are actually trying to accomplish; capacity provides the people, partnerships, technical expertise, and governance needed to move from ideas to implementation; and money provides the resources to develop, operate, and sustain the work. When these elements are developed together, communities can better define the value an investment creates; identify who benefits and who has an incentive to pay; and determine which combination of philanthropic, public, and private capital is best suited to the opportunity.

The conversation also challenged the assumption that resilience must always be grant-funded. In some cases, appropriately structured financing or a durable revenue stream can be more sustainable than relying on scarce grant dollars. Philanthropy's role is therefore not simply to fill funding gaps but to help make the leap from what is needed, to what is fundable, to what is financeable—and to help catalyze larger and more sustained sources of capital. This can include early-stage technical assistance and predevelopment, but also credit enhancement, patient capital, public-private partnerships, and investments that demonstrate new models and attract larger pools of capital. Philanthropy can be especially valuable where the barrier is uncertainty or early-stage risk that traditional public or private capital is not positioned to absorb.

Across the discussion, participants returned to a common principle: durable climate investment requires starting with the desired outcome, identifying the people and institutions who benefit, building the partnerships and governance needed to deliver it, and then assembling the appropriate capital stack. That sequence can help shift the resilience conversation from finding a grant for an individual project toward building repeatable systems for investment.

Speakers and Anchor Initiatives



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Core Takeaways and Themes

Vision, capacity, and money must move together. Shalini Vajjhala, PhD, of [PRE Collective](#) framed climate resilience as a relay race in which no single actor takes a project from community need to capital and implementation alone. Successful predevelopment requires three interdependent building blocks: vision, capacity, and money. We see this, for example, in CA FWD and Resilient Cities Catalyst's work through the [Resilience District Incubator](#), which illustrates the importance of building the governance and local revenue and implementation capacity needed to turn a community's resilience goals into durable investment strategies. Rather than beginning with a predetermined financing mechanism, the incubator helps communities assess their needs, identify potential revenue and investment structures, and determine whether a resilience district is the right fit. [Pacific Community Ventures](#), a community development financial institution, works with borrowers to build the capacity and deal structures needed to translate climate-related needs of small businesses and communities into investable opportunities. Moore Foundation demonstrates how philanthropy can support a larger systems-level vision while building the ecosystem needed to make innovation useful at scale. Through its catalytic support for [FireSat](#), Moore helped move a new wildfire detection technology from concept toward implementation while bringing together philanthropies, government, commercial partners, firefighters, scientists, and other end users around a shared vision for more proactive wildfire resilience. These examples demonstrate that capital alone does not create a pipeline: communities need the people, institutions, relationships, and structures capable of moving ideas toward implementation.

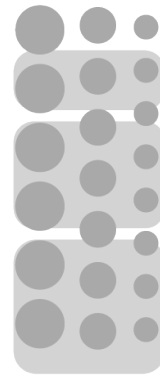
Community Needs & Priorities



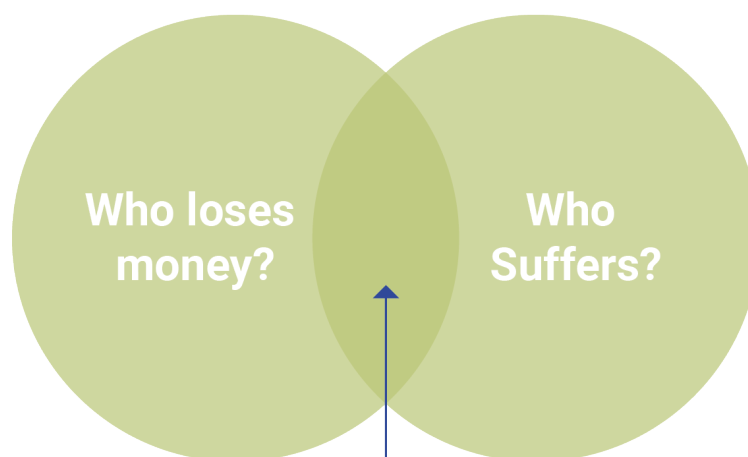
Department & Agency Budgets



Layered Funds & Project Finance

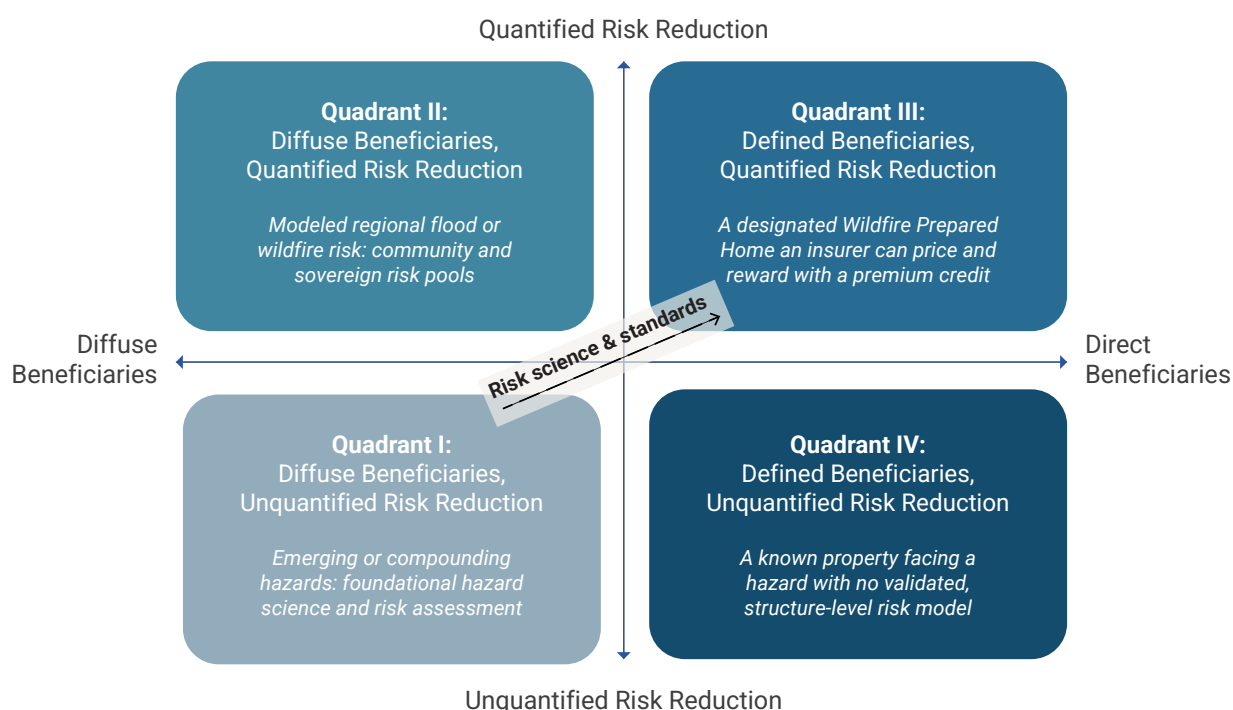


Start with the outcome and community needs. Participants emphasized the importance of defining the problem and desired outcome before determining what capital is available. PRE Collective's example of extreme heat illustrated how infrastructure agencies and community organizations can approach the same challenge from very different perspectives, while a more integrated approach can address both long-term infrastructure needs and immediate community vulnerability. CA FWD's Resilience District work similarly starts with the question of what communities are trying to accomplish and what structures could help them sustain that work, rather than assuming that every community needs the same governance model. Moore Foundation's work on FireSat offered another example: rather than treating wildfire data as an end in itself, the Earth Fire Alliance is building an information infrastructure designed around the needs of the people and institutions making decisions about wildfire risk. The common thread is to begin with the outcome and work backward toward the appropriate combination of funding, financing, data, governance, and partnerships needed to deliver and sustain it.



Sweet spot for equitable resilience finance

Moving from funding to financing requires a nuanced understanding of costs and benefits. A central question throughout the conversation was when a climate resilience intervention can move beyond grants toward financing: will the investment work, what value will it create, and who benefits enough to have an incentive to pay? Pacific Community Ventures demonstrated what this can look like at the individual business level: climate investments become more financeable when borrowers can identify tangible business benefits, such as reduced operating costs, improved resilience, or increased competitiveness, while CDFIs and other intermediaries can help structure financing around those benefits. CA FWD's work highlighted the challenge at the district scale, where risks and benefits may accrue across multiple jurisdictions or institutions and therefore require new collaborative governance and revenue structures. Moore Foundation's FireSat example showed how a public-good infrastructure can similarly require multiple users and beneficiaries to participate in sustaining the underlying system. Across these examples, the challenge is not simply finding capital; it is creating enough clarity about value, beneficiaries, risk, and repayment for the appropriate capital provider to participate.

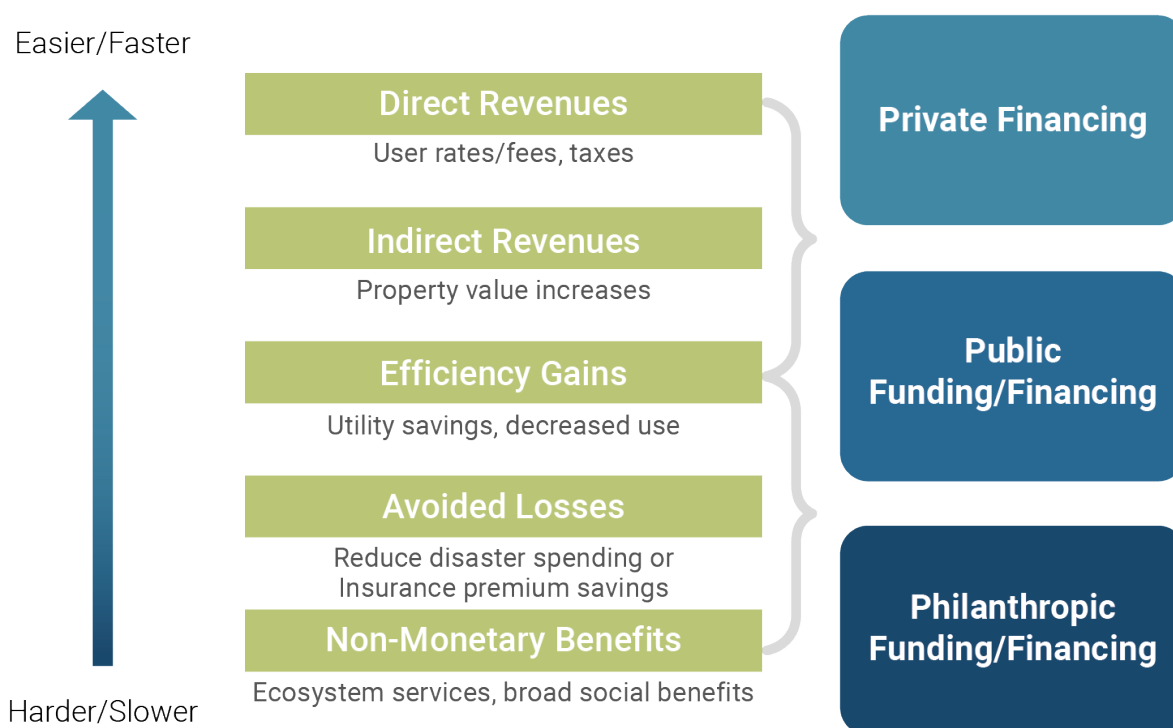


Four-quadrant typology of beneficiaries and the quantification of climate risk. Locating a project within this framework can provide actionable insights on the type of funding and financing structures that may be most appropriate for a project. Projects in the upper-right quadrant are generally ready for private capital and need mainly a reduction in adoption friction. Graphic from CA FWD & Insurance for Good's "Investing in Resilience: A Framework for Funding and Financing Climate Adaptation." This is adapted from PRE Collective's description of the process: <https://cafwd.org/news/why-resilience-finance-starts-with-predevelopment/>.

Financing can sometimes be cheaper than "free money." One of the more counterintuitive insights from the discussion was that financing is not inherently more expensive than grant funding. PRE Collective shared a case study in Montgomery County, Maryland, a green bank loan program for affordable housing developers to do resilience retrofits for vulnerable seniors dealing with flooding. The example illustrated how repeatedly pursuing grants to address recurring flood-related problems could ultimately produce a more fragmented and expensive solution than developing an affordable financing mechanism. PCV's experience

with small businesses reinforced the point from another angle: appropriately structured financing can allow businesses to make investments that generate savings or other benefits over time, while grant capital can be reserved for the pieces of the transaction that genuinely cannot support repayment. PCV's model illustrates how philanthropic and public capital can be used strategically to make financing more accessible rather than replacing financing altogether. The lesson for philanthropy is not to replace grants with loans, but to become more sophisticated about matching the form of capital to the underlying economics of an intervention. Where an investment generates a measurable benefit, financing may be more sustainable than repeatedly relying on scarce grant dollars.

Durable investment requires structures that outlast individual projects and funding cycles. The Resilience District Incubator illustrated how communities can move beyond project-by-project approaches toward longer-term governance, revenue, and investment structures. The incubator helps communities determine whether a district model could create dedicated capacity and revenue for resilience implementation, operations, and maintenance—providing a structure for coordinating decisions, pooling resources, and sequencing a portfolio of investments over time rather than organizing around individual grants or projects. PCV's model similarly demonstrates the value of building durable financial infrastructure: rather than creating one-off grants for individual businesses, a revolving investment vehicle can continue deploying capital as loans are repaid. The FireSat work offered a different but complementary model, in which philanthropic capital helps build an infrastructure platform while public agencies and other users become part of the long-term operating system. Across all three examples, durability requires thinking beyond the initial project or grant: Who owns it? Who operates it? Who pays for it? And what happens when the initial philanthropic capital is gone?



Philanthropy can help make the leap from what is needed to what is fundable to what is financeable.

Participants emphasized that philanthropy's comparative advantage is not necessarily to fund whatever is unavailable elsewhere. Instead, philanthropic capital can help address the activities that are harder, slower, or riskier for traditional capital providers: predevelopment, technical assistance, coordination, early design, credit enhancement, patient capital, and demonstration. Pacific Community Ventures' Climate Fund combines grants and investment capital and uses tools such as loan guarantees and low-cost program-related investments to help make climate investments viable for underserved businesses. For FireSat, early philanthropic capital helped de-risk and accelerate a technology platform while public agencies became early adopters and future operational funders. CA FWD's work demonstrates another form of catalytic philanthropy: investing in the planning and institutional infrastructure that can enable communities to eventually generate and sustain their own resilience revenue. The collective lesson is that philanthropy can be most powerful when it helps create the conditions for other forms of capital to enter, rather than simply becoming the permanent source of funding.

Discussion Themes

Participants explored what it would take for philanthropy to become more comfortable with climate finance and collaborative capital deployment.

A group poll suggested that the philanthropic sector is already active in community engagement, capacity building, coalition building, planning, and research, but less experienced with credit enhancement, first-loss capital, and other forms of financial risk-taking. Participants also surfaced the institutional barriers that can make collaboration across the capital stack difficult, including board expectations, investment policies, unfamiliarity with climate finance, uncertainty about outcomes, and concerns about reputational risk.

Themes	Synthesis
1. "Everyone's problem, no one's job" requires multi-benefit partnerships.	Many resilience challenges have diffuse beneficiaries and cannot be addressed by a single institution. Participants emphasized identifying who is losing money and who is suffering, then bringing together the actors who have a financial or mission-based incentive to participate. These partnerships require upfront investment in coordination, governance, and trust.
2. Multi-hazard and holistic approaches should be built in from the beginning.	Participants cautioned against treating hazards or benefits as separate components that can simply be added onto a project later. Climate risks are interconnected, and interventions can produce both positive and negative spillovers. Starting with a broader outcome-oriented frame can create opportunities to address multiple hazards and community priorities simultaneously while avoiding unintended tradeoffs.
3. Philanthropy needs to expand its comfort with financial risk.	A poll of participants suggested that philanthropic organizations are most active in community engagement, capacity building, coalition building, planning, and research, while none of the respondents reported providing credit enhancements such as loan guarantees or first-loss capital. Credit enhancement also emerged as the area participants found most difficult to fund. This suggests a significant opportunity for philanthropy to build capacity and partnerships around these forms of catalytic capital.

4. De-risking mechanisms can unlock additional private and impact capital.	<p>Pacific Community Ventures' experience demonstrated how loan guarantees, low-cost PRIs, and blended grant and investment capital can make climate investments more attractive to additional investors. California's iBank Loan Guarantee Program was cited as an important example of how public credit enhancement can help bring more private and philanthropic capital into investments serving historically underserved communities.</p>
5. Successful deal flow makes new models imaginable.	<p>Participants noted that showing real transactions can be an important bridge from concept to scale. Pacific Community Ventures' climate fund has helped demonstrate what climate deal flow can look like for a CDFI, creating opportunities for cities and other partners to see how the model could be replicated. Similarly, the Resilience District Incubator creates concrete scenarios and roadmaps that allow local leaders to evaluate what is possible rather than considering financing tools only in the abstract.</p>
6. Philanthropic risk tolerance has limits.	<p>Participants acknowledged that philanthropy's willingness to take risk is one of its comparative advantages, but that risk tolerance is difficult to operationalize when funders must demonstrate results and steward institutional resources. Reputational risk emerged as a particularly important boundary because philanthropy's ability to serve as a trusted convener and broker depends on maintaining trust across sectors and constituencies.</p>
7. Data should build confidence without creating false precision.	<p>Participants discussed the growing role of data, mapping, and AI in understanding climate impacts and informing investment decisions. Data can help identify where interventions are needed, measure outcomes, and demonstrate value to potential payers. At the same time, participants cautioned against pursuing increasingly sophisticated models when the underlying data cannot provide sufficient certainty to support a financial decision.</p>
8. Scale and durability should be part of the initial design.	<p>The FireSat example reinforced that long-term sustainability cannot be an afterthought. Projects should consider from the beginning who will pay for research and development, deployment, operations, and maintenance; who the beneficiaries are; and how different sources of public, private, and philanthropic capital can fit together over time.</p>

Looking Ahead

This conversation suggests that the next frontier for philanthropy is not necessarily to deploy more in grants but to deploy grant funding more strategically—while gaining greater fluency about different forms of capital and how they can be woven together, and what policies, practices, and partnerships that would allow all players to participate confidently.

Once again, this convening surfaced an opportunity for a broader community of practice around climate capital, one in which philanthropy, government, CDFIs, financial institutions, intermediaries, and community organizations can learn together about what works, where capital is getting stuck, and how to structure investments that match the realities of climate resilience. As the field continues to navigate uncertainty in public investment, the goal is not simply to find and deploy funding but rather to build the connective tissue, financial structures, and collaborative infrastructure that allow communities to pursue more ambitious solutions and mobilize a broader range of available capital toward adaptation and resilience goals.

These touch points are meant to provide opportunities to continue this conversation beyond the virtual convenings, share emerging projects and models, and identify opportunities for collaboration across the state and beyond.

Resources:

- [CA FWD Economic Summit](#)
- [Resilient CA Summit](#)
- [CA FWD Resilience District Incubator](#)
- [Pacific Community Ventures Climate Fund](#)
- [FireSat and Earth Fire Alliance](#)
- [PRE Collective](#)
- [LA28 Resilience Champions Fund & Awarded Projects](#)
- [California Resilience Implementation Accelerator & Awarded Projects](#)
- [Resilient Cities Catalyst Coastal Accelerator](#)
- [Central Coast Community Resilience Hub & Accelerator](#)
- [SmartGrowth CA Mapping and Expanding the Capacity Building/Technical Assistance Ecosystem in Los Angeles County](#)
- [Kataly Foundation EJ Fund](#)
- [Liberty Hill Foundation EJ Ready](#)
- [Rockefeller Family Fund: Climate](#)
- [Health and Environmental Funders Network](#)
- [Environmental Grantmakers Association](#)
- [Biodiversity Funders Group: Climate & Energy Funders Group](#)
- [U.S. Energy Foundation](#)
- [SoCal Grantmakers Environmental Funders Group](#)



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