

BOARD MEETING DATE: August 7, 2026

AGENDA NO. 8

TITLE: Recognize Funds for Clean Cars 4 All, Enhanced Fleet Modernization, and Carl Moyer State Reserve Programs, Reimburse General Fund and Transfer Funds for Replace Your Ride Portal Enhancements

SYNOPSIS: Since 2015, South Coast AQMD has implemented California Air Resources Board's (CARB) Enhanced Fleet Modernization Program (EFMP) and Clean Cars 4 All (CC4A), branded as Replace Your Ride (RYP) in the South Coast Air Basin. For FY 25-26, CARB allocated \$17.9 million to continue implementation of RYP. Also, in May 2026, CARB approved an allocation of \$5.2 million for the FY 2025-26 Carl Moyer State Reserve Program Year 28 for the RYP program or other Moyer eligible zero-emission projects. These actions are to: 1) Recognize, upon receipt, up to \$1,400,000 from EFMP grant G25-EFMP-01, \$16,516,484 from CC4A grant G25-CC4A-01, and \$5,244,081 from Carl Moyer State Reserve Year 28 grant G25-MSR-20 into (HEROS II) Special Revenue Fund (56); 2) Reimburse the General Fund up to \$4,562,112 from the HEROS II Special Revenue Fund (56) for administrative costs necessary to implement EFMP and CC4A; 3) Approve RYP vouchers and other alternative mobility options until all available funds are exhausted; and 4) Transfer and appropriate up to \$100,000 from the administrative portion of the HEROS II Special Revenue Fund (56) into Information Management's FY 2026-27 Budget for RYP Portal enhancements.

COMMITTEE: Technology, June 26, 2026; Recommended for Approval

RECOMMENDED ACTION:

1. Recognize upon receipt, up to \$16,516,484 from CC4A grant G25-CC4A-01 and \$1,400,000 from EFMP grant G25-EFMP-01, and up to \$5,244,081 from Carl Moyer State Reserve Year 28 grant G25-MSR-20 into the HEROS II Special Revenue Fund (56);
2. Authorize the Executive Officer to approve Replace Your Ride (RYP) vouchers and other alternative mobility options until all available funds are exhausted;

3. Reimburse the General Fund up to \$3,303,296 from G25-CC4A-01, up to \$210,000 from G25-EFMP-01, and up to \$1,048,816 from G25-MSR-20 pending execution of the State Reserve Year 28 grant amendment, from the HEROS II Special Revenue Fund (56) for administrative costs necessary to implement RYR; and
4. Transfer and appropriate up to \$100,000 from the administrative portion of the HEROS II Special Revenue Fund (56) to the Information Management FY 2026-27 Budget for Replace Your Ride Portal enhancements.

Wayne Nastri
Executive Officer

AK:MW:TL:VJ

Background

Since 2015, South Coast AQMD has been implementing Replace Your Ride (RYR), which provides incentives to lower-income motorists to scrap and replace their older, high-emitting vehicles with newer, cleaner hybrid or zero-emission models. In lieu of a replacement vehicle, participants can select an e-Bike or an alternative mobility voucher, which can be used for public transportation or car sharing.

Since its inception in 2015, RYR has replaced over 15,000 older passenger vehicles with newer, higher-fuel-efficiency or zero-emission vehicles, resulting in annual reductions of 45 tons of NOx and 2.4 tons of Particulate Matter (PM). Replacement vehicle technologies in the program so far are 43.4 percent plug-in hybrids, 26.9 percent electric vehicles, and 29.7 percent high-efficiency conventional gasoline and hybrids. The scrapped vehicles have an average mileage of 180,360 and are approximately 23 years old. Over 88 percent of the vouchers have been issued to participants at the lowest poverty level.

RYR is a very popular program and typically has more applications than funding available. In the past year, the program has seen an increase in applications due to the sunsetting of Federal EV incentives and factors such as the rising price of gasoline. Funds from G25-EFMP-01, G25-CC4A-01, and G25-MSR-20 will allow the program to continue without interruption. An amendment for G25-MSR-20 is currently being processed and is expected to be executed in August 2026. The amendment designates that administration funds will be up to 20% of the grant amount, instead of 12.5%, if G25-MSR-20 is utilized for CC4A projects.

The RYR program utilizes an online application portal that was developed eight years ago and is in dire need of enhancements to improve the application process, provide automated data reports required by CARB and enhance user experience. The upgrades

to the RYR portal will improve system speed and functionality, enabling streamlined processes for voucher approval and State reporting.

Proposal

Staff proposes to recognize up to \$17,916,484 from CC4A and EFMP grants and up to \$5,244,081 from Carl Moyer State Reserve Year 28 grant into the HEROS II Special Revenue Fund (56) to continue implementation of RYR. In addition, to reimburse the General Fund up to \$4,562,112, \$1,048,816 of which is pending execution of an amendment for State Reserve Year 28, from the HEROS II Special Revenue Fund (56) for the administrative costs needed for the program. To improve an aged program portal, staff also proposes to transfer and appropriate up to \$100,000 from the administrative portion of the HEROS II Special Revenue Fund (56) to Information Management FY 2026-27 Budget for RYR Portal enhancements.

Benefits to South Coast AQMD

RYR will continue to administer without interruption light duty clean vehicle incentives to low-income vehicle owners, including those residing in underserved communities. Emission reductions from the vehicle replacements will also continue throughout the South Coast region. Upgrades to the RYR portal will help with application and reporting processes which will benefit both applicants and staff.

Resource Impacts

CARB grants G25-CC4A-01, G25-EFMP-01, and G25-MSR-20 will provide an additional \$23.2 million for program implementation and administrative cost. Administrative costs to implement these programs will not exceed \$4,562,112. The administrative funds to upgrade the RYR portal will not exceed \$100,000.