



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

**AGENDA: 4**

# **Projects and Contracts with Proposed Awards over \$500,000 & Acceptance of State Funds**

**Mobile Source and Climate Impacts Committee Meeting  
November 8, 2023**

**Chengfeng Wang, Manager, Strategic Incentives  
[cwang@baaqmd.gov](mailto:cwang@baaqmd.gov)**

# Presentation Outcome



**Action item** *for the Committee to consider recommending the Board of Directors:*

1. Approve the recommended project with a proposed grant award over \$500,000 as shown in Attachment 1 and authorize the Executive Officer/APCO to enter into all necessary agreements with the applicant for the recommended project;
2. Authorize the Bay Area Air Quality Management District to accept, obligate, and expend new fiscal year 2023-2024 State funds from the California Air Resources Board including:
  - a) Up to \$50 million in Community Air Protection Program, or CAPP, Incentives funds, and
  - b) Up to \$24.4 million in Carl Moyer Program Year 26 funds;

# Presentation Outcome (cont.)



**Action item** *for the Committee to consider recommending the Board of Directors:*

3. Allocate up to \$3.3 million in Mobile Source Incentive Funds to provide the required match funding required to participate in the Carl Moyer Program; and,
4. Adopt resolutions authorizing the Air District's participation in the fiscal year 2023-2024 Carl Moyer and CAPP Incentives programs.

# Presentation Outline



- Background and funding sources
- Proposed project with award over \$500,000
- Status of incentive funding in Fiscal Year Ending (FYE) 2024
  - Funds available and awarded as of 10/5/23
  - Community benefits as of 10/5/23
- Acceptance of fiscal Year 2023-2024 CAPP and CMP Funds
- Recommendations

# CMP/MSIF, CAPP, and FARMER



Carl Moyer  
Program  
**(CMP)**

Funding Agricultural  
Replacement Measures  
for Emission  
Reductions **(FARMER)**

Community Air  
Protection Program  
**(CAPP)**

Mobile  
Source  
Incentive  
Fund  
**(MSIF)**

California Air Resources Board  
**\$104.6 million**

DMV Fees  
**\$11.2 million**

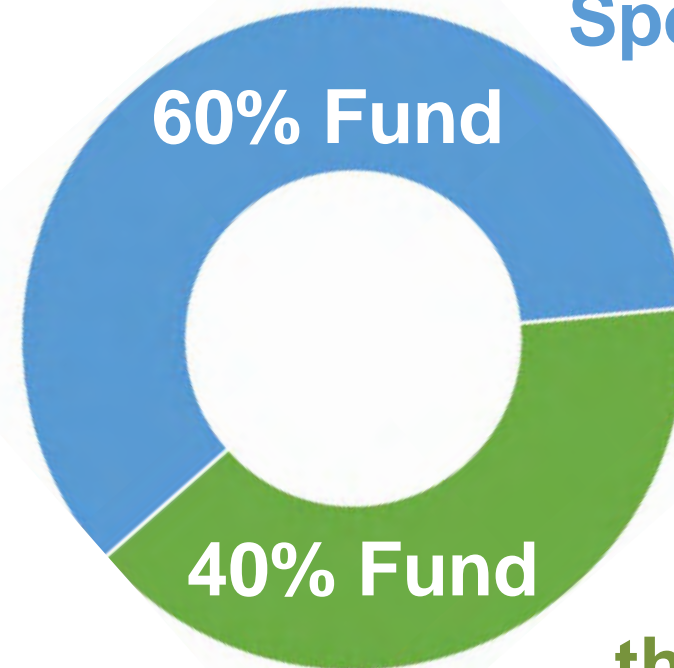
# Transportation Fund for Clean Air (TFCA)



- Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242
- Funding provided by a \$4 surcharge on motor vehicles
- \$29.5 million available for distribution through 60% Fund in FYE 2024



**Regional Fund  
& Air District-  
Sponsored**



**Passed  
through to  
Counties**

# Proposed Project



**Recommend award of \$1,085,000 to upgrade a marine excursion vessel by replacing the existing propulsion and four auxiliary diesel engines with a diesel-electric hybrid system**

## **Emissions Reductions**

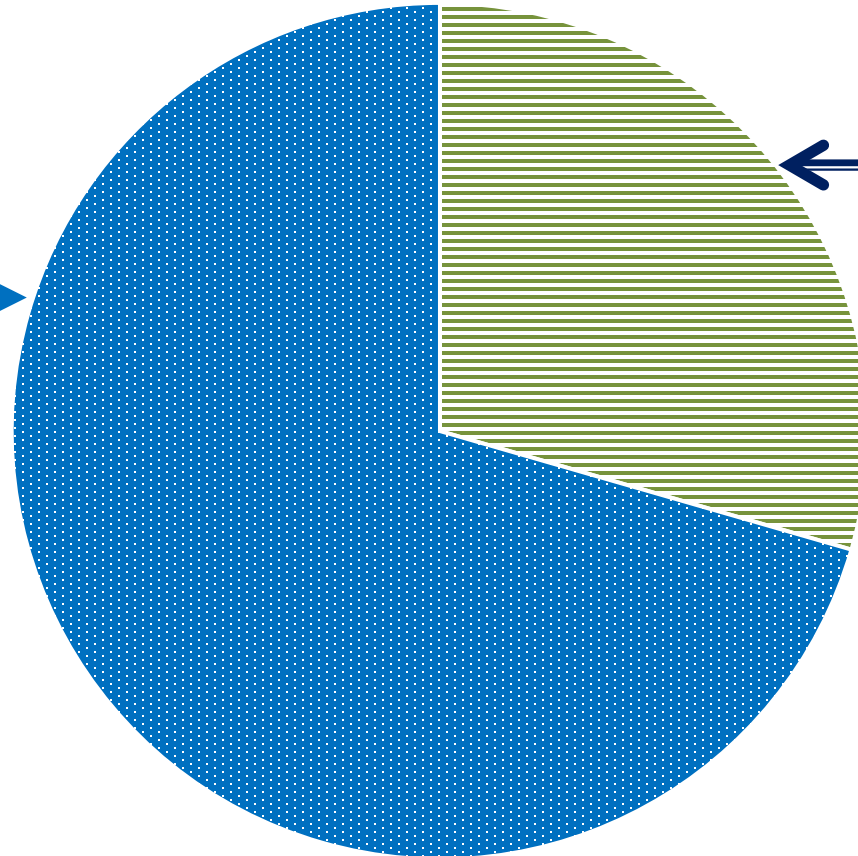
- Over 2.4 tons per year of criteria pollutants



# Incentive Funds Awarded & Remaining since July 2023



**\$102.5 Million**  
Available  
to Award in  
FYE 2024



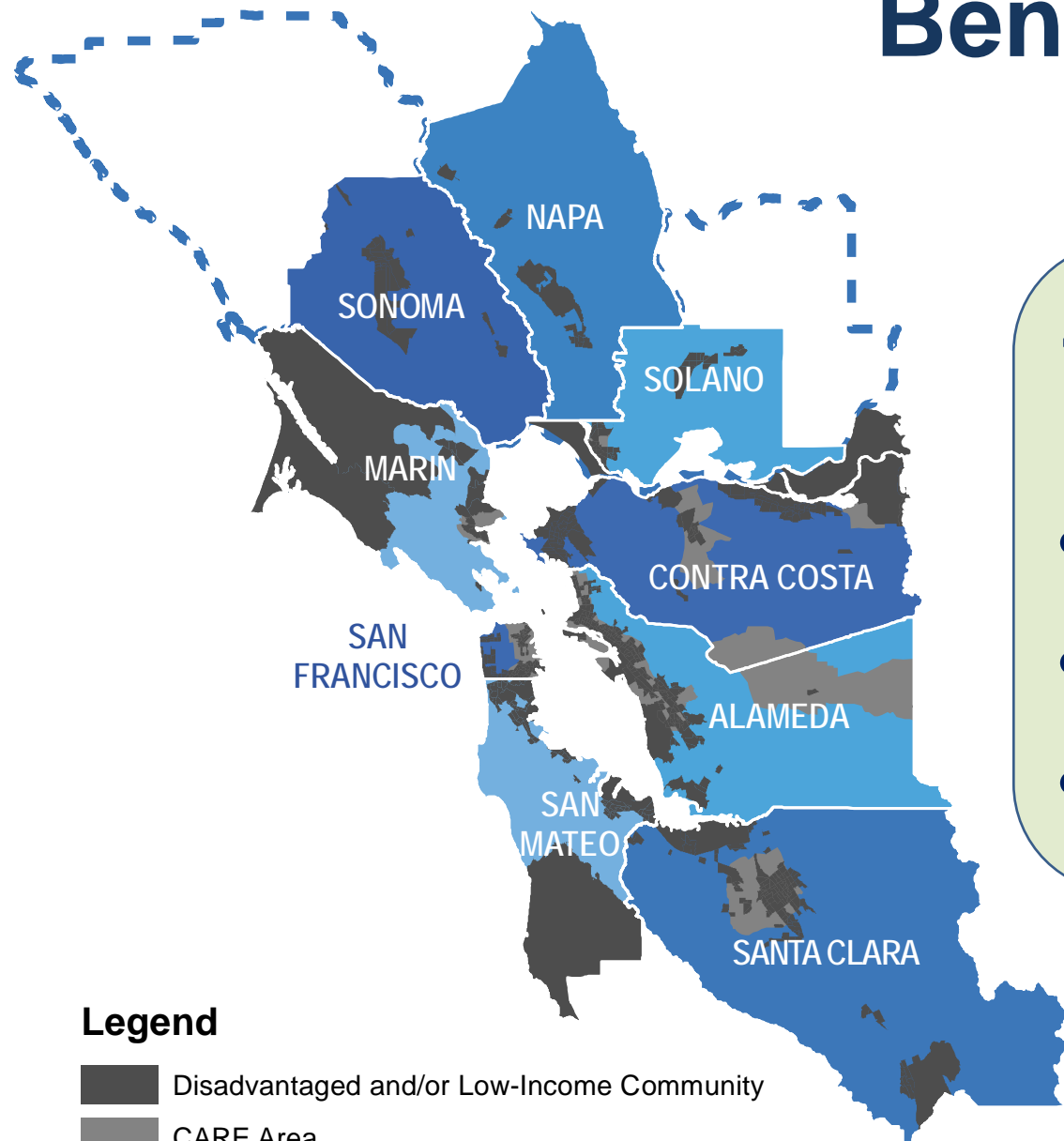
**\$42.8 Million**  
Awarded,  
Allocated,  
& Recommended

List of all projects is  
shown in Attachment 2

Updated as of 10/5/2023



# Benefits to Priority Areas since July 2023



**~\$31.9M to projects benefitting Priority Areas**

- **Disadvantaged communities**
- **Low-income communities**
- **CARE areas**



**Total Awards = \$42.8M**

**~\$3.1M allocated to regional grants**

**Updated as of 10/5/2023**

# Fiscal Year 2023-2024 State Funds



Under the new CARB funding cycles, Air District will be requesting:

- CAPP (Year 7) – up to \$50 million
- CMP (Year 26) – up to \$24.4 million, including CMP State Reserve funds, and Air District to provide \$3.3 million in required match funds from MSIF
- Up to 6.25% may be used for administrative costs
- Projects subject to CARB-adopted CMP and CAPP Guidelines
- Funding will be awarded starting in 2024 and all projects must be completed and paid out (liquidated) by 6/30/2027

# Actions Requested



**Action item** *for the Committee to consider recommending the Board of Directors:*

1. Approve the recommended project with a proposed grant award over \$500,000 as shown in Attachment 1 and authorize the Executive Officer/APCO to enter into all necessary agreements with the applicant for the recommended project;
2. Authorize the Air District to accept, obligate, and expend new fiscal year 2023-2024 State funds from the California Air Resources Board (CARB) including, up to \$50 million in Community Air Protection Program (CAPP) Incentives, and up to \$24.4 million in Carl Moyer Program funds;

# Actions Requested (cont.)



**Action item** *for the Committee to consider recommending the Board of Directors:*

3. Allocate up to \$3.3 million in Mobile Source Incentive Funds to provide the required match funding required to participate in the Carl Moyer Program; and,
4. Adopt resolutions authorizing the Air District's participation in the fiscal year 2023-2024 Carl Moyer and CAPP Incentives programs.



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**AGENDA: 5**

# **Transportation Fund for Clean Air Grant Program Guidance**

**Mobile Source and Climate Impacts Committee Meeting  
November 8, 2023**

**Minda Berbeco, Manager  
Strategic Incentives Division  
[mberbeco@baaqmd.gov](mailto:mberbeco@baaqmd.gov)**

# Informational Item



No Action. Information item only.

# Outline



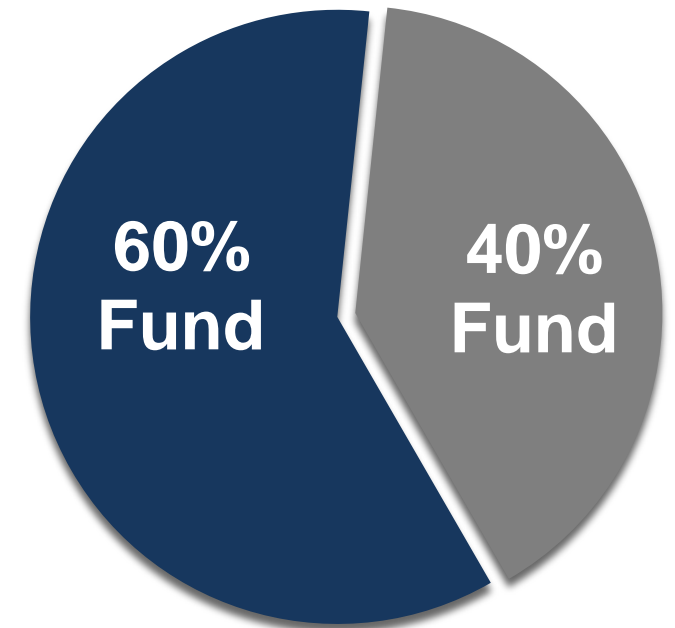
- TFCFA Background
  - Legislative requirements
  - Funding over time
- Overview and Comparison of Project Categories
- Guiding Principles for Committee Discussion
- Next Steps

# Transportation Fund for Clean Air (TFCA)



- State legislature approved in 1991
- Funding provided by a \$4 surcharge on motor vehicles
- Minimum Requirements
  - Implement mobile source & transportation control projects -- 11 authorized categories
  - Maximize emissions reductions & public health benefits
  - Expend funds within 2 years (with some exceptions)
  - Independent Audit every 2 years

**~\$24M in new  
TFCA revenue  
annually**





# Funding Available for Projects and Programs in FYE 2024

Approximately \$145 million



## KEY

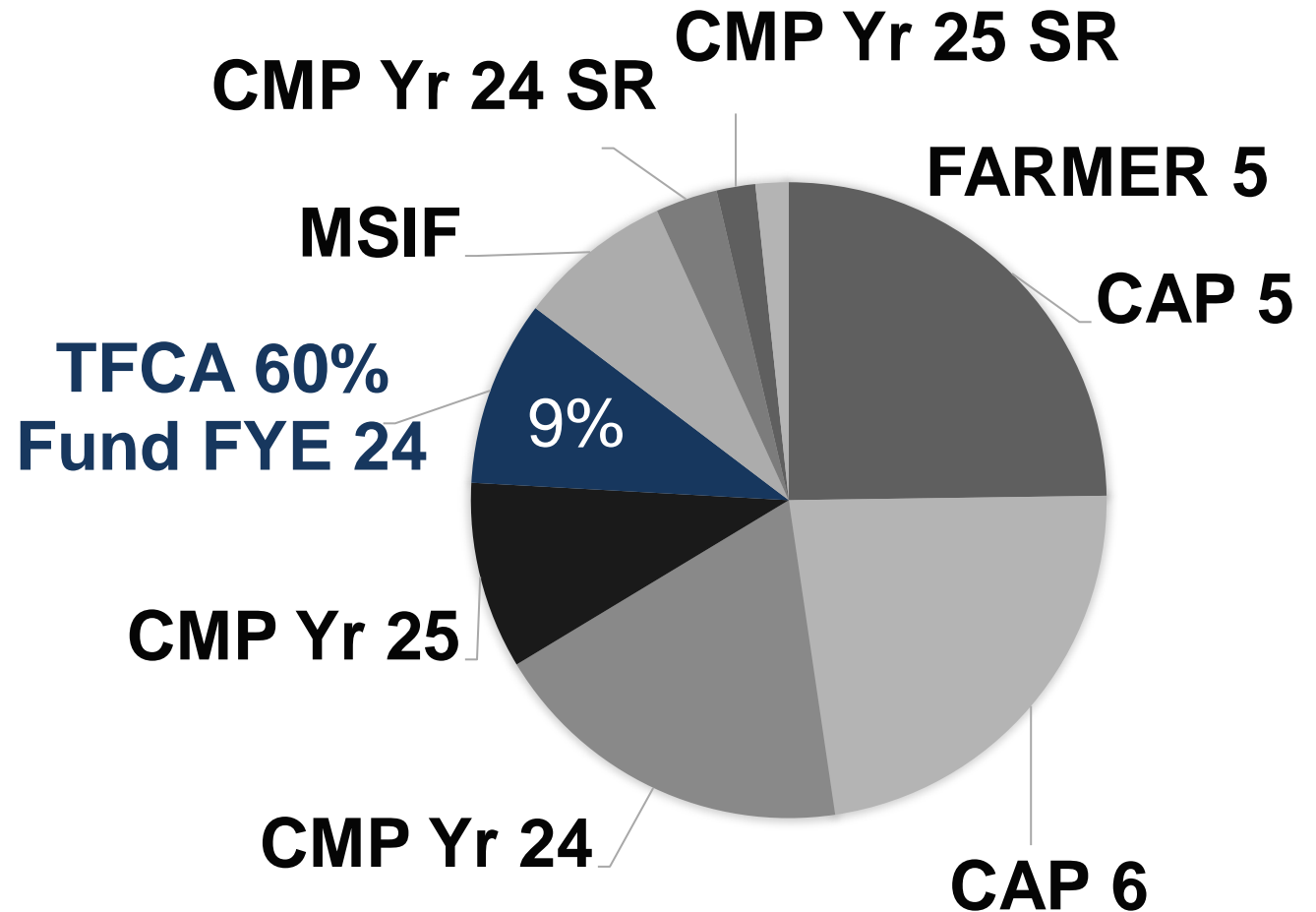
**CAP** – Community Air Protection

**CMP** – Carl Moyer Program

**FARMER** – Funding Agricultural Replacement Measures for Emission Reductions

**MSIF** – Mobile Source Incentive Fund

**TFCA** – Transportation Fund for Clean Air



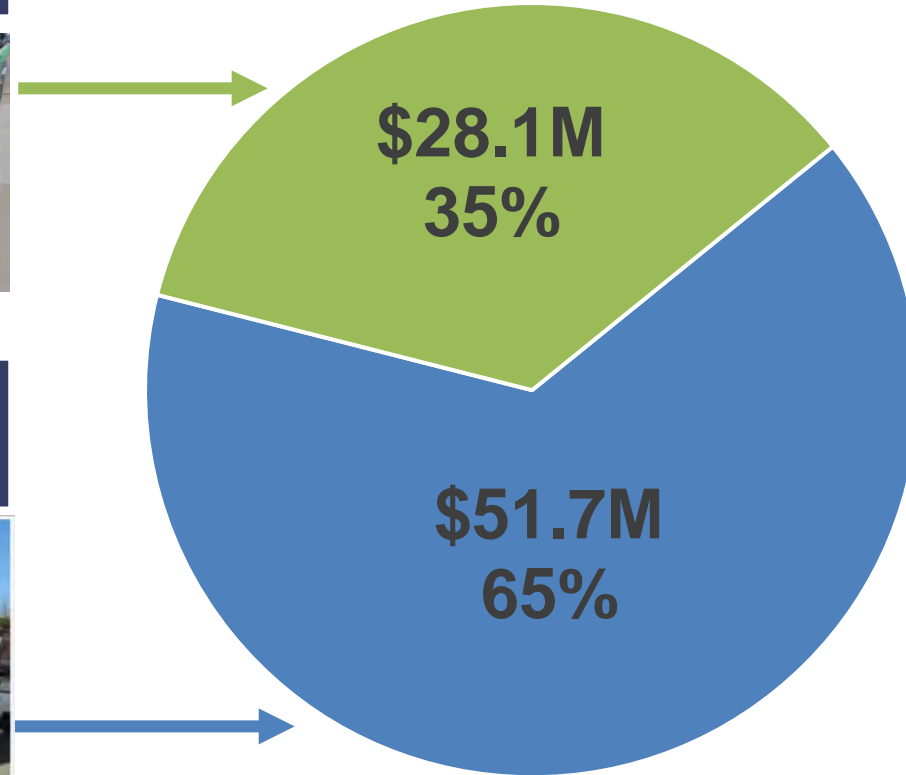
# TFCFA Board Awards by Project Type FYE 2019-2023



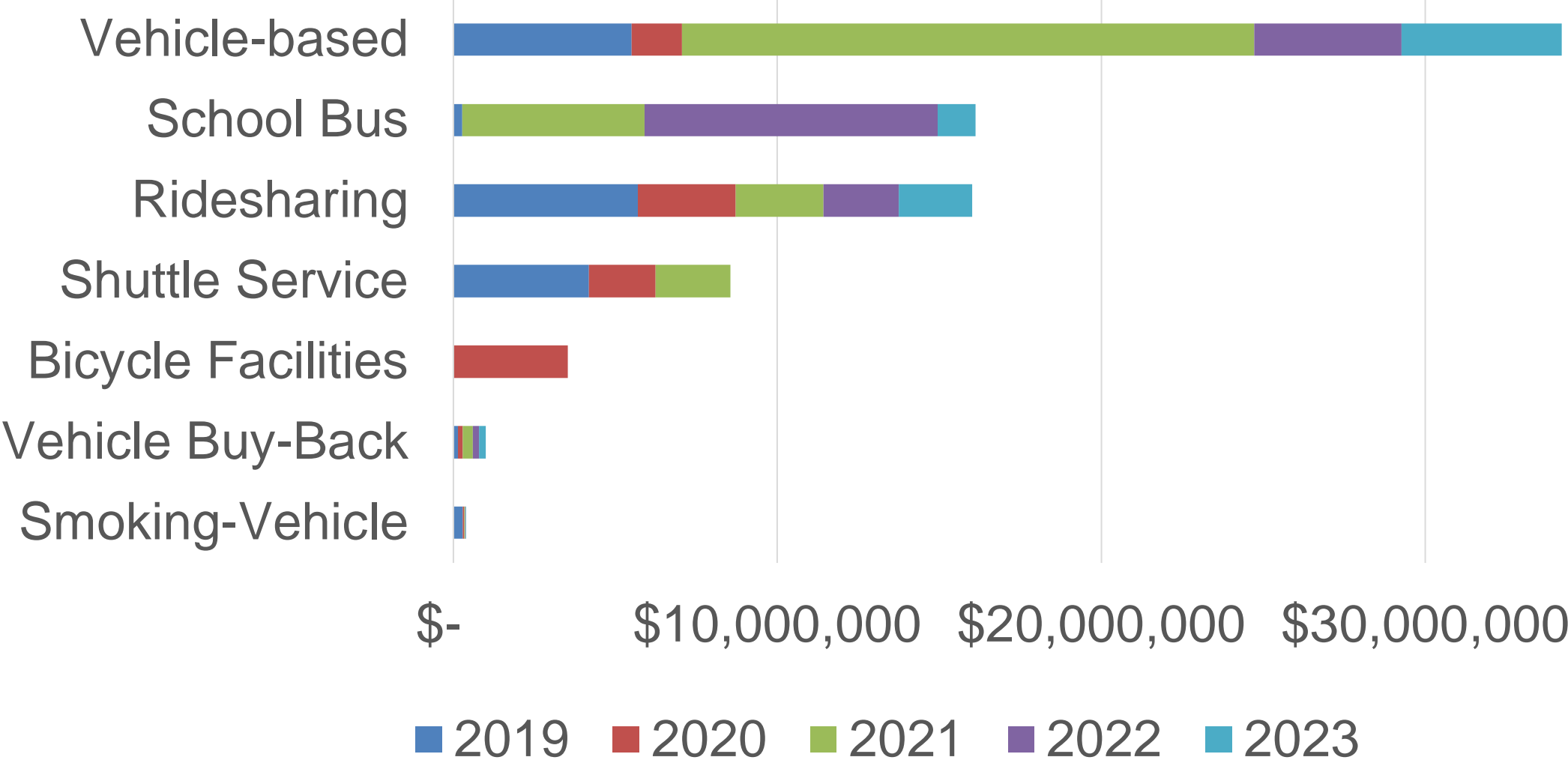
## Transportation Control Measures



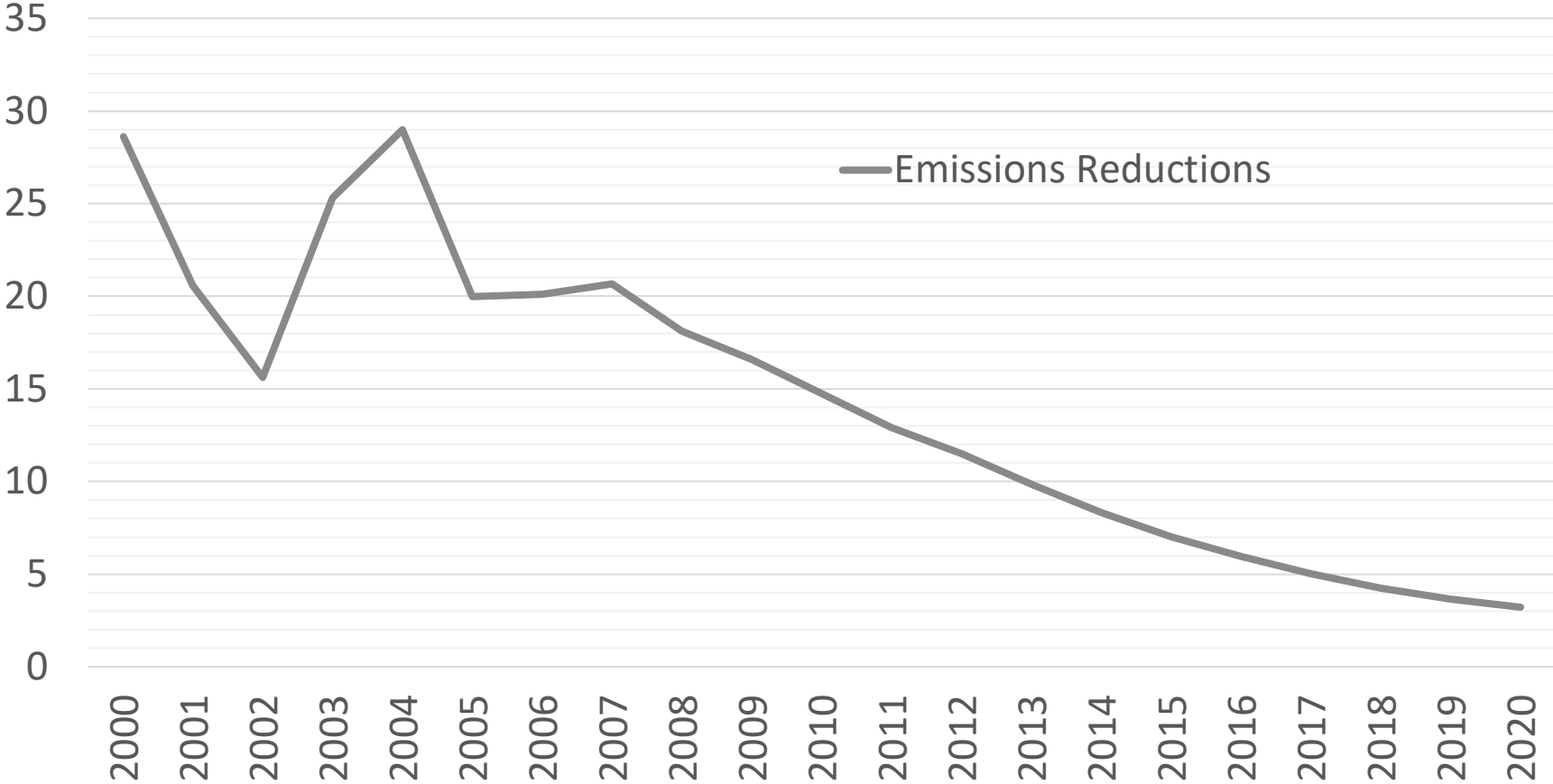
## Mobile Source Measures



# Board Awards by Project Category FYE 2019-2023



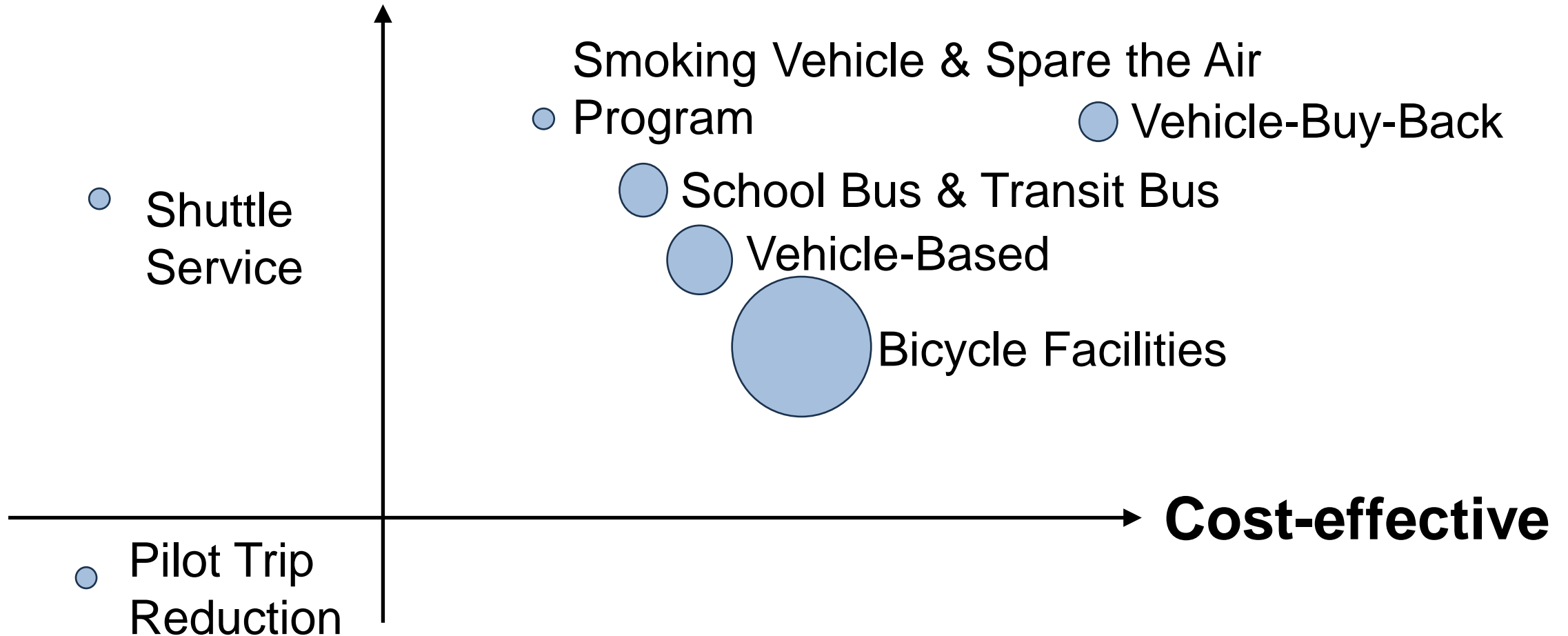
# Emissions Reduced by Replacing 50 cars with One Shuttle Bus (in tons)



# Comparison of Project Categories



Low-fall rate/Completion time



# Guiding Principles for Committee Discussion



- ❑ Prioritize funds to the most cost-effective project categories
- ❑ Offer funding to other types of non-vehicle-based categories, alternating or phased-in over multiple years
- ❑ Prioritize funding to projects that provide benefits to priority communities, including AB617, impacted, and low-income communities
- ❑ A combination of these options

# Next steps



Based on this discussion, staff will return in the Spring of 2024 using input from the Committee regarding guiding principles for development of future incentive program solicitations for the TFCA 60% Fund





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# Transportation Fund for Clean Air (TFCA) Audit #24 Results

Mobile Source and Climate Impacts Committee Meeting  
November 8, 2023

Clair Keleher, Senior Staff Specialist  
Strategic Incentives Division  
[ckeleher@baaqmd.gov](mailto:ckeleher@baaqmd.gov)



# Presentation Outcome



- This is an informational item, no action requested.

# Presentation Outline



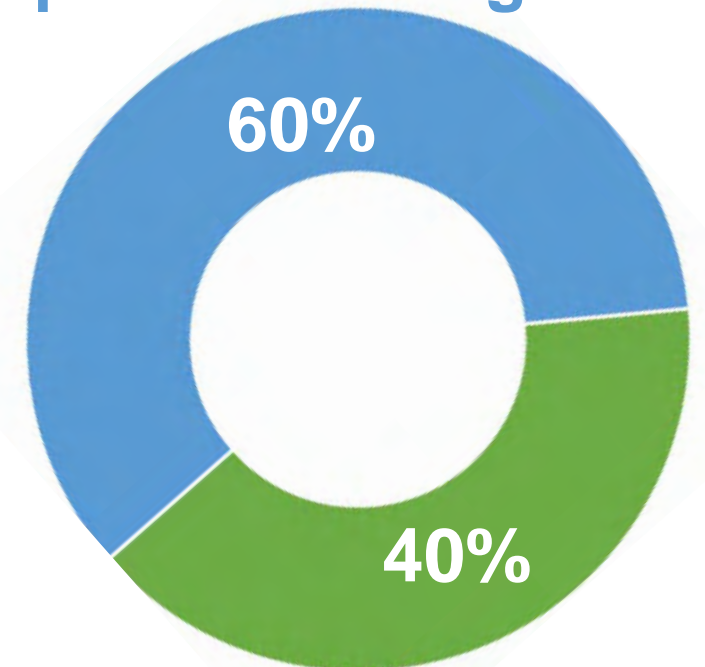
- Background
- Audit # 24 of the Regional Fund & Air District Sponsored Programs:
  - Scope
  - Results
- Next Steps

# Background Transportation Fund for Clean Air (TFCA)



- Authorized by CA Health and Safety Code § 44241 and 44242
- Funding provided by \$4 surcharge on motor vehicles

**60% is Regional Fund  
& Air District  
Sponsored Programs**



# TFCA Audit #24 Scope



- Requires fiscal audit of all TFCA-funded projects & programs ***at least once every two years***
- Board approved contract with Simpson & Simpson, LLP for independent audit services on July 6, 2022

# TFCA Audit #24 Scope



- TFCA Regional Fund, and Air District-sponsored projects completed prior to June 30, 2022



**Financial audits**



**Compliance audits**

# TFCA Audit #24 Results



- 26 Regional Fund Projects
  - Total audited expenditures = \$8,252,173
  - **No findings**
- 4 Air District-Sponsor Programs
  - Total audited expenditures = \$2,360,417
  - **No findings**

# Next Steps



- Review results from Agreed-Upon Procedures
  - Further refine contractual requirements
  - Continue to improve communications with project sponsors regarding contractual requirements and audit process

# Actions Requested



- None. Informational item only





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**AGENDA: 7**

# **Clean Cars for All Program Update**

**Mobile Source and Climate Impacts Committee Meeting  
November 8, 2023**

**Deanna Yee, Staff Specialist  
Technology Implementation Office  
[dyee@baaqmd.gov](mailto:dyee@baaqmd.gov)**

# Presentation Outcome



- This is an informational item, no action needed.

# Presentation Outline



- Background: Bay Area Zero Emission Vehicle (ZEV) Adoption
- Clean Cars for All (CCFA) program update



# Background: Bay Area ZEV Goals



## ELECTRIC VEHICLE TRENDS AND GOALS



11,830 public charging ports currently

58,000 public charging ports needed by 2030 (NREL)

In 2022, 6.2% of the Bay Area fleet were EVs, with a goal of 90% by 2050

In 2023 Q2, 25.4% of all new sales in CA were EVs



### Public charging ports

18% DC Fast

82% Level 2

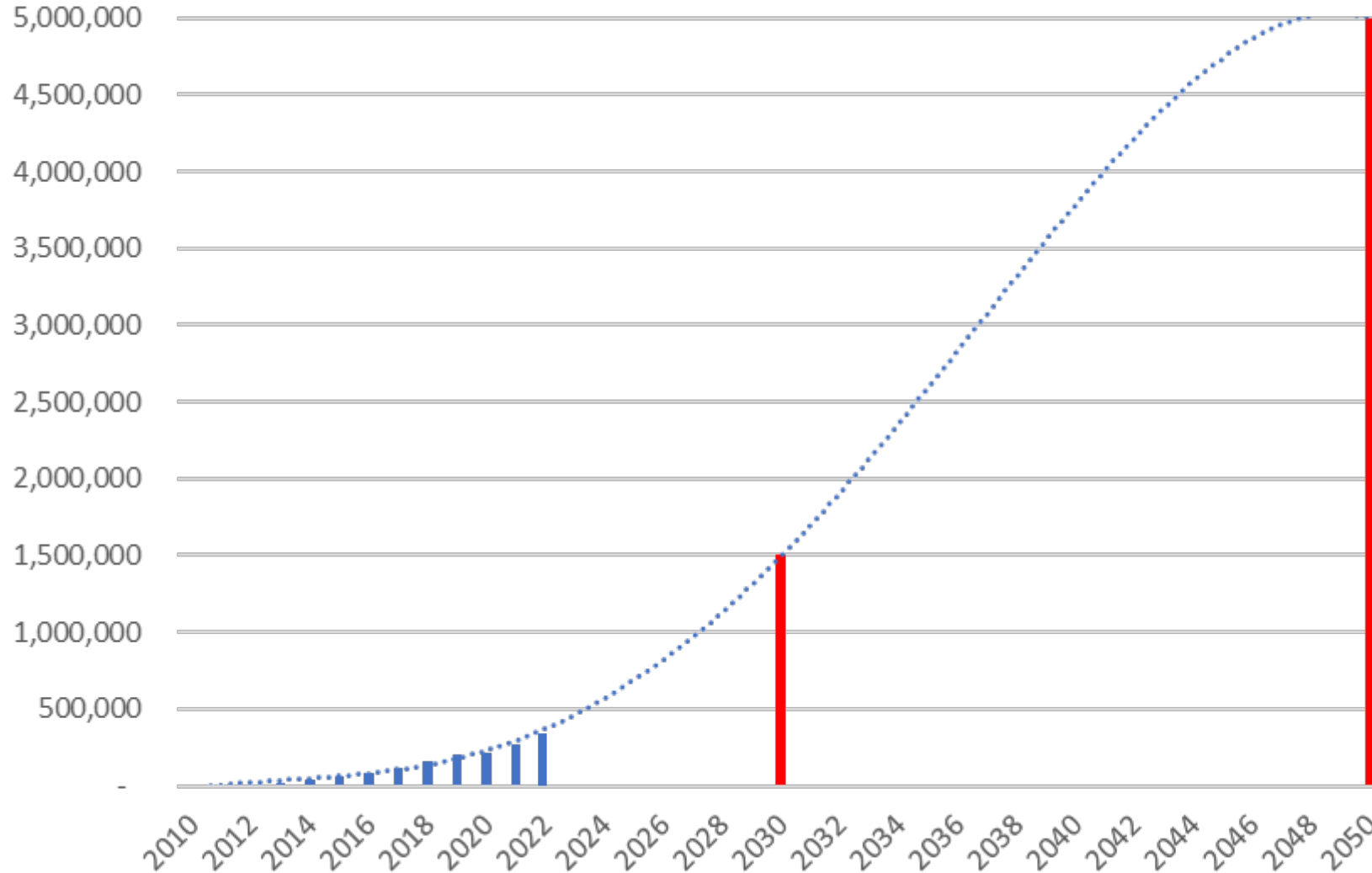
<1% Level 1



### Progress towards our EV Adoption Goals



# Bay Area ZEVs and Projected Increase to Meet 2050 Goal

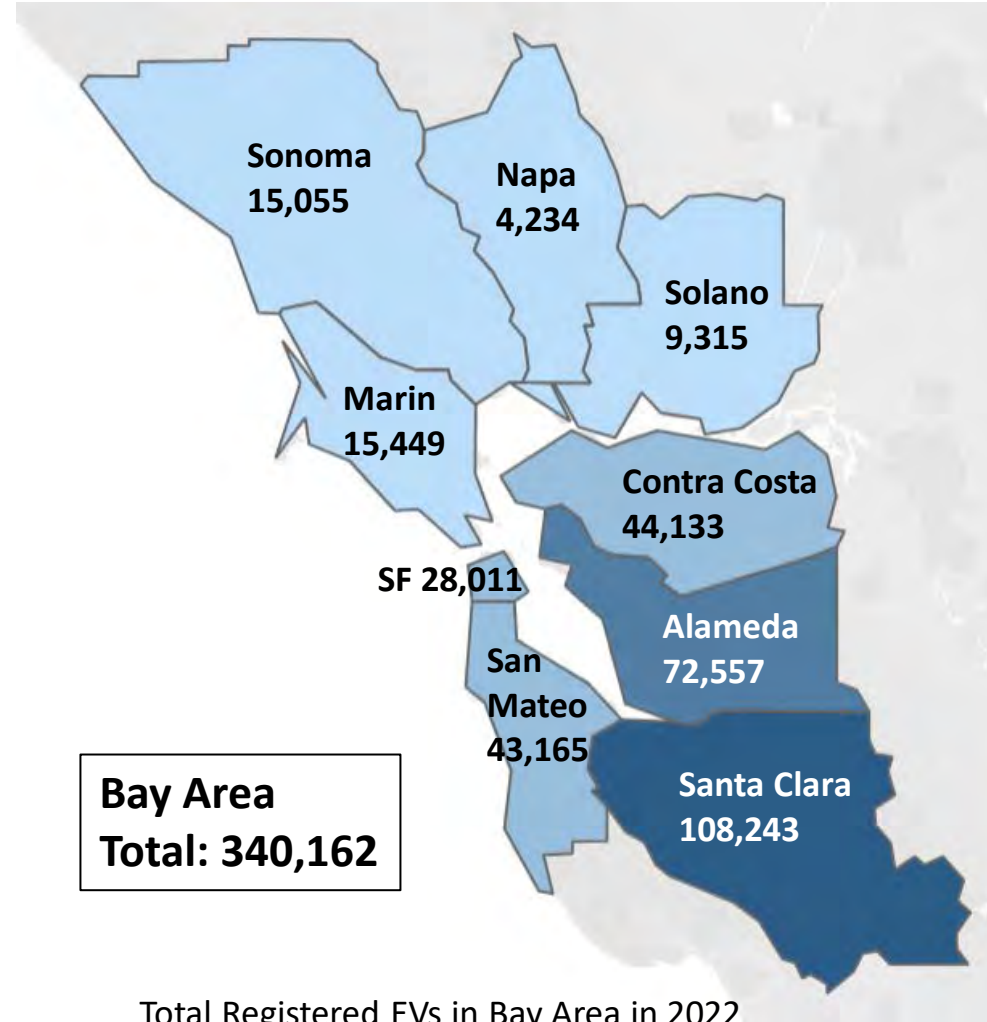


# ZEV Adoption in the Bay Area



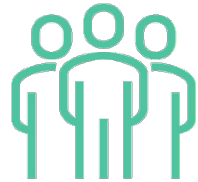
10 282,343

Mobile Source & Climate Impacts Committee  
November 8, 2023



4,234 108,243

Bay Area Air Quality Management District



**Income-qualified residents\* who retire  
an older vehicle**



## Vehicles and Infrastructure

- Purchase or lease, new or used
- Hybrid, plug-in hybrid, battery electric, and fuel cell electric vehicles
- Home charger installation or portable charger for plug-in hybrid and battery electric vehicles

## Mobility Options

- Pre-paid debit card for:
  - Electric bicycles
  - Public transit (Clipper Card)

\* ≤400% Federal Poverty Level (FPL)



# CLEAN CARS FOR ALL

- Partners – GRID Alternatives, dealerships, dismantlers stakeholders
- Social media and targeted mailers
- In-person and virtual events
- Application assistance from dedicated case managers
- Multi-lingual program materials and resources: EV education, financing, and incentive stacking

# Program Overview: Outreach and Education



EJEMPLOS DE AUTOS QUE CALIFICAN PARA CLEAN CARS FOR



**2022 Hyundai Kona** - carro eléctrico de batería

| ESPECIFICACIONES                             | DESCLOSE DE LOS COSTOS      |
|--|-----------------------------|
| • 258 millas de alcance en batería           | Precio de lista \$35,570    |
| • Varias velocidades de carga, ver más abajo | Impuestos \$3,343           |
| • Todoterreno subcompacto de cinco asientos  | Tarifas \$632               |
|  | Clean Cars for All -\$9,500 |
|  | CVRP* -\$4,500              |

Este auto puede calificar para una calcomanía de carril de viaje compartido!



CƠ QUAN QUẢN LÝ CHẤT LƯỢNG KHÔNG KHÍ VÙNG VINH NG DISTRICTO NG PAMAMAHALA SA KALIDAD NG HANGIN NG BAY AREA 灣區空氣品質管理局的 EL DISTRICTO DE CALIDAD DEL AIRE DEL ÁREA DE LA BAHÍA



BAY AREA AIR QUALITY MANAGEMENT DISTRICT'S



## CLEAN CARS FOR ALL

PROGRAM OVERVIEW

Income eligible Bay Area residents can receive up to **\$9,500** to trade in their old vehicle and **purchase or lease an electric vehicle**, or get a **pre-paid card for public transit or e-bikes!**





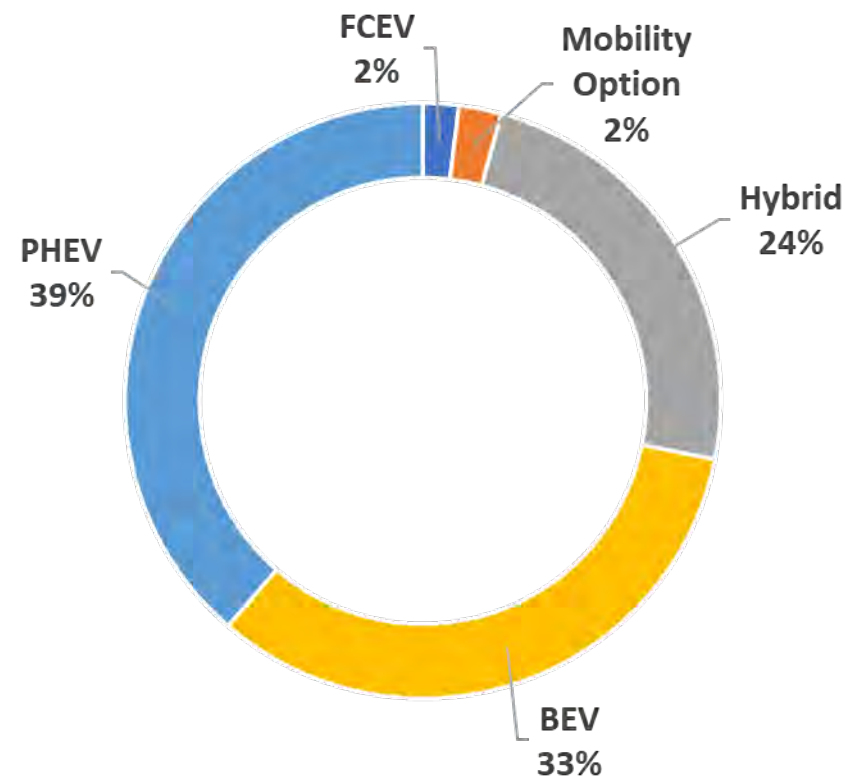
# CLEAN CARS FOR ALL

- Program launched March 2019
- Total Budget - \$73 million
- Awarded \$32.5 million to 3,881 grantees
  - 3,791 vehicles
  - 413 EV chargers
  - 90 Mobility Options (60 e-bikes)
- Emissions reductions (tpy)
  - 31.8 NO<sub>x</sub> + ROG
  - 8,535 CO<sub>2</sub>

# Funds Awarded



**Awarded  
Clean Transportation Options**



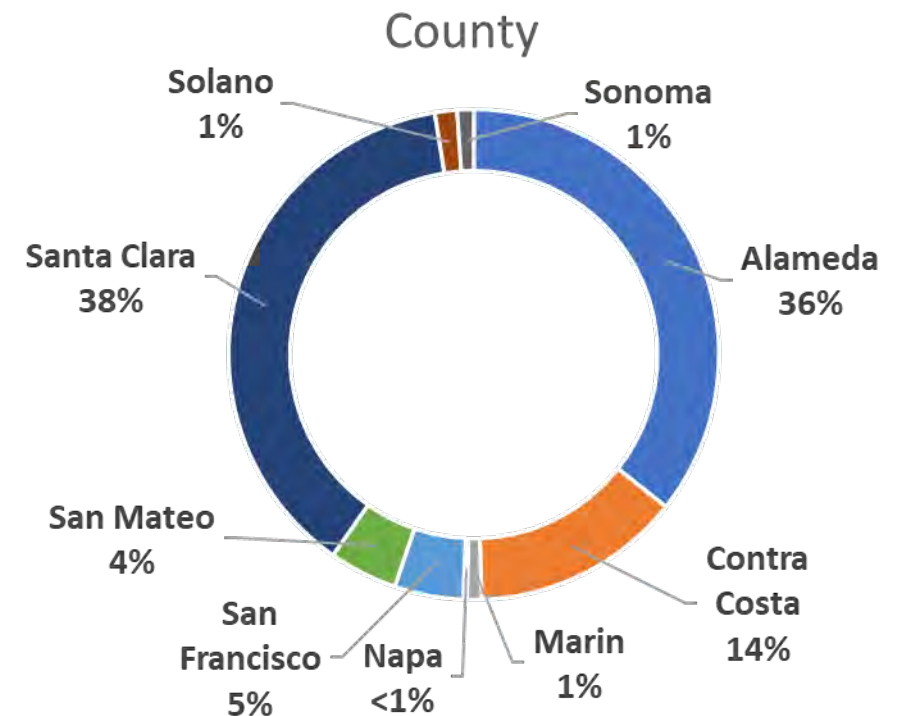
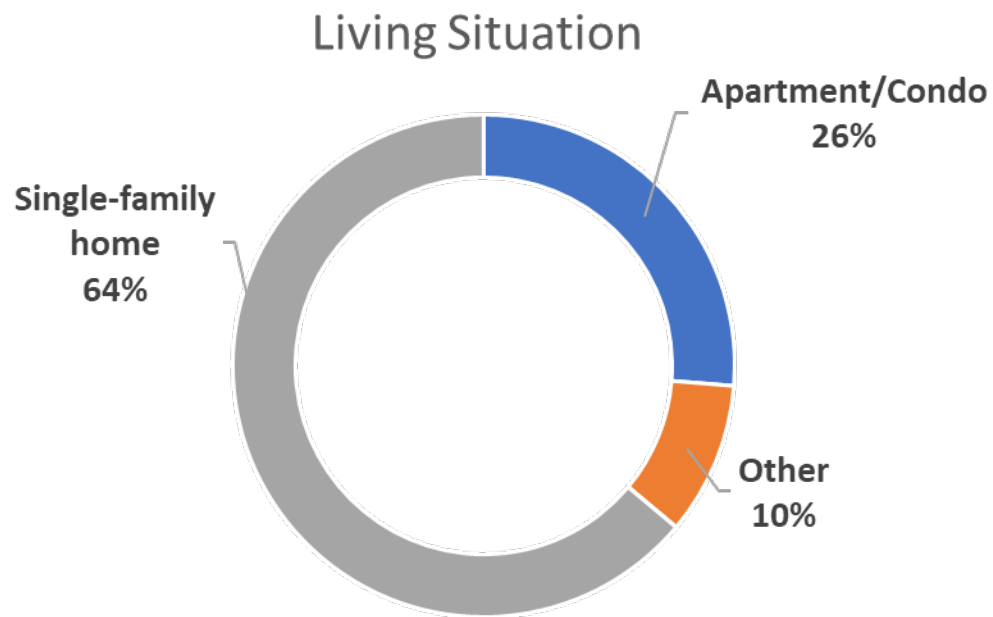


# CLEAN CARS FOR ALL

# Participant Data



- Program is open to 76 disadvantaged community (DAC) ZIP codes
- 62% in disadvantaged or low-income communities (AB 1550)





**CLEAN CARS  
FOR ALL**

# Participant Data: Replacement Vehicles



- Average model year vehicle retired: 2000
- Vehicle purchased
  - 66% new vehicle
  - 34% used vehicle
- Average vehicle cost: \$36,226
- Average incentive awarded: \$8,291
- 70% of participants financed vehicle purchase
  - Average interest rate: 4.5%



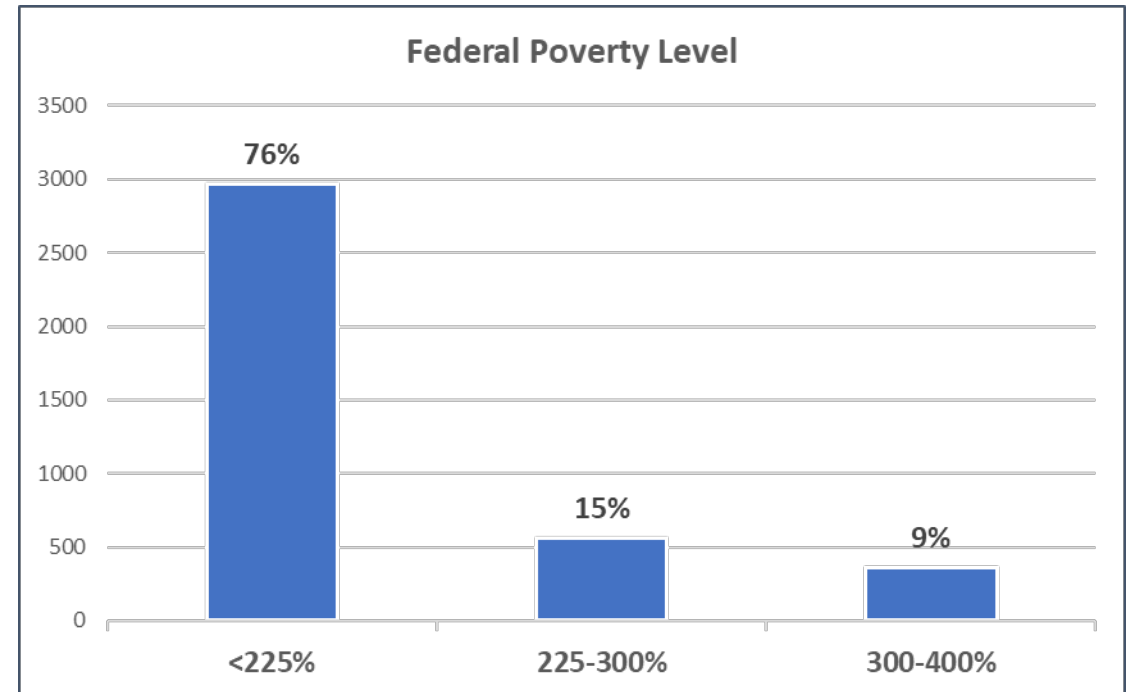
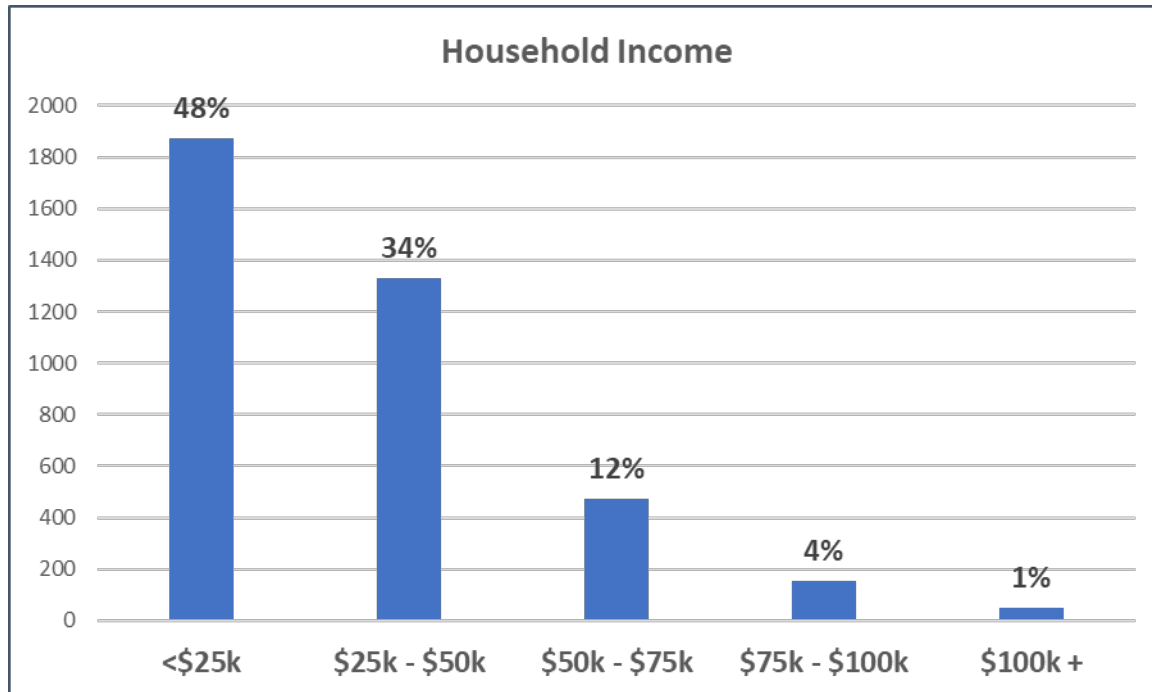


# CLEAN CARS FOR ALL

# Demographics: Income



- Average household size: 2.3 people



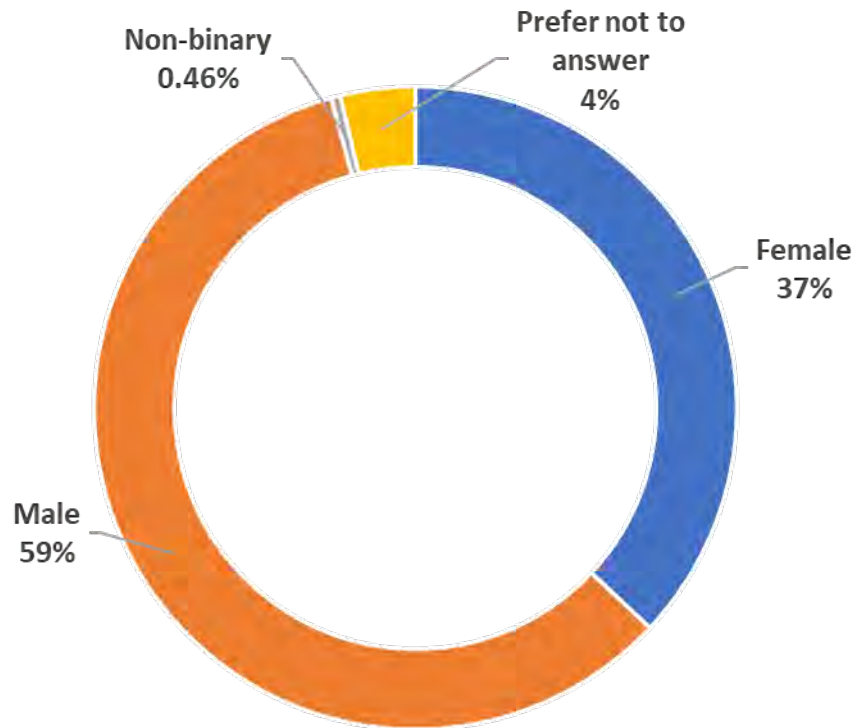


# CLEAN CARS FOR ALL

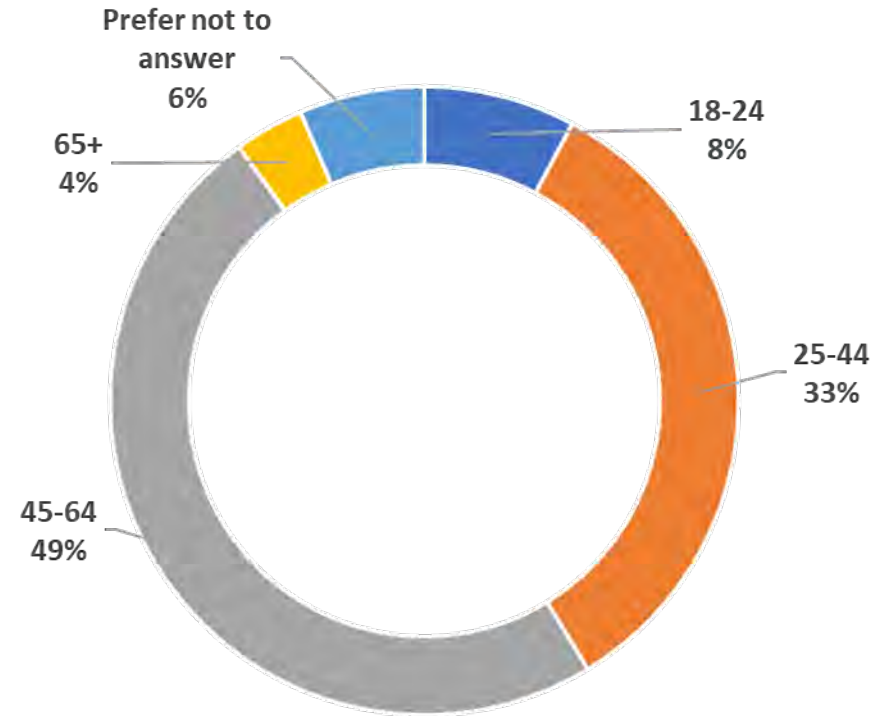
# Demographics: Gender & Age



### Gender



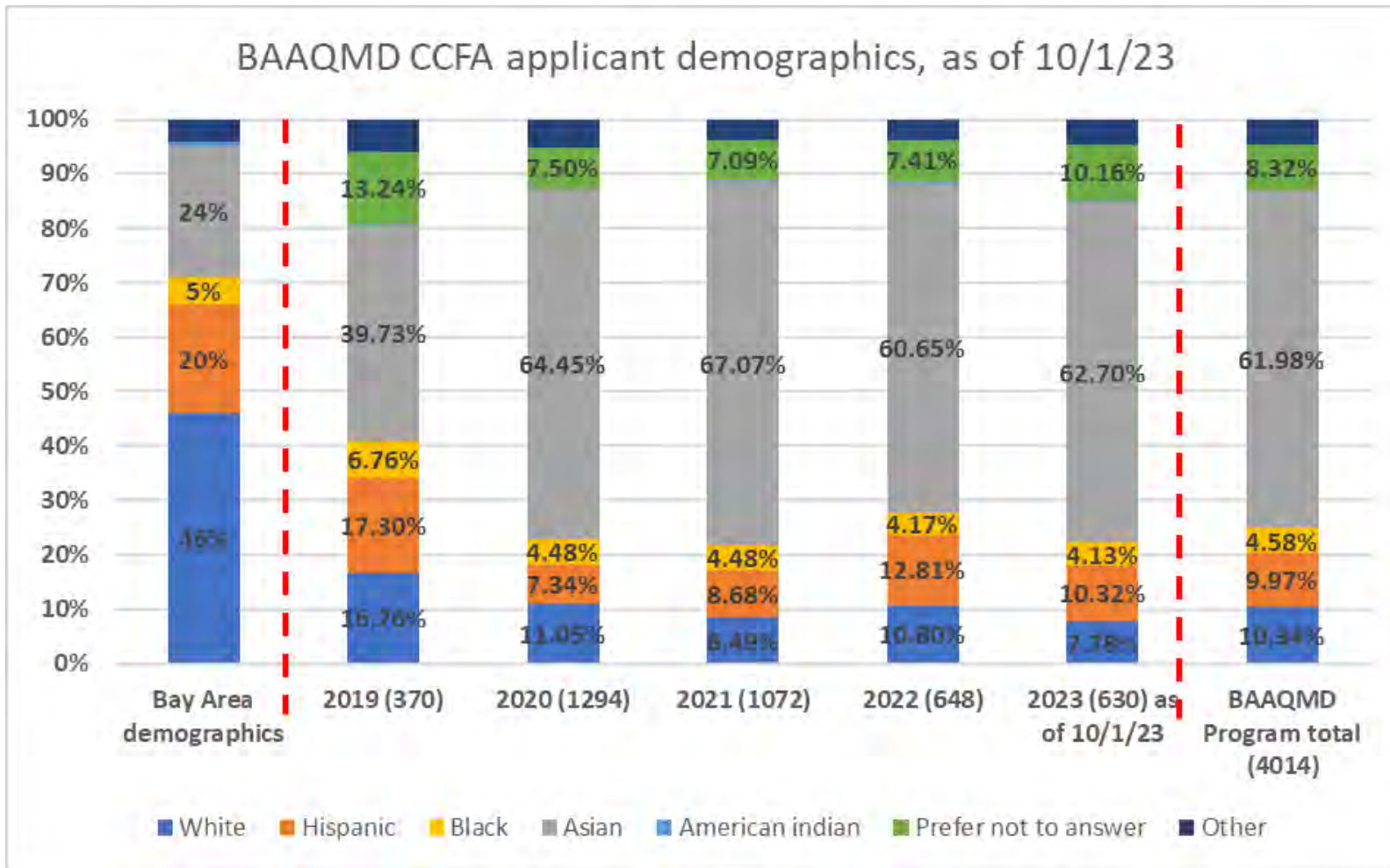
### Age





# CLEAN CARS FOR ALL

# Demographics: Race/Ethnicity





# CLEAN CARS FOR ALL

# 2023-2024 Program Changes



- Program Relaunch: Fall 2023
- \$28 million contract executed in June 2023 with the California Air Resources Board


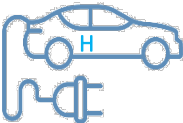



|                            | Current Program   | New Program            |
|----------------------------|-------------------|------------------------|
| ZIP Codes                  | 76 DAC ZIP Codes  | All Bay Area ZIP Codes |
| Federal Poverty Level      | ≤400%             | ≤300%                  |
| Incentive Amount           | \$5,000 - \$9,500 | \$7,000 - \$12,000     |
| Retired Vehicle Model Year | 2005 or older     | 2007 or older          |



# CLEAN CARS FOR ALL

# Incentive Amounts



| Clean Transportation Options   | Current Program                   | New Program |                    |
|--|-----------------------------------|-------------|--------------------|
|  | ≤400% Federal Poverty Level (FPL) | ≤300% FPL   | + DAC Census Tract |
|  <b>Hybrid</b>                      | \$5,000 - \$7,000                 | \$7,000     | \$7,000            |
|  <b>Plug-In Hybrid</b>              | \$5,500 - \$9,500*                | \$9,500*    | \$11,500*          |
|  <b>Battery Electric</b>            | \$5,500 - \$9,500*                | \$10,000*   | \$12,000*          |
|  <b>Fuel Cell Electric Vehicle</b> | \$5,500 - \$9,500                 | \$10,000    | \$12,000           |
|  <b>Mobility Option</b>           | \$7,500                           | \$7,500     | \$7,500            |

*\*Up to \$2,000 is available for EV charger rebate*





**CLEAN CARS  
FOR ALL**

# Action Requested



None. Informational item only.