

# AB 2766 Subvention Fund

CA Health & Safety Code

§ 44220-44244

# Background

- AB 2766 Adopted September 30, 1990, allowed Air Districts to collect fees through DMV vehicle registration. Fees are to be used to implement the California Clean Air Act
- BOS Resolution #209-91 in 1991 \$2 fee
- BOS Resolution #70-94 in 1994 additional \$2 fee

# AB 2766 Requires...

- Funds must be used:
  - “...solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the CA Clean Air Act of 1988.” [partial § 44220(b)]

# Air Resources Board Guidelines

- Local Program Guideline has four criteria:
  - 1. Clean Air Plan Development and Implementation
  - 2. Cost-Effectiveness (< \$20,000 per ton reduced)
  - 3. Matching (leveraging) Funds
  - 4. New Technology Demonstration and Introduction
- At least 50% of funds are for projects that directly reduce mobile source emissions, up to 5% for program administration and any remaining funds are to be used for Air District emission reduction programs and clean air plan implementation.
- *“ARB supports local flexibility and decision-making in the use of the revenues and intends that districts and other recipient agencies have the opportunity to justify other approaches to prioritizing use of the funds based on special circumstances.”*

# Funds Awarded

| FY    | Total Grants |
|-------|--------------|
| 00-01 | \$392,946    |
| 02-03 | \$517,092    |
| 04-05 | \$203,834    |
| 05-06 | \$1,115,267  |
| 06-07 | \$205,037    |
| 07-08 | \$393,916    |
| 08-09 | \$746,413    |
| 09-10 | \$330,301    |
| 10-11 | \$432,277    |
| 11-12 | \$349,018    |

Estimated 12-13  
funding available:  
\$350,000



# Previously Funded Projects FY 2000-2012

| Project Types               | Total Awarded Projects | Total \$             | % of Total | Average Award | Range     |           |
|-----------------------------|------------------------|----------------------|------------|---------------|-----------|-----------|
| Alternative Fuel            | 5                      | \$123,440            | 3%         | \$24,688      | \$19,200  | \$31,041  |
| Bicycle / Pedestrian        | 11                     | \$698,677            | 15%        | \$63,516      | \$13,225  | \$183,450 |
| Biomass Transport Reduction | 8                      | \$511,085            | 11%        | \$63,886      | \$4,800   | \$115,200 |
| Education                   | 1                      | \$10,000             | 0%         | \$10,000      | \$10,000  | \$10,000  |
| Engine Retro / Replacement  | 9                      | \$1,233,403          | 26%        | \$137,045     | \$4,800   | \$487,076 |
| Multi-modal Facility        | 1                      | \$300,000            | 6%         | \$300,000     | \$300,000 | \$300,000 |
| Park N Ride                 | 2                      | \$470,592            | 10%        | \$235,296     | \$10,500  | \$460,092 |
| Shuttle / Bus               | 30                     | \$1,338,903          | 29%        | \$44,630      | \$6,000   | \$225,000 |
|                             | <b>67</b>              | <b>\$4,686,100.6</b> |            |               |           |           |

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Public Applicants

58

Private Applicants

9

# Eligible Projects per Regulation

- Projects meeting mobile emission reduction goal
- Legislation also specifically states funds can be used for:
  - Carpool / vanpool / rideshare  
District cannot provide directly, but can fund programs provided by others
  - Congestion Management Program (CMP) GC § 65089  
Required of areas with 50,000 people or more.
  - Transportation Control Measures HSC § 40717  
SACOG/EDCTC

# Eligible Projects per EDC AQMD RFP

- **Motor Vehicle Emissions Reduction**
  - Vehicle retrofit or replacement with Electric, Hybrid and Alternative Fuel vehicles
  - Electric and LNG vehicle infrastructure
- **Trip Reduction**
  - Park-n-Ride, vanpools, shuttles, bike paths and videoconferencing
- **Fugitive Dust (PM10) Emissions Reduction**
  - Paving or treating unpaved public roads (usage minimums)
  - Signs to reduce speed
  - Efficient street sweepers
- **Public Education**
  - Educational materials on air quality health impacts and improvement
  - Air quality curriculum in schools



# Eligible Applicants

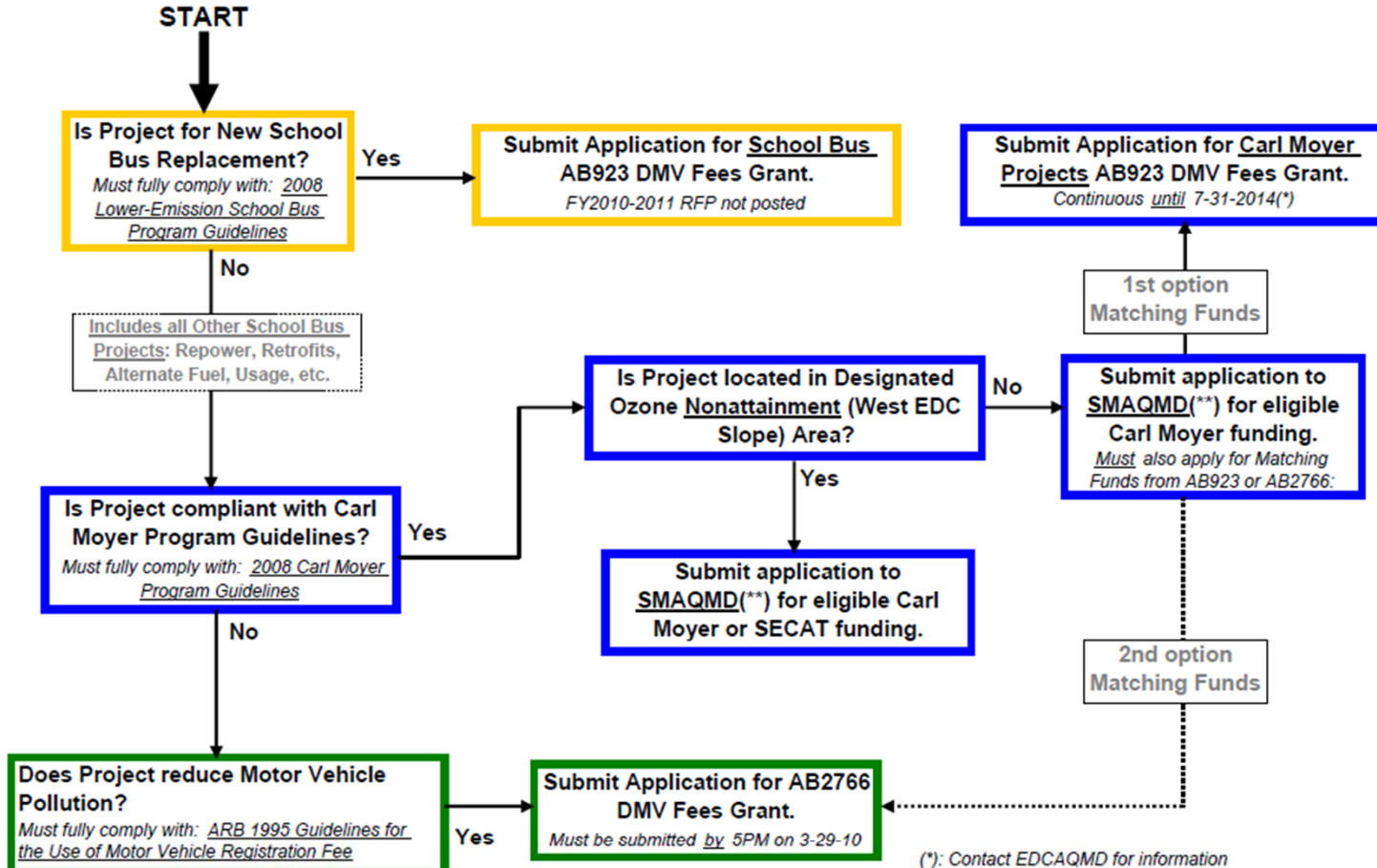
- Unrestricted by legislation, but EDC AQMD Request For Proposal states eligible applicants are:
  - Government agencies
  - Municipalities
  - Private Companies
  - Private Individuals

# Current Annual 2766 Timeline

- RFP released January 31
- Proposals Due March 30
- AQMD evaluation, contract preparation, Board Hearing to approve contracts April – June
- Contracts Effective July 1

**FY 2010-2011**

**AQMD GUIDE TO MOTOR VEHICLE POLLUTION REDUCTION PROJECTS FUNDING OPTIONS**



(\*): Contact EDCAQMD for information  
 (\*\*): Sacramento Metro Air Quality Management District  
 (<http://www.airquality.org/mobile/hdnox.shtml>)

County of El Dorado  
 Env. Management Department  
 Air Quality Management District  
 2850 Fairne Ct., Bldg C  
 Placerville, CA 95667  
 530-621-6662 / Fax: 530-295-2774

# Other Programs (H&SC § 44275-44299)

- Carl Moyer - Grants for cleaner-than-required engines, equipment and other sources. Funded by smog check and tire fees. \$323k available for FY 11/12 projects.
- AB 923 – Grants for school bus replacement. Funded by \$2 DMV fee per BOS Resolution. \$281k available for FY 11/12 projects.

# Priority/Evaluation Questions

1. Should program be continued?
2. Should preference be given to certain project types?
3. Should preference be given to projects not funded previously?
4. Should funds continue to be split among eligible applicants or given to highest ranked projects?
5. Should we place a cap on amount awarded per project?



# Current Application Review Process

## 1. Point system ranking based primarily on cost effectiveness:

|                       |       |
|-----------------------|-------|
| ▪ Cost Effectiveness  | 70    |
| ▪ Matching Funds      | 25    |
| ▪ Project Feasibility | 5     |
|                       | <hr/> |
|                       | 100   |

## 2. In case of a tie:

### Priority Category I

- Transit/Shuttle service
- Alternative Fuels, ZEV, etc
- Vehicle Trip Reduction
- Park-n-Ride

### Priority Category II

- Large Scale Traffic Signal Synchronization
- Bicycle/Pedestrian Facilities

# Evaluation Criteria

| Criteria                  | Current | Possible |
|---------------------------|---------|----------|
| Cost Effectiveness        | 70      | 50       |
| Matching Funds            | 25      | -*       |
| Feasibility               | 5       | N/A      |
| No award for last 2 years | -       | 15       |
| Shuttle Service           | -       | 13       |
| Vehicle Purchase/Replace  | -       | 10       |
| Bike/Walk Path            | -       | 7        |
| Biomass Trip Reduction    | -       | 5        |
| Total                     | 100     | 100      |

# Possible Award Options

- Only the top ranked applicants to the extent allowed by available funding.
- All eligible applicants by reducing all requests by the same percentage.
- All eligible applicants by reducing some to varying degrees.
- Set maximum award amount at \$50, \$75 or \$100k...or a % of available funds.

# Current Contract Requirements

- Historically, not to exceed one year
  - Limit not required by legislation
- Reimbursement basis – no advance payments
- APCO must approve each task before work
- Contractor must provide monthly statements
- Progress reports, if required by AQMD
- Audits, if required by AQMD

# Possible Contract Changes

- Continual application solicitation
- Set term based on need
- Up front payment at start of contract



# Staff Recommendation

- Evaluation Criteria
  - Require 20% match
  - Preference for projects not recently funded
  - No preference for project type
- Contract Terms
  - No Changes
- Award Options
  - Award only top ranked applicants
  - Limit awards to \$75k

# Board Direction

- Evaluation Criteria
- Award Options
- Contract Terms