With Climate Impacts Hitting Home, a Tahoe-Area Community Foundation Backs Forest Health

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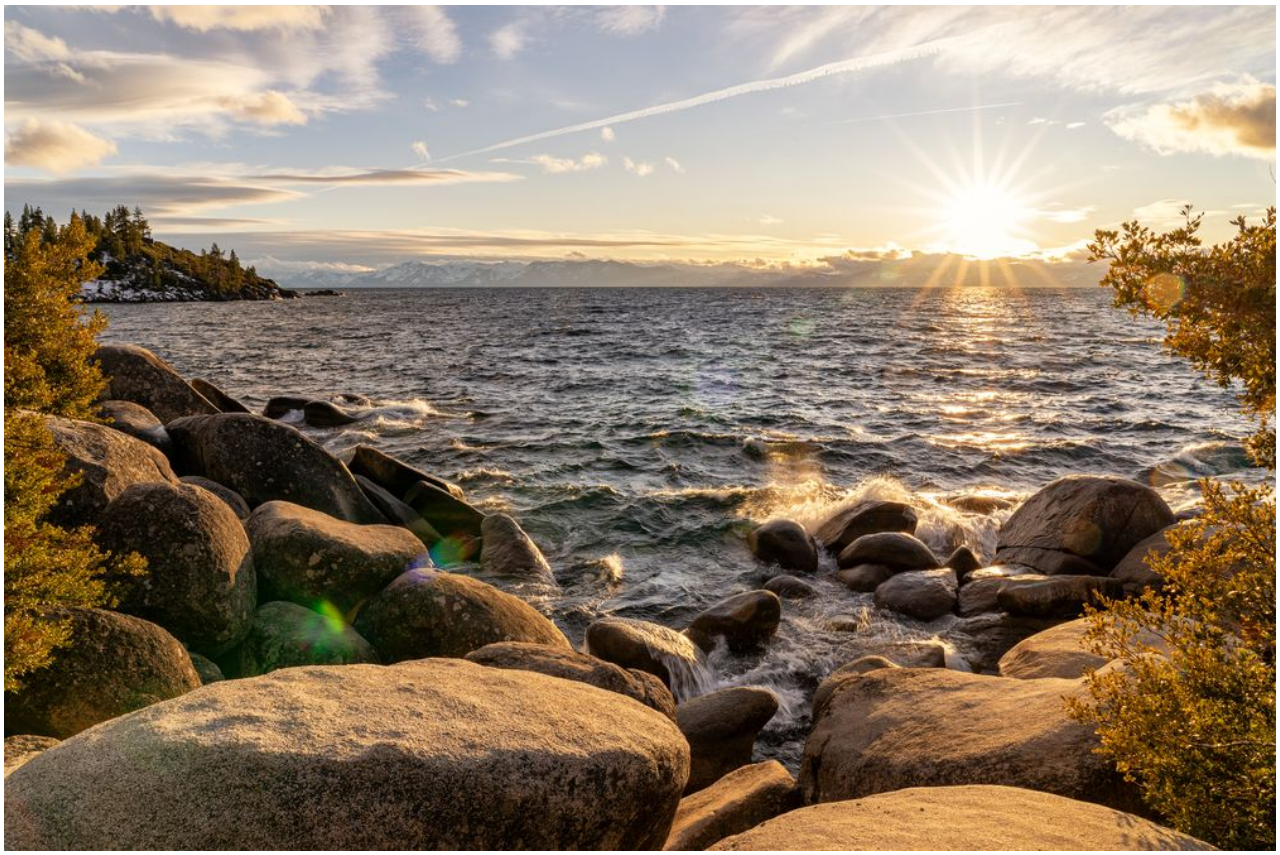

Stacy Caldwell, CEO of the Tahoe Truckee Community Foundation, only needs to look out her back window to see the ecological challenge she hopes her institution can help solve.

"We like to say, 'A healthy forest is a forest you can gallop a horse through,'" she told me. "We do not have that. I look at my backyard, for maybe 100 feet, I can gallop a horse."

Nearly a century of an aggressive "no-fire policy," perhaps best exemplified by the stern admonitions of Smokey the Bear, has left forest floors in California and beyond thick with shrubs, branches, grasses and plant life. In short, fuel.

The consequences have been catastrophic. Exacerbated by climate change, nine of the 10 largest complex fires in the state's history have burned in the last decade, and five of the top six ignited this year, including some that are still burning.

In one model of how community foundations of all sizes across the country are confronting the local impacts of climate change, the Tahoe Truckee Community Foundation is aiming to turn its region's risk into a new opportunity. Through a series of initiatives under the banner Forest Futures, the foundation is aiming to leverage its grantmaking to attract private sector efforts not only to turn all that fuel into something marketable, but also to create new sustainable businesses—and jobs—in its region.

There is no shortage of raw material. There are an estimated 400,000 piles of deadwood in California forests. Some are the size of Volkswagen buses. The largest are as big as hotel ballrooms. The Forest Service does not have the funding to haul them out, and the local lumber industry—now a sliver of its former size—has no economic incentive. That's what the foundation hopes it can change.

"We're not seeing the policy shifts that need to take place. We're not seeing the capital shifts, the financial capital shifts," Caldwell said. "It continues to be a reaction mode, not a proactive mode. We need to get in front of it."

Drought leads to a new focus on forests

The story of how the Tahoe Truckee Community Foundation began to grapple with climate change's impacts on its forests begins with water—or, rather, the lack thereof. At the height of the seven-year drought that yellowed lawns, and dried up reservoirs and California earlier this decade, Caldwell saw the service providers in her region swamped with people needing help.

The drought "threw our entire economy into turmoil," she told me. No rain meant no snow, and thus, almost no visitors for much of the winter high season. The region is deeply dependent on tourism, which accounts for nearly half of the area's jobs. "Suddenly, people can't pay rent, they can't feed their families, alcohol and drug use goes up, domestic violence goes up."

Simultaneously, the trees surrounding them—Truckee sits amid the Tahoe National Forest—were suffering as well. The lack of water, combined with heat, overcrowding and a severe bark beetle infestation, led to deaths of nearly 150 million California trees. Beyond the immediate human needs, they also began to consider how they could address the risk in their backyards and beyond.

"We became aware that our forests were really not healthy when we saw that first drought hit California," she told me. "We were really trying to take more of a protective stance, in terms of 'how can we protect our trees from dying?'… and then the fires began."

Forests had long been a grantmaking focus of the community foundation, which has given out more than $1 million for projects supporting the region's forests. But as mega-fires became an annual reality in California, the team started to think with more urgency about doing more than what was already underway. The nonprofits supported by the foundation were already doing thinning work, watershed restoration and other such projects.

"In thinking about the forest and how we approach it as an initiative, we really wanted to distinguish ourselves and not replicate the efforts of the nonprofits," she said. "So that's kind of what brought us to this whole idea of market-based solutions."

How the foundation is working on the forest's future

The foundation began its Forest Futures project by organizing a series of gatherings, known as salons. Now in its fourth year, the Salon Series has seen its participation double under COVID, some attending from far beyond the community. Recently, someone joined from Sweden. From the start, the goal has been to bring together a diverse group—scientists, investors, policymakers, entrepreneurs, artists—and let them talk through their visions for the forest.

"We think like-minded people are boring and don't change the world, and when you get 'unlike-minded' people together and come up with solutions, that's when they stick," Caldwell said. "There was a lack of innovators and out-of-the-box thinkers to try to unstick this state."

Last year, the foundation—which made nearly $2 million in grants in 2018—launched a Forest Futures Fund. To date, the team has raised $130,000 toward a $200,000 matching grant. While the amount is small, the hope is that well-placed grants can catalyze much bigger private investment. It is also about to launch a Forest Futures Donor Advised Fund.

"It's going to require much bigger streams of funding," Caldwell said.

To that end, one of the first efforts through the fund will be a prize competition, spurred by a "well-known" university that encouraged the foundation to submit a proposal for support,

Caldwell said. The aim is to issue prizes from $50,000 to $250,000 to innovative business model ideas. The team is focused on the three latter stages of the forest products lifecycle: transporting, processing and bringing to market.

Ultimately, the foundation aims to start a Forest Futures Venture Lab that will allow impact investing, as well as program-related and mission-related investments from the foundation and other parties. The hope is to support a range of new enterprises focused on carbon sequestration, land stewardship, forest health, and, of course, converting all that biomass into products of value.

Local approaches for local attitudes

The Tahoe Truckee Community Foundation has $30 million in assets under management. As a rural foundation responsible for a vast area, these resources are small relative to the challenges of its region. While it can bring flexible capital to those issues, Caldwell notes that local buy-in, or what she calls "social license," is just as important.

Caldwell gives the example of the Forest Service's Big Jack East project, which targeted a section of woods that abutted a series of low-, middle- and high-income neighborhoods. Locals, believing the dense forest was healthy, revolted when workers started to thin the area's trees.

"There was so much pushback that first year they had to slow down," Caldwell said. "They took months to respond to every single letter, every comment at the community level, before they went back into the forest."

In response, the foundation made a grant for a storytelling project that will release a video later this year. The aim is to shift local attitudes by educating the community about what a healthy forest looks like.

Similarly, while climate change is at the root of the issues it is confronting, it's not a phrase used prominently, either on the foundation's website or by Caldwell, who is more apt to talk about how the foundation has reacted to changes in the weather.

"We have that framework in mind and can speak to it, but we are really working from a place of our community's fear of catastrophic fire and its impact on our community," Caldwell said.

“Climate action is this big umbrella that is a way for us to understand. But when you get on the ground and get in your community and talk about it, it’s a bit nebulous.”

Thinking About the Future Before It’s Too Late

Over the past few years, Caldwell has watched as her colleagues at community foundations around the state have had to become experts in organizing funds and mobilizing their communities in response to catastrophic fires.

So far, her region has been spared, but there have been close calls. Just last month, the Loyalton Fire north of Truckee left the region’s air thick with smoke and put the community on evacuation alert. And so many of the firefighters from the region are busy fighting other fires across the state that at times, the Forest Service has barred residents from camping, hiking and other outdoor activities in the area.

“It’s a privilege that we can still talk about the future of our forests,” Caldwell said. “Meanwhile, there are communities around California and the West that are not in that position.”

Philanthropic action is often characterized as catalytic. But for Caldwell, it’s equally important that it be proactive. For a small rural foundation, it gives them a chance of confronting the overwhelming threat around them.

“So often, philanthropy is mobilized with a sense of urgency after it is too late,” Caldwell said. “While it is so important to respond to crises with resources that we can share, it would be significantly less money if we could get on the front end of this stuff. And that’s what we’re trying to do.”