

BOARD MEETING DATE: October 3, 2025

AGENDA NO. 6

**PROPOSAL:** Adopt Resolution Recognizing Revenue for FY 2024-25  
Community Air Protection Program and Reimburse General Fund  
for Administrative Costs

**SYNOPSIS:** In August 2025, South Coast AQMD executed a grant agreement with CARB for FY 2024-25 Community Air Protection (CAP) incentive funds totaling \$73,351,356, of which 12.5 percent may be used for administrative costs. These actions are to: 1) adopt a resolution recognizing an amount up to \$73,351,356 in CAP funds from CARB into the Community Air Protection AB 134 Fund (77); and 2) reimburse the General Fund for administrative costs up to \$9,168,919 from the Community Air Protection AB 134 Fund (77).

**COMMITTEE:** Technology, September 19, 2025; Recommended for Approval

**RECOMMENDED ACTIONS:**

1. Adopt the attached resolution recognizing, upon receipt from CARB, an amount up to \$73,351,356 in Community Air Protection (CAP) funds into the Community Air Protection AB 134 Fund (77); and
2. Reimburse the General Fund for administrative costs in an amount up to \$9,168,919 from the Community Air Protection AB 134 Fund (77).

Wayne Natri  
Executive Officer

AK:MW:DG:KG:FM

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**Background**

In June 2024, the Governor approved the Budget Act of 2024 (AB 107), which appropriated \$195 million for financial incentives to reduce mobile and stationary sources of criteria air pollutants or toxic air contaminants, consistent with community emissions reduction programs. Of the \$195 million, CARB allocated approximately \$73 million to the South Coast AQMD to implement incentive projects under the CAP Program. These funds will support incentive projects that reduce emissions and improve public health in communities with high burdens of cumulative pollutant exposure in accordance with the requirements of AB 617, AB 1550 and SB 535. AB 1550 and

SB 535 require at least 70 to 80 percent of the funds to go toward emission reduction projects that directly benefit disadvantaged and low-income communities.

In August 2025, South Coast AQMD executed grant agreements with CARB to receive the \$73 million to implement incentive projects under the CAP Program. These funds will be utilized to implement CAP incentive projects, including emissions and exposure reduction projects under the AB 617 Community Emissions Reduction Program. The projects will be implemented according to the approved CAP Incentives and Carl Moyer Program Guidelines.

### **Proposal**

Staff proposes adopting the attached Resolution to recognize up to \$73 million from CARB into the Community Air Protection AB 134 Fund (77) to implement CAP incentive projects, and to reimburse the General Fund with up to 12.5 percent of the grant for administrative costs incurred from incentive project implementation.

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

The implementation of incentive projects funded by CAP funds will reduce emissions of criteria and toxic air pollutants, including diesel particulate matter (PM), in communities with high burdens of cumulative pollutant exposure. The CAP incentive funds will be used for projects that meet or exceed the statewide targets specified by the CAP incentive 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. Funds will also be used for exposure reduction projects under the AB 617 Community Emissions Reduction Program.

### **Resource Impacts**

South Coast AQMD will receive up to \$73 million from CARB for the FY 2024-25 CAP Program. These funds will be recognized under the Community Air Protection AB 134 Fund (77). Administrative costs will not exceed 12.5 percent.

### **Attachments**

Resolution

## **RESOLUTION NO. 25-**

### **A Resolution of the South Coast Air Quality Management District Governing Board Recognizing FY 2024-25 Community Air Protection Incentive Funds**

WHEREAS, under Health and 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 and Safety Code §§40402, 40440, 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 in the AB 617 Community Emissions Reduction Program; 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, there are specific legislative requirements (e.g., expenditure records, quantification methodology, annual reporting, and disadvantaged/low-income community investments) of the cap and trade proceeds that the South Coast AQMD will need to adhere to; 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 FURTHER RESOLVED that the Governing Board of the South Coast AQMD, State of California, in regular session assembled on October 3, 2025, does hereby recognize up to \$73 million in FY 2024-25 (Year 8) Community Air Protection (CAP) Program incentive funds from CARB to administer and implement the Year 8 CAP Program.

BE IT FURTHER RESOLVED that the Executive Officer is hereby 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