

BOARD MEETING DATE: September 4, 2020

AGENDA NO. 3

PROPOSAL: Adopt Resolution Recognizing Funds for FY 2019-20 Community Air Protection Program Incentives and Reimburse General Fund for Administrative Costs

SYNOPSIS: In June 2020, South Coast AQMD executed a grant agreement (G19-MCAP-03) with CARB to receive FY 2019-20 (Year 3) Community Air Protection Program (CAPP) incentive funds in the amount of \$69,824,849, including 6.25% in administrative funds. This action is to adopt a Resolution recognizing CAPP revenue up to \$70 million from CARB into the Community Air Protection AB 134 Fund (77). The revenue will be used to support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of AB 617, subject to Board approval. Eligible projects include those submitted under the Carl Moyer and Proposition 1B-Goods Movement Programs, projects consistent with Community Air Protection Incentives Guidelines, and other incentive projects and programs included in an approved Community Emissions Reduction Plan. This action is to also reimburse the General Fund for administrative costs incurred implementing the CAPP grant.

COMMITTEE: Technology, August 21, 2020; Recommended for Approval

RECOMMENDED ACTIONS:

1. Adopt the attached Resolution recognizing, upon receipt, up to \$70 million of FY 2019-20 CAPP incentive funds from CARB into the Community Air Protection AB 134 Fund (77); and
2. Reimburse the General Fund up to 6.25% of the CAPP Grant amount from the Community Air Protection AB 134 Fund (77).

Wayne Nastri
Executive Officer

Background

In June 2019, the Governor approved the Budget Act of 2019 (AB 74), which under Schedule 3 of the Bill appropriated \$245 million for financial incentives to reduce mobile and stationary sources of criteria air pollutants or toxic air contaminants, consistent with community emissions reduction programs pursuant to AB 617. In June 2020, South Coast AQMD executed a grant agreement (G19-MCAP-03) with CARB to receive FY 2019-20 (Year 3) Community Air Protection Program (CAPP) incentive funds in the amount of \$69,824,849, including 6.25% in administrative funds. A Board Resolution is required by CARB prior to the disbursement of these funds.

As specified by the Year 3 grant, the revenue will be used to support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure, consistent with the goals of AB 617, subject to Board approval. Eligible projects include those submitted under the Carl Moyer and Proposition 1B-Goods Movement Programs, projects consistent with Community Air Protection Incentives Guidelines, and other incentive projects and programs included in an approved Community Emissions Reduction Program. The grant also includes statewide targets to benefit priority populations, including SB 535 disadvantaged communities AB 1550 communities.

Proposal

These actions are to adopt the attached Resolution recognizing up to \$70 million from CARB into the Community Air Protection AB 134 Fund (77) and reimburse the General Fund up to 6.25% of the CAPP Grant amount from the Community Air Protection AB 134 Fund (77).

Benefits to South Coast AQMD

The implementation of incentive projects funded by the Year 3 CAPP funds will reduce emissions of criteria and toxic air pollutants in communities with high burdens of cumulative pollutant exposure. The CAPP incentive funds will be used for projects that meet or exceed the statewide targets specified by the CAPP incentives grant agreement, including at least 70 percent of the funds for projects in SB 535 disadvantaged communities and at least 80 percent of the funds for projects benefiting AB 1550 communities.

The funds will be used for projects that reduce emissions beyond what is required by existing regulations, and these reductions will continue throughout the life of the projects, resulting in long-term emissions reduction and public health benefits.

Resource Impacts

South Coast AQMD will receive up to \$70 million from CARB for FY 2019-20 (Year 3) CAPP incentive funds, which will be recognized into the Community Air Protection AB 134 Fund (77). Administrative costs will not exceed 6.25%.

Attachment

A Resolution of the South Coast AQMD Governing Board Recognizing FY 2019-20 Community Air Protection Incentive Funds

RESOLUTION NO. 20-

**A Resolution of the South Coast Air Quality Management District Governing Board
Recognizing FY 2019-20 Community Air Protection Incentive Funds**

WHEREAS, under Health & Safety Code §40400 et seq., the South Coast Air Quality Management District (South Coast AQMD) is the local agency with the primary responsibility for the development, implementation, monitoring and enforcement of air pollution control strategies, clean fuels programs and motor vehicle use reduction measures; and

WHEREAS, the South Coast AQMD is authorized by Health & Safety Code §§40402, 40440, and 40448.5 as well as the Carl Moyer Memorial Air Quality Standards Attainment Program (§§44275 et seq.) to implement programs to reduce transportation emissions, including programs to encourage the use of alternative fuels, zero and low emission vehicles, to develop and implement other strategies and measures to reduce air contaminants, and achieve the state and federal air quality standards; and

WHEREAS, the Governing Board has adopted several programs to reduce emissions from on-road and off-road vehicles, as well as emissions from other equipment, including infrastructure from the Carl Moyer Program, the Proposition 1B-Goods Movement Program, and projects included in approved Community Emissions Reduction Programs; and

WHEREAS, the Governing Board directs staff to prioritize funding of zero emission vehicles and equipment whenever feasible, including charging/fueling infrastructure for medium- and heavy-duty vehicles, in disadvantaged and low-income communities; and

WHEREAS, the South Coast AQMD is designated as an extreme non-attainment area for ozone and as such is required to utilize all feasible means to meet national ambient air quality standards.

THEREFORE, BE IT RESOLVED that the Governing Board of the South Coast AQMD, State of California, in regular session assembled on September 4, 2020, does hereby recognize up to \$70 million in FY 2019-20 (Year 3) Community Air Protection Program incentive funds from CARB.

BE IT FURTHER RESOLVED that the Executive Officer is authorized and directed to take all steps necessary to carry out this Resolution.

Date

Faye Thomas, Clerk of the Boards