

BOARD MEETING DATE: September 2, 2022

AGENDA NO. 8

**PROPOSAL:** Adopt Resolution Recognizing Funds for FY 2021-22 Community Air Protection Incentives and Reimburse General Fund for Administrative Costs

**SYNOPSIS:** In June 2022, the South Coast AQMD executed a grant agreement with CARB to receive FY 2021-22 Community Air Protection Program (CAPP) incentive funds in the amount of \$98,799,787, of which 6.25 percent may be used to fund administrative costs. This action is to: 1) adopt a Resolution recognizing CAPP revenue up to \$98,799,787 from CARB into the Community Air Protection AB 134 Fund (77). Eligible projects include those submitted under the Carl Moyer Program and Proposition 1B–Goods Movement Program, projects consistent with the Community Air Protection Incentives Guidelines, and other projects included in approved AB 617 community emissions reduction programs; and 2) reimburse the General Fund for administrative costs incurred in implementing the CAPP grant.

**COMMITTEE:** Technology, August 19, 2022; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Adopt the attached Resolution recognizing, upon receipt, up to \$98,799,787 of FY 2021-22 CAPP incentive funds from CARB into the Community Air Protection AB 134 Fund (77); and
2. Reimburse the General Fund up to 6.25 percent of the CAPP grant amount from the Community Air Protection AB 134 Fund (77) for administrative costs incurred for implementing the CAPP grant.

Wayne Nastri  
Executive Officer

AK:WS:AY:DH

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**Background**

In June 2021, the Governor approved the Budget Act of 2021 (AB 128) which appropriated \$320 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 July 2022, South Coast AQMD

executed a grant agreement (G21-MCAP-24) with CARB to receive FY 2021-22 (Year 5) Community Air Protection Program (CAPP) incentive funds in the amount of \$98,799,787, which includes 6.25% in administrative funds. CARB requires that air districts provide a Board Resolution, which officially recognizes the South Coast AQMD's receipt of the CAPP funding and that, authorizes the South Coast AQMD to implement incentive programs, including Carl Moyer, Proposition 1B-Goods Movement Program, and projects approved in Community Air Reduction Programs, using CAPP funds.

Per the grant agreement, the revenue will support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure consistent with the requirements of AB 617, AB 1550 and SB 535. SB 535 and AB 1550 require at least 70-80 percent of the funds to go towards emission reduction projects that directly benefit disadvantaged and low-income communities. Projects that may be eligible for this funding 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 in approved Community Emissions Reduction Plans.

### **Proposal**

These actions are to adopt the attached Resolution recognizing up to \$98,799,787 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) for the administrative costs incurred for implementation of the CAPP grant.

### **Benefits to South Coast AQMD**

The implementation of incentive projects funded by the Year 5 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.

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 emission reductions and public health benefits.

### **Resource Impacts**

South Coast AQMD will receive up to \$98,799,787 from CARB for FY 2021-22 CAPP (Year 5) CAPP incentive funds, which will be recognized into the Community Air Protection AB 134 Fund (77). Administrative costs will not exceed 6.25 percent.

### **Attachment** Resolution

## **RESOLUTION NO. 22-**

### **A Resolution of the South Coast Air Quality Management District Governing Board Recognizing FY 2021-22 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 2, 2022, does hereby authorize the Executive Officer to accept the terms and conditions of the FY 2021-22 (Year 5) Community Air Protection Program (CAPP) grant award and hereby recognizes up to \$98,799,787 from CARB to administer and implement the Year 5 CAPP.

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

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Date

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Faye Thomas, Clerk of the Boards