

BOARD MEETING DATE: June 4, 2021

AGENDA NO. 6

PROPOSAL: Recognize Revenue and Reimburse General Fund for Administrative Costs for Enhanced Fleet Modernization Program

SYNOPSIS: Since 2015, South Coast AQMD has been implementing an Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride. For FY 2020-21, CARB allocated \$1.4 million in AB 118 funds to the South Coast AQMD for the continued implementation of the EFMP. These actions are to: 1) recognize up to \$1.4 million from CARB; 2) approve vouchers and other alternative mobility options until all available funds are exhausted; and 3) reimburse the General Fund for administrative costs necessary to implement the EFMP.

COMMITTEE: Technology, May 21, 2021; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize, upon receipt, up to \$1.4 million from CARB (Grant #G20-EFMP-01) into the HEROS II Special Revenue Fund (56) for the EFMP Base Program;
2. Authorize the Executive Officer to approve vouchers and other alternative mobility options for the continued implementation of the EFMP base incentives until all funds are exhausted; and
3. Reimburse the General Fund up to \$140,000 from the HEROS II Special Revenue Fund (56) as authorized by the grant agreement for administrative costs necessary to implement the EFMP.

Wayne Nastri  
Executive Officer

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## **Background**

Since 2015, South Coast AQMD has been implementing an Enhanced Fleet Modernization Program (EFMP), branded as Replace Your Ride. South Coast AQMD's Replace Your Ride Program is a vehicle retire and replacement program, which provides incentives to lower income motorists to scrap and replace their older, high-emitting vehicles with newer, cleaner models or utilize other clean transportation options.

Since its inception, South Coast AQMD has provided over \$64.9 million in EFMP funding for the replacement of over 8,000 older passenger vehicles with newer fuel-efficient conventional vehicles, hybrid electric vehicles, plug-in hybrid electric vehicles and zero emission vehicles. Approximately 94 percent of the vouchers have been issued to participants residing in disadvantaged communities, and 88 percent of the participants have been in the lowest poverty level. The EFMP is achieving the goal to replace the oldest and dirtiest light-duty passenger vehicles on the road. Replace Your Ride is administered with assistance from three contractors providing case management support and remote sensing technical support. South Coast AQMD also maintains a website and has added additional case managers to address the growing number of participants with completing and submitting applications.

Currently, the program is oversubscribed and a moratorium has been placed on new applications since October 15, 2020, pending the availability of additional funds from CARB. As of April 30, 2021 the program has approximately \$1.43 million in project funds remaining to process applications that have already been submitted.

For FY 2020-21, CARB allocated an additional \$1.4 million in AB 118 funds to South Coast AQMD for the continued implementation of the EFMP Base Program. This grant includes administrative funds up to 15 percent of the total grant award, from which 10 percent can be used for staff time to implement the program.

## **Proposal**

These actions are to recognize up to \$1.4 million from CARB for the EFMP Base Program into the HEROS II Special Revenue Fund (56) and authorize the Executive Officer to approve vouchers and other alternative mobility options for this program until all available funds are exhausted. The additional funding will enable the continuation of the EFMP Base Program while offering eligible participants alternatives in replacement vehicle technologies.

This action is to also reimburse the General Fund up to \$140,000 (up to 10 percent of the grant award) from the HEROS II Special Revenue Fund (56) as authorized by the grant agreement for administrative costs necessary to implement the program.

**Benefits to South Coast AQMD**

Replace Your Ride will continue to provide incentives to qualifying lower income vehicle owners including those residing in disadvantaged communities, thereby providing emissions reduction benefits to these communities and throughout the region.

**Resource Impacts**

CARB funding (Grant #G20-EFMP-01) up to \$1.4 million, upon receipt, for the FY 2020-21 EFMP Base Program will be recognized into the HEROS II Special Revenue Fund (56). The transfer of funds from the HEROS II Special Revenue Fund (56) to reimburse the General Fund for administrative costs will not exceed \$140,000.