

Funding and Financing Review



Funding and Financing Opportunities Report

Informed by a comprehensive review of **active and upcoming grant programs**, the Funding and Financing Memorandum summarizes **existing and potential funding sources** that can support implementation of the Stockton Region's Comprehensive Climate Action and Adaptation Plan (CCAAP). The analysis is based on a scan of **federal, state, regional, and local programs** that align with the CCAAP measures under development.

As the region moves toward implementation, identifying **where clear funding opportunities exist and where strategic gaps remain** will help guide how staff prioritize time and effort when pursuing competitive funding. Together, these insights provide a foundation for the next phase of work—**developing a coordinated strategy that aligns projects with recurring and emerging funding streams**.

Identify funding programs at the federal, state, regional, and local levels that align with the region's draft CCAAP measures.

Highlight opportunities for external funding and regional partnerships that can support implementation of high-priority climate actions.

Inform future funding and financing strategy development by outlining near-term opportunities, longer-term funding trends, and potential gaps.

Recent Federal and State Funding Supporting Climate Action in the Stockton Region

In recent years, the Stockton region and its partners have secured **significant federal and state funding** to advance climate, transportation, air quality, and resilience priorities. These investments reflect **strong regional coordination through SJCOG**, alignment with state and federal program goals, and a demonstrated ability to deliver projects that reduce emissions and improve community outcomes.

Together, these funding sources provide an important foundation for implementing CCAAP measures, particularly in **transportation decarbonization, clean air, port and freight emissions, and community-scale climate initiatives**.

Program Name	Administered By	Category	Award Size	Description of Program
Transformative Climate Communities (South Stockton Rising)	Strategic Growth Council	Cross-Sector / Community Climate	\$10.8 million	Community-centered climate investments combining clean energy, affordable housing, active transportation, workforce development, and resident engagement in South Stockton.
Congestion Mitigation and Air Quality (CMAQ) Program	Federal Highway Administration / SJCOG	Transportation / Air Quality	\$25.4 million (regional)	Funds 11 transportation and clean air projects across San Joaquin County, including EV charging, electric transit vehicles, traffic signal coordination, rail grade separation, and roadway improvements, with multiple projects in Stockton.
Low/No Emission Vehicle Program	Federal Transit Administration	Transportation	\$3.9 million	Supports electric bus fleet expansion and charging infrastructure for the San Joaquin Regional Transit District.
EPA Clean Ports Program	U.S. Environmental Protection Agency	Industrial / Freight	\$110+ million	Major decarbonization investments at the Port of Stockton to reduce port-related emissions and improve air quality.
Regional Climate Collaborative (RCC)	Strategic Growth Council / SJCOG	Capacity Building	\$1.75 million	Strengthens regional climate coordination, partnerships, and grant readiness across San Joaquin County jurisdictions.

Local and State Funding Opportunities

A comprehensive offering of grants and incentives is available across **federal, state, regional, and local levels** to support projects related to transportation, energy, air quality, water, waste, and community resilience. The State of California in particular has made **significant investments in climate initiatives**. This section highlights **example active and emerging funding sources** that can support implementation of the Stockton Region's CCAAP:

Program	Administering Organization	Frequency	Typical Award Range	Linked CCAAP Actions
Ag Burn Alternatives Grant Program	SJVAPCD	Annual	\$50,000 – \$300,000	A1, A2
Lodi Electric Utility Residential & Commercial Rebates	City of Lodi Electric Utility	Ongoing	Variable	BE2
AvaCE Electrification & Efficiency Incentives	Ava Community Energy	Ongoing	Variable	BE2
DAC-SASH (Disadvantaged Communities Single-Family Affordable Solar Homes)	GRID Alternatives / CPUC	Annual	Covers most or all installation costs for eligible low-income households	EG2
Resilience Hubs Grant Program	PG&E	Annual	\$100,000-\$1,000,000	EG1
Clean Off-Road Equipment (CORE) Voucher Incentive Project	California Air Resources Board	Ongoing	Varies by equipment type	OR2, OR3
Active Transportation Program (ATP)	Caltrans	Biennial	\$0.1M – \$50M	T1, T2, T3, T5
Congestion Mitigation and Air Quality (CMAQ) Improvement Program	FHWA/ SJCOG	Annual	\$0.1M - \$5M	T1-T7, T9, T11, T13-T19, T20, T21

Key Considerations for Stockton Climate Actions

Federal programs authorized through the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) have been instrumental in supporting several Stockton-area resilience, energy, and transportation initiatives.

However, **IIJA funding is set to reduce by 2026**, and future federal appropriations are uncertain.

As federal funding changes, **Stockton and regional partners may increasingly rely on state-administered and locally driven sources**, including programs administered by the Strategic Growth Council, Caltrans, the California Energy Commission, and the San Joaquin Valley Air Pollution Control District.

Direct-to-consumer incentives, including rebates, direct financial assistance, and flexible financing tools, are an important part of how communities advance residential energy and emissions-reduction measures, and can also support businesses, fleet operators, and the adoption of clean and zero-emission vehicles.

Funding availability varies by sector. The region has a strong track record in transportation, air quality, and flood mitigation funding, while **sectors such as building electrification, distributed energy, extreme heat response, and neighborhood-scale resilience have fewer existing funding precedents** and may require more proactive project development and coordination.

Prioritization Considerations

- **Develop implementation-ready projects focused around high-impact measures for successful grant applications.** Advance actions that are ready for implementation, supported by feasibility or design work, or that demonstrate significant GHG reduction, resilience, or equity benefits.
- **Assess administrative and match readiness.** Consider staff capacity, internal coordination, and availability of local match when determining which projects can realistically move forward within current funding cycles.
- **Plan around timing and match requirements.** Many transportation, energy, and climate programs require a 10–25% local match and have annual or biennial application cycles. Maintaining shovel-ready projects and updated documentation such as climate action plans, safety elements, GHG inventories, and resilience plans will help Stockton respond quickly to emerging funding opportunities.
- **Bundle and phase related actions.** Where feasible, group complementary actions such as energy efficiency, renewable energy, and electrification into multi-benefit funding packages to increase competitiveness and streamline delivery.

Number of Funding Sources by Sector

Agriculture	7
Building Energy	5
Electricity Generation	11
Industrial Processes & Off-Road Equipment	6
Sequestration	8
Solid Waste & Wastewater	5
Water Supply	1
Transportation	11
Cross-Cutting Funding Sources	8