

Feather River
Air Quality Management District

**Request for Proposals:
Blue Sky Grant Program**

Allocation of Air District
Motor Vehicle Registration Funds
(AB 2766 and AB 923)

**Released on:
August 21, 2024**

I. PURPOSE

The Feather River Air Quality Management District (District) requests proposals for the District's Blue Sky Program. The Blue Sky Program encompasses the annual AB 2766 and AB 923 funding for Yuba and Sutter counties. The District is requesting proposals for projects or programs that will reduce emissions from motor vehicles and assist in meeting the requirements of the California Clean Air Act.

The AB 2766 funding is for projects and programs that will:

- 1) Reduce air pollution emission from motor vehicles, or
- 2) Implement transportation control measures (TCMs), or
- 3) Establish public education programs that support and do not duplicate any of the District's efforts.

The District has approximately \$116,000 available from the AB 2766 fund. AB 2766 projects will have an effective period of January 1, 2025, to December 31, 2025.

The AB 923 allocation may fund the following project types:

- 1) Replacement of a diesel fueled school bus with a new school bus, or
- 2) The replacement of natural gas fuel tanks for school buses, or
- 3) CNG refueling infrastructure maintenance for school buses, or
- 4) Purchase for Electric School Buses, or
- 5) Other programs as identified in the statute.

The District has approximately \$276,000 from the AB 923 fund. AB 923 projects will be effective upon contract execution and the equipment should be purchased and/or installed in accordance with the application program guidelines.

Entities with proposals that are selected for either full or partial funding must enter into contracts with the District setting forth performance criteria. Public and private entities are eligible to apply either individually or in combination for this funding. All proposals will be evaluated to ensure they result in a public benefit.

Credits for emission reductions from a project or program funded by AB 2766 and AB 923 funds are not transferable and may not be used as emission offsets. They may be used to meet the emission reductions mandated for the District by the California Clean Air Act and the Federal Clean Air Act Amendments.

Selected projects may receive funding from other programs at the District's discretion in order to make the best possible use of the funding available.

II. BACKGROUND

Sections 44220 through 44247 of the Health and Safety Code (AB 2766) authorize air pollution control districts to impose a fee to provide funds for air districts to meet responsibilities mandated under the California Clean Air Act. The District Board has set the fee at \$4 per registered motor vehicle.

The California Health and Safety Code states that the fees collected shall be used to support District operated planning, monitoring and enforcement and technical studies necessary to implement the California Clean Air Act. Three additional uses allowed are: 1) to support programs that reduce air

pollution from motor vehicles; 2) to support implementation of transportation control measures by a council of governments, regional agency, or local agency; and 3) to meet the requirements of Government Code section 65089 (Congestion Management Programs). The District Board determines what amount of AB 2766 fees are to be budgeted to fulfill the District's requirements for implementing the California Clean Air Act, and what amount will be allocated to fund motor vehicle emission reduction projects that will further the District's goals and are proposed and administered by other entities. The budget allocation may vary from year to year based on available funding, legislative mandates and District priorities. See Chapter VI (Allocation Policies) for specific policies adopted by the District Board. For the Fiscal Year 2024/2025 budget, the Board of Directors has allocated \$116,000 to fund motor vehicle emission reduction projects.

Section 44225 of the Health and Safety Code (AB 923), amended in 2004, authorized air pollution control districts to increase this motor vehicle registration fee to \$6 per registered vehicle. The District Board of Directors approved Resolution 2005-13 in December 2005, which allowed the District to collect the additional \$2 motor vehicle registration fee. The fee increase provides funding for specific types of clean air projects, including the new purchase of school buses pursuant to the Lower Emission School Bus Guidelines (LESBP) developed by the California Air Resources Board (CARB). Effective January 1, 2012, AB 462 and AB 470 authorized the AB 923 fee to be used to fund three new project categories: natural gas fuel tank replacements, refueling infrastructure maintenance, and school bus retrofit projects. AB 462 and AB 470 require the new funding sources to be implemented pursuant to the LESBP. CARB's mail-out MSC 11-37 contains the LESBP Guideline Revisions for the expanded funding opportunities for AB 923. The Carl Moyer Program 2017 Guidelines include the funding of school bus replacements as a project category. School bus replacement projects funded using the Carl Moyer 2017 Guidelines must be in compliance with all local, state, and federal rules and regulations but there is no age requirement for the school bus to apply.

A committee has been established to recommend to the District Board the allocation of the fees. The committee ranks proposed projects and programs based on the evaluation criteria in Section V. The District Board may reject or approve the recommendations from the committee or refer the recommendations back to the committee for reconsideration with the District Board's comments.

III. PROJECT TERM

The term for AB 2766 projects shall be from January 1, 2025, to December 31, 2025. Multiple-year or phased projects may apply each year for the next year's funding. Exceptions to this policy may be made at the discretion of the Committee with the approval of the District Board.

The term for AB 923 projects will be in accordance with the LESBP Guidelines or the Carl Moyer 2017 Guidelines.

IV. ELIGIBLE PROJECTS

Projects or programs eligible for AB 2766 funding include those that would result in reductions of emissions from motor vehicles, reductions in vehicle miles traveled or reductions in vehicle trips, or a public education/awareness program that supports any of the above programs. Projects may implement transportation control measures (TCMs).

Below are some examples of projects and programs that could be funded by AB 2766 funds. They are not listed by priority and additional innovative projects are encouraged.

- Traffic Flow Improvements (Not all traffic flow improvements are considered TCMs)
- Public Transit
- Rideshare, Carpool, and Vanpool Programs
- Bicycling and Pedestrian Programs
- Trip Reduction Programs
- Publicly accessible EVSE or Alternative Fuels Projects (i.e. CNG/LNG/LPG)
- Public Education – Awareness Projects

Projects that may apply for AB 923 funding include new purchase of school buses, Electric school bus projects, school bus natural gas fuel tank replacements, school bus refueling infrastructure maintenance, and other project types as defined in the statute. Projects must be eligible under either the Lower Emission School Bus Guidelines¹ or the Carl Moyer 2017 Guidelines².

V. EVALUATION CRITERIA

AB 2766 projects will be evaluated using the following criteria:

1. Project Benefit
2. The project benefit will be evaluated based on:
 - a. The cost effectiveness of quantifiable mobile source emission reductions for each non-attainment pollutant or its precursor, or
 - b. If quantifiable emission reductions are not easily derived, the extent to which the project advances or supports transportation control measures, reduces motor vehicle trips or vehicle miles traveled, or other transportation related goals of the District's Clean Air Plans.
3. Development and Implementation of Clean Air Plans – Applies to projects that apply emission reduction measures and strategies included in the District Air Quality Attainment Plans. The District Air Quality Attainment Plans are available on our website www.fraqmd.org or at the District office.
4. Leveraging Funds – Applies to projects that have co-funding from other sources, particularly if leveraging funds will result in increased cost-effectiveness. Projects with co-funding should include documentation of co-funding.
5. Demonstration and Introduction of New Technology – Applies to projects that develop, demonstrate, and introduce new technologies.
6. Broad Application – Applies to projects with concepts that are easily copied or applied to other areas, government agencies, or private businesses.

¹ <https://www.arb.ca.gov/msprog/schoolbus/schoolbus.htm>

² <https://www.arb.ca.gov/msprog/moyer/moyer.htm>

7. Public Benefit – Projects should be available to the public or provide an air quality benefit to the public.
8. Other Desirable Factors:
 - a. Rapid results
 - b. Regional distribution
 - c. Creative/innovative
 - d. Database development
 - e. Low administrative costs
 - f. Increased public awareness
 - g. Coordination with projects funded by other air quality improvement funds
 - h. Co-benefits such as reducing toxic air contaminants or greenhouse gases.

Projects that are not funded and those projects that are only partially funded may be placed on a list for future funding. The District Board may direct that funds allocated for projects for which no contract was completed within the allotted time be allocated to the next project(s) on the established list.

AB 923 projects will be evaluated based on age of the existing school bus to be replaced, geographic distribution of funding, previous grant awards, cost-effectiveness, and/or other factors as determined by the District Board.

VI. ALLOCATION POLICIES ESTABLISHED BY THE FRAQMD BOARD OF DIRECTORS

The District Board has adopted the following policies regarding allocation of funds from Vehicle Registration Fees:

1. The District Board shall emphasize allocation of funds proportionate to the population distribution between the Yuba and Sutter counties and cities. However, the Board may, depending on the value of a project, allocate the funds as determined to be most beneficial.
2. The amount of funding available for public education programs shall be limited to five percent (5%) of the total available funds, as approved in the District budget. Public education programs are those that educate the public as to air quality relevant issues, such as bicycling education.
3. Projects involving political activism or organizing are not eligible for funding.

VII. TENTATIVE SCHEDULE

RELEASE OF REQUEST FOR PROPOSALS	August 21, 2024
Virtual Public Workshop	September 12, 2024
PROPOSALS DUE	October 21, 2024
DISTRICT REVIEW AND EVALUATION	October 2024
POLICY/FINANCE COMMITTEE MEETING	November 2024
RECOMMENDATIONS TO DISTRICT BOARD	December 2, 2024
CONTRACTS DRAFTED/CIRCULATED FOR SIGNATURES	January 2025
AB 923 PROJECTS BEGIN	
AB 2766 PROJECTS BEGIN	January 2025

VIII. CONTENTS OF PROPOSALS

Applicants shall use either the AB 2766 Application or the School Bus Application (for AB 923) to submit Blue Sky Proposals. Additional documentation may be required depending on the project type. The District may request additional information to review and evaluate proposals.

Please contact the District if the Applications do not provide an adequate format to present your proposal.

IX. SUBMISSION OF PROPOSALS

All proposals must be submitted according to specifications set forth in Section VIII – Contents of Proposal and this section. **Failure to adhere to these specifications shall be cause for rejection of proposal.**

Signature – All proposals shall be signed by an authorized representative.

Copies – The project proponent shall submit **2 complete copies** of the AB 2766 Proposal Application Form or **one copy** of the AB 923 Proposal.

Due Date - All proposals are due no later than **5:00 p.m., Monday October 21, 2024**, and shall be delivered to:

Feather River AQMD
541 Washington Avenue
Yuba City, CA 95991

Late proposals *will not* be accepted.

Applications postmarked before the due date will be accepted.

Grounds for Rejection – A proposal shall be rejected if:

1. It is received at any time after the date and time set for receipt of proposals, or
2. It is signed by an individual not authorized to represent the project proponent.

Applicants should contact the District at (530) 634-7659 ext 209 if they have any questions regarding this program.

Disposition of Proposals – The District may reject any or all proposals. All proposals become property of the District.

Modification– Once submitted proposals may not be altered without the prior written consent of the District.

X. AUDIT PROCEDURES

Any entity which receives AB 2766 funding shall be subject to an audit of each program or project funded. The audit shall be conducted by District staff or by an independent auditor selected by the District. Any entity which receives AB 923 funding shall be subject to an audit by the District or by an independent auditor selected by the District, as well as CARB, as outlined in the LESBP Guidelines and the Carl Moyer 2017 Guidelines.

Upon the completion of an audit, the District shall make the audit available to the public and to the proponent upon request. The District shall review the audit to determine if the monies were used for the reduction of air pollution from motor vehicles pursuant to the California Clean Air Act of 1988 and the District's Air Quality Attainment Plans.

XI. CONTRACT PREPARATION

Proponents whose projects are selected for funding must enter into a written contract with the District as a condition of receiving funds. Contract preparation shall begin upon approval of projects by the District Board and shall be reviewed and approved for legal form by the District Counsel.

The contract may include, at the District's discretion, provisions requiring the proponent to carry insurance in amounts and coverage deemed adequate by the District and to indemnify the District and its officers, employees, and agents against all liabilities arising from the proponent's acts or omissions. It also may require adequate record keeping and include requirements for monitoring and reporting by the proponent. The District reserves the right to conduct a fiscal audit to ensure appropriate expenditure of Blue Sky funds.

After the District Board approves a project for funding, the District shall present the project proponent with a contract. The proponent shall sign and return the contract to the District within 30 days from the date it was mailed. Failure to do so may release the funding for other projects, at the Board's discretion. The District may not reimburse applicants for any expenses incurred prior to the contract being fully executed.