APPENDIX K

Potential Funding Sources

SOAR Bakersfield Funding and Financing Options for the City of Bakersfield

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September 2025

1 OVERVIEW

This appendix outlines a current review of potential funding sources that could be utilized by the City of Bakersfield (City) for funding or financing the implementation of measures included in the Sustainable Opportunities Advancing Resilience (SOAR) Bakersfield project. This review is intended to provide an understanding of the existing mechanisms that can support the successful implementation of SOAR Bakersfield. Potential financial pathways include the following:

- Federal, State and Local Grants: offer wide-ranging funding sources for the implementation of specific projects and programs. Many grant funding opportunities are competitive and require administrative work for identification of appropriate funding sources and development of applications. While grant funding provides a non-repayable source of capital, project eligibility requirements and competitive selection processes limit the certainty of receiving such funds.
- Financing Options: includes debt financing mechanisms and loans. Debt financing mechanisms may include issuing municipal bonds to raise capital by selling debt securities. Debt repayment for bonds must be supported by a sustainable annual revenue source. Loans include borrowing money from lenders to pay for upfront costs. Financing for projects included in SOAR Bakersfield can be accessed through banks, credit unions, and low-interest loan programs offered by the State of California for climate investments.
- Other Sources: may include public-private partnerships, development agreements, community benefit agreements, and locally offered rebate and incentive programs through utilities and Valley Air District.
- Local Funding: includes various revenues generated through local taxes, which may be part of the City's General Fund, a new tax or assessment, or a development impact fee. The General Fund is the primary financial account used to manage the City's core services and operations including public safety, health, administrative services, etc. The general fund is primarily financed through revenues from local taxes (such as property taxes and sales taxes), fees for services, state and federal aid, and other miscellaneous sources. New taxes or assessments can increase funding availability for public investment projects and typically require voter approval. Development impact fees are designed to be self-sustaining and are restricted for specific uses.

While local funding sources may be utilized in the future for a subset of the measures included in SOAR Bakersfield, the focus of this appendix is on identification of additional funding and financing opportunities that can be leveraged to support implementation.

2 FUNDING & FINANCING OPPORTUNITIES

Leveraging available funding and financing opportunities will be important to the implementation of SOAR Bakersfield's measures. The decision to utilize various sources of capital to fund measures will be based on the measure's intent, cost, and the City's role in implementation. State, federal, and local grants can be leveraged as a funding source for projects that are owned and/or the responsibility of the City and have costs that are within the range of thousands of dollars to millions of dollars. For measures where grant funding is not applicable or viable, financing may be an option for securing capital. Projects that have upfront costs and provide a cost savings or revenue generation for the City may be good candidates for leveraging loans or debt financing mechanisms. Private capital, including loans and public-private partnerships, can also be considered where measures do not apply to City-owned assets and external partners can be identified. Overall, the variety of measures in SOAR Bakersfield will have different considerations on whether the City is to pursue external funding sources or financing options for implementation.

There are a variety of funding sources and low-interest financing options offered through Federal, State, and local agencies that can support the goals of SOAR Bakersfield. Table 1 below offer an extensive look at how the City might pay for various SOAR Bakersfield measures, which includes grant opportunities, incentives targeted for government agencies, and loans offered through state and federal agencies. The following list offers a snapshot of options at the time of the SOAR Bakersfield's publication. The list will need to be updated periodically as grant periods expire, new programs come online, and other potential funding and financing sources emerge.

Table 1 SOAR Bakersfield Implementation Potential Funding Sources

Funding Source	Description	Funding Type	Issuing Entity
Building Initiative for Low-Emissions Development (BUILD) Program *	The BUILD Program is a residential building decarbonization program that provides incentives and technical assistance to support the adoption of advanced building design and all-electric technologies in new, low-income all-electric homes and multifamily buildings.	Incentives	CEC
California Air Resources Board (CARB) Carl Moyer Memorial Air Quality Standards Attainment Program	The Carl Moyer Program provides grant funds towards the replacement of old, high-polluting vehicles, engines, and equipment, with new technologies that are cleaner than required or earlier than required by rules and regulations.	Grants	CARB
California Department of Food and Agriculture (CDFA), State Water Efficiency Enhancement Program (SWEEP) *	SWEEP is an incentive program for California agricultural operations. The program aims to reduce greenhouse gas emissions and save water by funding the implementation of advanced irrigation systems and technologies. These systems are designed to improve water use efficiency and reduce energy consumption, making agricultural production more sustainable.	Incentives	CDFA
California Department of Forestry and Fire Protection (CAL FIRE) Urban and Community Forestry Grants *	The program can fund municipal governments to increase the long-term benefits trees provide, improve the public's understanding and appreciation of urban trees, and advance urban forest management and tree care.	Grants	CAL FIRE
California Department of Water Resources (DWR) Water Grant and Loans	CA DWR provides several grant and loan programs that support integrated watershed management. These funds can be used to address issues such as groundwater sustainability, drought, and water supply reliability. Programs include the Small Communities Drought Relief Program, the Riverine Stewardship Program, Delta Levees Special Flood Control Projects Program, and the LandFlex Program.	Grants and loans	CA DWR
California Water Resources Control Board Water Recycling Funding Program (WRFP)	The mission of the WRFP is to promote the beneficial use of treated municipal wastewater (water recycling) in order to augment fresh water supplies in California by providing technical and financial assistance to agencies and other stakeholders in support of water recycling projects and research.	Grants/Technical Assistance	CA DWR
California Energy Commission (CEC) California Electric Vehicle Infrastructure Project 2.0 (CALeVIP 2.0)	The Fast Charge California Project (FCCP-1) is the third incentive project under CALeVIP 2.0. The project will have at least $55 million available for incentives. The project is open statewide, available in all four regions of California: Northern, Southern, Eastern, and Central. Only Applicants that submit with their Application both a Final Utility Service Design and an Issued Permit will be eligible to participate in FCCP-1.	Incentives	CEC
CEC Communities in Charge	Communities in Charge is California's market-accelerating, light-duty electric vehicle charging incentive project funded by the CEC's Clean Transportation Program. Communities in Charge offers incentives for the installation of Level 2 Chargers for light-duty vehicles at various project sites including Multi-Family Housing, Tribal lands, Congregations, Schools, Healthcare, Nonprofits, Local Governments and Workplaces. Communities in Charge seeks to prioritize project site with high levels of readiness and sites located in priority population communities.	Incentives	CEC
CEC Carbon Removal Innovation Support Program (CRISP)	Incentives are available for carbon capture projects that integrate community engagement and contribute to the state's carbon neutrality goals. The program is a part of California Climate Investments.	Incentives	CEC

Funding Source	Description	Funding Type	Issuing Entity
CEC 1 Percent Interest Rate Loans	The CEC offers 1 percent interest rate loans to local jurisdictions to fund projects with proven energy savings like streetlights and LED traffic signals, building insulation, and energy storage systems at municipal facilities.	Loans	CEC
CEC Clean Hydrogen Program	The Clean Hydrogen Program provides financial incentives to eligible in-state projects for the demonstration or scale-up of the production, processing, delivery, storage, or end use of clean hydrogen. These projects will help reduce sector-wide emissions.	Incentives	CEC
CEC Clean Transportation Program	The Clean Transportation Program (previously known as Alternative and Renewable Fuel and Vehicle Technology Program) invests in projects throughout the state. Through annual investments of up to $100 million, the Clean Transportation Program promotes accelerated development and deployment of zero-emission vehicles and related infrastructure.	Grants	CEC
California's Flood Emergency Response Projects Grants	Funded by Proposition 1E, this program provides funding to improve local flood emergency response and public safety in California.	Grants	CA DWR
California's Floodplain Management, Protection and Risk Awareness (FMPRA) Grant Program	Th FMPRA program provides financial assistance to local agencies in California in efforts to prepare for flooding by providing financial assistance for flood risk reduction activities related to stormwater flooding, mudslides, and flash floods..	Grants	CA DWR
California Pollution Control Financing Authority (CPCFA) Electric Vehicle Charging Station Financing Program (EVCS)	EVCS loans can be used for the design, development, purchase, and installation of EV charging stations at small business locations in California. The maximum enrolled loan amount is $500,000 per qualified Borrower.	Loans	CPCFA
CalRecycle Greenhouse Gas (GHG) Reduction Loan Program	The GHG Reduction loan program assists recycling manufacturers in financing machinery, equipment, and ancillary costs to site and expand in California. Applicable projects must achieve a diversion of waste from landfills and result in permanent, annual GHG reductions.	Grants and loans	CalRecycle
CalRecycle Local Enforcement Agency Grant Program	CalRecycle administers a non-competitive grant program to assist local enforcement agencies with their solid waste facilities permit and inspection program.	Non-competitive grants	CalRecycle
California Volkswagen Mitigation Trust	This mitigation plan includes a variety of grant categories available to replace diesel vehicles registered throughout the state of California by funding specified eligible actions for the heavy-duty sector, including on-road freight trucks, transit and shuttle buses, school buses, forklifts and port cargo handling equipment, commercial marine vessels, and freight switcher locomotives.	Grants	CARB
California Department of Transportation (Caltrans) Active Transportation Planning Program	This program provides competitive planning grants for jurisdictions working on planning projects to increase the proportion of trips accomplished by biking and walking and reduce community-wide vehicle miles traveled.	Grants	Caltrans
Caltrans Transportation Planning Grant Program (TPGP)	The Transportation Planning Grant Program provides competitive planning grants to help local jurisdictions in a variety of transportation planning efforts including development and implementation of regional transportation plans. The program also helps address multimodal transportation deficiencies with a focus on transit and support planning actions that advance climate adaptation efforts for local transportation systems.	Grants	Caltrans

Funding Source	Description	Funding Type	Issuing Entity
Caltrans Sustainable Communities Program *	Grants are for transportation planning activities such as planning for active transportation, safe routes to schools, transit services, vision zero, complete streets, freight corridors, social equity, integrated land use, and transportation planning. The program is closed at the time of writing but funding may be available for implementing the City's Active Transportation Plan.	Grants	Caltrans
U.S Department of Energy (US DOE) Carbon Capture Demonstration Projects Program *	This program invests in carbon capture technologies for power plants and industrial emission sources. Grants up to $1.3 billion can fund carbon capture and storage technology and infrastructure across commercial scales and large-scale pilots.	Grants	US DOE
US DOE Energy Efficiency and Conservation Block Grant (EECBG) Program *	The EECBG program provides formula grants to local governments to provide technical assistance and equipment rebates to reduce fossil fuel emissions, decrease total energy use, and improve energy efficiency.	Non-competitive and competitive grants	US DOE
US DOE Grid Resilience and Innovation Partnerships (GRIP) Program	As part of the Infrastructure Investment and Jobs Act, the Grid Deployment Office is administering a $10.5 billion GRIP Program to enhance grid flexibility and improve the resilience of the power system against extreme weather. These programs will accelerate the deployment of transformative projects that will help to ensure the reliability of the power sector's infrastructure, so all communities have access to affordable, reliable electricity.	Grants	US DOE
US DOE Hydrogen Fuel Cell Electric Vehicle and Equipment Infrastructure Research and Deployment Grants	The US DOE Hydrogen and Fuel Cell Technologies Office provides grants of up to $10,000,000 for the research, development, demonstration, and deployment of affordable clean-hydrogen technologies. Eligible project topics include, but are not limited to, components for medium- and heavy-duty hydrogen fueling stations, standardization of hydrogen fueling stations, and hydrogen port equipment. A cost share of 20% or 50% may be required for certain project topics. Eligible applicants include higher education institutions, for-profit organizations, nonprofit organizations, and state, local, and tribal governments.	Grants	US DOE
US DOE Title 17 Clean Energy Financing Program *	The program provides federal loans and loan guarantees for projects within the United States aimed at accelerating clean energy adoption with the goals of curbing greenhouse gas emissions and mitigating air pollution. Eligible projects include those that utilize commercially available clean energy technologies, such as renewable energy systems; carbon capture and sequestration technologies; efficient electrical generation, transmission, and distribution; efficient end-use energy technologies; energy storage; industrial decarbonization; hydrogen fuel cell technologies; and production facilities for the manufacture of fuel-efficient vehicles or parts of those vehicles.	Loans	US DOE
Employment Development Department (EDD) Workforce Development Solicitations for Proposals (SFP)	The EDD offers a variety of grants related to California's workforce development goals. The SFP site includes current and previous grants including training and career education for agriculture workers, young adults, and underrepresented communities, among others.	Grants	EDD
Energy Efficient Commercial Buildings Deduction (EECBD) *	The EECBD, also known as the 179D commercial buildings energy efficiency tax deduction, primarily enables building owners to claim a tax deduction for installing qualifying systems in buildings.	Tax deductions	IRS

Funding Source	Description	Funding Type	Issuing Entity
Federal Emergency Management Agency (FEMA) Building Resilient Infrastructure and Communities (BRIC) Grant Program	The BRIC program supports hazard mitigation efforts to strengthen infrastructure and reduce risks from natural disasters. The program aims to support communities as they build capability and capacity.	Grants	FEMA
FEMA Flood Mitigation Assistance (FMA) Program	The FMA program provides funding to eligible entities for projects that reduce or eliminate the risk of repetitive flood damage to buildings insured by the National Flood Insurance Program (NFIP). FMA is competitive and prioritizes projects that reduce or eliminate NFIP claims.	Grants	FEMA
FEMA Hazard Mitigation Grant Program (HMGP)	The HMGP provides funding to state, local, tribal and territorial governments to develop hazard mitigation plans and rebuild in ways that reduce or mitigate future disaster losses in their communities. This funding becomes available following a Presidentially declared disaster.	Grants	FEMA
FEMA Safeguarding Tomorrow Revolving Loan Fund (RLF) Program	The RLF program offers grants to capitalize state revolving funds for flood resilience and risk reduction projects. These low interest loans allow jurisdictions to reduce vulnerability to natural disasters, foster greater community resilience and reduce disaster suffering.	Grants	FEMA
Federal Infrastructure Investment and Jobs Act, aka Bipartisan Infrastructure Law (BIL)	BIL provides competitive grant funding to municipal governments. The grants can fund projects too large or complex for traditional funding programs. Examples of eligible project types include multijurisdictional and multimodal projects.	Grants	US DOT
Federal Transit Administration (US FTA) Grant Programs (FTAGP)	US FTA provides grants to public transit systems, including buses, subways, light rail, commuter rail, trolleys, and ferries. The program aims to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian and bicycle traffic, and enable mixed-use development near transit stations.	Grants	US FTA
Healthy Soils Program (HSP)	The HSP has three components: the Incentives Program, the Demonstration Projects, and the Block Grant Pilot. The HSP Incentives Program provides financial assistance for the implementation of conservation management that improves soil health, sequesters carbon, and reduces GHG emissions.	Grants	CDFA
HUD Community Development Block Grant (CDBG) *	CDBG Program provides annual grants to municipal governments to support community development activities to build stronger and more resilient communities. Activities may address needs such as infrastructure, economic development projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, and homeowner assistance.	Grants	US HUD
Infrastructure State Revolving Fund (ISRF)	The California Infrastructure and Economic Development Bank provides loans to local governments for infrastructure and economic development. ISRF has financed projects such as city and county street highway improvements, wastewater treatment plant construction and upgrades, and educational and cultural facilities.	Loans	CA iBank
Inflation Reduction Act (IRA) Residential Energy Rebate Programs	IRA created two programs to encourage home energy retrofits: Home Efficiency Rebates (HOMES) to fund whole-house energy efficiency retrofits and the Home Electrification and Appliance Rebates (HEEHRA) to help low-moderate income households “go electric” through qualified appliance rebates. Funding is currently paused as of SOAR Bakersfield writing.	Rebates	US DOE

Funding Source	Description	Funding Type	Issuing Entity
IRA Technical Assistance for the Adoption of Building Energy Codes *	The grants are available to local governments with code-making authority to adopt updated building energy codes, zero energy codes, or equivalent codes or standards. Funding awards will support states and local jurisdictions in adopting, implementing, and enforcing the latest model, zero energy codes, or equivalent codes and standards, improving residential and commercial new construction and retrofits, and transitioning the building stock to more efficient, decarbonized buildings for all. Funding is currently paused as of SOAR Bakersfield writing.	Grants	US DOE
IRA Community Change Grants Program	The program funds environmental and climate justice activities to benefit disadvantaged communities through projects that reduce pollution, increase community climate resilience, and build community capacity to address environmental and climate justice challenges. The grants can be used for investments in low- and zero-emission and resilient technologies, workforce development, and facilitating the engagement of disadvantaged communities in workshops, rulemakings, and other public processes.	Grants	US EPA
Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grants	The United State Department of Transportation (US DOT) is offering grant funding through the RAISE discretionary grant program. The program uses a merit-based process to select projects to build and repair critical freight and passenger transportation networks.	Grants	US DOT
Regional Resilience Planning and Implementation Grant Program (RRGP)	The RRGP program hosted by the Office of Land Use and Climate Innovation (LCI) funds local public entities that are planning and implementing projects that advance climate resilience and respond to the greatest climate risks in their regions including wildfires, rising sea levels, droughts, floods, increasing temperatures, and extreme heat events. The RRGP funds two project types: planning and implementation.	Grants	LCI
SB 2 Planning Grant Program (SB2P)	This planning grant program provides financial and technical assistance to local governments to update planning documents and zoning ordinances, including general plans, community plans, specific plans, sustainable community strategies, and local coastal programs, to streamline housing production. The program does not use a competitive process to award funds.	Grants	HCD
Strategic Growth Council (SGC) Affordable Housing and Sustainable Communities (AHSC) Program	This program funds affordable infill housing and transportation projects that help to advance statewide climate and equity goals. Funds are available in the form of loans and/or grants in three kinds of project areas: Transit-Oriented Development Project Areas, Integrated Connectivity Project Areas, or Rural Innovation Project Areas.	Grants/loans	SGC
San Joaquin Valley Air Pollution Control District (Valley Air) Chare Up! Program	The Charge Up! Program provides incentives for the purchase of new and public Level 2 EV chargers. Businesses and public agencies can receive up to $6,000 per EV charger. Funding per recipient is capped at $50,000 annually.	Incentives	Valley Air
Valley Air Bike Paths	This program provides funding to assist with the development or expansion of a comprehensive bicycle-transportation network which will provide a viable transportation option for travel to school, work and commercial sites, including Class I (Bicycle Path Construction), Class II (Bicycle Lane Striping), or Class III (Bicycle Route) projects.	Grants	Valley Air

Funding Source	Description	Funding Type	Issuing Entity
Valley Air Alternative Fuel Vehicle Mechanic Training Program	This program provides incentives to develop and advance the education of personnel on the mechanics, safe operation, and maintenance of alternative fuel vehicles and infrastructure. Eligible educational subjects include the following: alternative fuel engines, fueling practices and vehicle fuel systems, fuel station components, operational safety and procedures, technical or mechanic training, or alternative fuel technology overview.	Incentives	Valley Air
Valley Air AB 836 Clean Air Centers Program	The Clean Air Centers Pilot Program was established by Assembly Bill 836, which provided funding to create Wildfire Smoke Clean Air Centers for Vulnerable Populations and establish a network of publicly accessible facilities with high-efficiency air filtration systems for valley residents who may not otherwise have access to clean air during wildfire events.	Grants	Valley Air
SGC Transformative Climate Communities (TCC) *	The TCC Program funds development and infrastructure projects that achieve major environmental, health, and economic benefits in California's most disadvantaged communities and empowers communities most impacted by pollution to choose the strategies and projects best suited to achieve their community vision. TCC's Round 5 application cycle closed on Aug. 1, 2023. Round 6 application cycle is yet to be announced.	Grants	SGC
Sustainable Transportation Equity Project (STEP)	The STEP program provides grants for a variety of clean transportation and supporting projects, such as public transit and shared mobility services, active transportation infrastructure, land use planning and housing policy, workforce development, and clean transportation planning and education. Funded projects work together within low-income and disadvantaged communities to increase transportation equity.	Grants	CARB
The Environmental Quality Incentives Program (EQIP)	The program provides technical and financial assistance to agricultural producers and forest landowners to integrate conservation into working lands to address natural resource concerns. Technical assistance is provided at no cost while financial assistance is provided through competitive grants through Conservation Innovation Grants.	Grants	USDA
U.S. Bureau of Reclamation (USBR) WaterSMART Water and Energy Efficiency Grants	Through WaterSMART Water and Energy Efficiency Grants (formerly Challenge Grants), USBR provides 50/50 cost share funding to irrigation and water districts, tribes, states and other entities with water or power delivery authority. Projects conserve and use water more efficiently; increase the production of hydropower; mitigate conflict risk in areas at a high risk of future water conflict; and accomplish other benefits that contribute to water supply reliability in the western United States. Projects are selected through a competitive process and the focus is on projects that can be completed within two or three years.	Grants	USBR
U.S. Environmental Protection Agency (EPA) Climate Pollution Reduction Grants (CPRG) *	Authorized under the Inflation Reduction Act, the CPRG program provides nearly $5 billion in grants to states, local governments, tribes, and territories to develop and implement ambitious plans for reducing GHG emissions and other harmful air pollution. The competitive grant phase of the CPRG program has already passed, however grant assistance may still be available.	Grants	US EPA
U.S. Department of Agriculture (USDA) Water & Waste Disposal Loan & Grant Program in California	This program provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.	Grants	USDA

Funding Source	Description	Funding Type	Issuing Entity
U.S. Department of Transportation (US DOT) National Electric Vehicle Infrastructure Formula Program (FHWA) *	The National Electric Vehicle Infrastructure Formula Program created under BIL apportions a total of $5 billion to States, D.C., and Puerto Rico over five years, from Fiscal Year 2022 through 2026, to strategically deploy EV charging infrastructure and to establish an interconnected national network to facilitate station data collection, access, and reliability. Program funds can be used for the acquisition, installation, network connection, operation, and maintenance of EV charging stations, as well as long-term EV charging station data sharing.	Grants	US DOT
U.S. Federal Highway Administration (FHWA) Active Transportation Infrastructure Investment Program	The Active Transportation Infrastructure Investment Program provides grants to construct safe and connected active transportation facilities in an active transportation network or active transportation spine and to develop plans for active transportation networks and active transportation spines.	Grants	FHWA
U.S. Federal Transit Administration (US FTA) Grants for Buses and Bus Facilities Program	The Grants for Buses and Bus Facilities Competitive Program makes federal resources available to states and direct recipients to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities, including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and competitive grants.	Grants	US FTA

Notes: CA DWR = California Department of Water Resources; CAL FIRE = California Department of Forestry and Fire Protection; CalRecycle = California Department of Resources Recycling and Recovery; Caltrans = California Department of Transportation; CARB = California Air Resources Board; CDFA = California Department of Food and Agriculture; CEC = California Energy Commission; CSD = California Department of Community Services and Development; GHG = greenhouse gas; HCD = California Department of Housing and Community Development; IRS = Internal Revenue Service; US DOE = US Department of Energy; LCI = California Governor's Office of Land Use and Climate Innovation; SGC = Strategic Growth Council; US EPA = US Environmental Protection Agency; US FTA = US Federal Transit Administration; US HUD = US Department of Housing and Urban Development; USDA = US Department of Agriculture.

* = Unclear whether the source will be available in the future due to reduced budgets and/or ongoing litigation.

Source: Compiled by Ascent in 2025.

2.1 FEDERAL, STATE, AND LOCAL GRANTS

Many capital-intensive pilot projects are funded through state or federal grants, and grants can provide repayment-free capital for local governments, making them a strong option for the City.

Resources must be dedicated to researching, tracking, and applying for grants to be successful. Local governments can employ a full-time grant writer or allocate resources to contracting with a professional grant writer due to the significant time that is required to build partnerships, develop competitive grant proposals, and report on awarded grants. However, grant funding can be a great resource for implementing capital-intensive projects that may not be able to be funded through the City's operating budget or other means. The City currently has a contracted grant writer position that supports the pursuit of funding opportunities.

As Table 1 outlines above, there are a multitude of grants available for everything from pedestrian-friendly infrastructure to local microgrid deployment. Grants should be considered when the City plans to own the project at completion, when there is high upfront capital cost, when revenue generation is insufficient to cover costs or if there is no revenue generation from the project, and when there is strong alignment between the City and State's goals in sectors like transportation and natural and working lands. Grant availability and match with SOAR Bakersfield measures are important considerations when deciding if and when to pursue grant funding.

2.2 FINANCING OPTIONS

Financing refers to the lending and/or borrowing of money to help pay for the SOAR Bakersfield's implementation. Options such as loans, bonds, and other cost sharing mechanisms are designed to meet short-term capital needs based on the potential for payback (e.g., electricity savings from installing energy-efficient lighting). New and existing financing options can help the City and its residents secure capital for long-term investments in sustainability and climate resilience.

Table 2 below describes several common financing options used for sustainability and resilience projects.

Table 2 SOAR Bakersfield Implementation - Financing Options

Financing Option	Description
Energy-efficient mortgages	Includes the cost of clean energy improvements, such as renewable energy and the installation of energy-efficient windows, into a single primary mortgage during the purchase or refinance of residential real estate.
Energy loans and credit enhancements	States, local governments, or utilities may leverage taxpayer or ratepayer funds to provide more favorable loan rates and terms than traditional financing to finance clean energy improvement. Credit-enhanced lending is a public-private partnership whereby governments use funds to encourage private lenders, or sponsors, to offer attractive loans to select markets.
Energy equipment leases	Consumers, organizations, and government agencies often use leases to stretch the payment for large clean energy investments over several years. High-efficiency heating, ventilation, and air conditioning (HVAC) equipment or solar photovoltaic panels are common investments that may be a good fit for leases.
Green banks	Green banks are public, quasi-public, or nonprofit financing entities that leverage public and private capital to pursue goals for clean energy projects that reduce emissions.
Municipal bonds and green bonds	State and local governments may issue bonds to finance capital improvement projects, including clean energy projects. Tax-exempt municipal bonds are issued for a specific public purchase and deliver cash interest payments to the bondholder. Green bonds are a bond instrument that use proceeds to finance or refinance environmental, water, or clean energy projects.

Financing Option	Description
On-bill loan programs	On-bill loan programs enable utility customers to borrow money for energy improvements, which generate energy savings and allow customers to pay back the investments over time through their utility bills.
Commercial property assessed clean energy	Property assessed clean energy (PACE) is a financing tool that allows property owners to finance the upfront cost for qualified energy, water, resilience, and public benefit projects with funding through a voluntary assessment on the property tax bill. Commercial PACE (C-PACE) programs are the most prevalent type of PACE policy and program in the US.
Revolving loan funds	Revolving loan funds use a source of capital, typically offered by a local or state government, to make direct loans to borrowers for clean energy projects.
Inclusive utility investments: tariffed on-bill programs	Tariffed on-bill programs, also referred to as inclusive utility investment programs, enable a utility to pay for cost-effective energy efficiency or other clean energy upgrades at a customer site. The utility recovers those costs through a fixed, site-specific charge on the customer's monthly utility bill that is less than the estimated savings from energy bill reductions.

Source: Compiled by Ascent in 2025.

2.3 OTHER FUNDING SOURCES

A variety of additional options are available to identify funding sources to support the implementation of measures in SOAR Bakersfield. Sharing project and program costs and benefits with private entities allows the City to improve infrastructure and services without needing to take on the full costs. Additionally, leveraging existing rebate and incentive programs can lower the costs of implementation of various energy efficiency and equipment upgrades.

Table 3 below describes several additional funding sources that can be used to either fully or partially fund measures in SOAR Bakersfield.

Table 3 SOAR Bakersfield Implementation - Other Funding Sources

Funding Sources	Description
Public-private partnerships	Public-private partnerships (PPPs) are long-term contractual agreements between a government entity and a private sector company to finance, design, build, and operate public projects, such as infrastructure and services. These collaborations leverage the expertise and financial resources of the private sector to deliver public services more efficiently and effectively, sharing the risks and rewards between the partners.
Development agreements	A development agreement is a legally binding contract between a property owner or developer and a local government that details the specific rules, standards, conditions, and timeframes for a development project over a specified duration. These agreements provide certainty for developers, while also allowing communities to secure benefits beyond existing zoning requirements, such as specific public improvements.
Community benefit agreements	A Community benefits agreement (CBA) is a legally binding contract between a developer and community organizations that requires the developer to provide specific social and economic benefits to the local community. CBAs are negotiated before a project receives approval and provide a legally enforceable mechanism for community groups to hold developers accountable for their commitments.
State incentive programs	State agencies offer incentive programs to assist low-income homeowners in the installation of energy efficiency measures and rooftop solar. Two ongoing programs include the Low-Income Weatherization Program and the Energy for All Program.

Funding Sources	Description
Utility rebate and incentive programs	Investor owned utilities are obligated by the California Public Utilities Commission to offer energy efficiency programs to customers, which may come in the form of financial rebates or incentives for purchasing energy efficient equipment and making upgrades to buildings. These programs are further refined to regional needs through the creation of regional energy networks, or "RENs". The City of Bakersfield is served by Southern California Gas Company, Pacific Gas & Electric, and Sothern California Edison, all of which offer financial incentives to customers. Additional programs and financial assistance is available through Central California Rural Regional Energy Network (CCR REN).
Valley Air District rebate and incentive programs	The San Joaquin Valley Air Pollution Control District (Valley Air District) offers rebates and incentive programs for residents and businesses that serve to improve resilience to air pollution hazards and replace vehicles and equipment with alternative fuel options.

Source: Compiled by Ascent in 2025.