

Agenda Item: D-2

Agenda Date: August 21, 2025

Agenda Placement: Admin Estimated Time: N/A Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer

CONTACT: Lorena Saldana, Executive Assistant/Board Clerk, (805) 979-8282

SUBJECT: District Grant and Incentives Program Activity

RECOMMENDATION:

Receive and file the following grant program related activity:

- 1. An update on the Heat Clean Program for woodsmoke reduction projects from the start of the program of May 8, 2025, through July 31, 2025;
- 2. An update on the Old Car Buy Back Program for vehicles retired during the period of June 1, 2025, through July 31, 2025;
- 3. A Final Report on the Landscape Equipment Electrification Fund (LEEF) Program for zero-emission landscape equipment vouchers during the period of July 11, 2024, through July 31, 2025; and
- 4. Summary of the Clean Air Grants Program including 2024 Clean Air Grants Program emission-reduction grant agreements approved by the Air Pollution Control Officer for the period of activity from May 1, 2025, through July 31, 2025; in accordance with Board Resolution Number 20-13.

DISCUSSION:

This item provides an update on grant and incentive programs and activities that occurred since your last Board meeting.







Heat Clean Program

The Heat Clean Program was launched on May 8, 2025, and the District employed a wide range of bilingual outreach tools including flyers sent to participating installers, email outreach to individuals and organizations, a news release, social media posts, and community newsletters. The Heat Clean Program provides incentive funds for the voluntary replacement of wood-burning heaters (fireplaces and wood stoves) with electric heaters (heat pumps and electric fireplace inserts). The Heat Clean Program is funded with approximately \$400,000 from the California Air Resources Board's (CARB) Woodsmoke Reduction Program. Applications are being processed in a first-come, first-served order and incentives will be awarded until the funds are depleted. Households in a State-designated low-income or disadvantaged community or on tribal lands, or that document low-income eligibility, can receive an enhanced voucher up to \$12,000 toward replacement with an electric air-source heat pump, and up to \$7,000 toward replacement with an electric fireplace insert. All other households may be eligible for a standard voucher up to \$5,000 toward replacement with an electric air-source heat pump and up to \$2,500 toward replacement with an electric fireplace insert. The replacement heater must be purchased and installed with a participating installer. There are seven installers for heat pumps and two installers for electric fireplace inserts.

As of July 31, 2025, 36 voucher project applications have been received which includes 19 enhanced fireplace inserts, five (5) enhanced heat pumps, 10 standard fireplace inserts, and two (2) standard heat pumps, for a total of \$228,000 in voucher funds issued. Project funds expended include \$24,000 towards enhanced heat pump projects.

Old Car Buy Back Program:

The attached Old Car Buy Back Program update includes the number of vehicles retired, funds allocated, emissions reduced, average cost-effectiveness of program, and vehicle owner location. Only 37 vehicles were retired during Fiscal Year 2024-2025. This low participation rate is primarily due to the rising cost of used vehicles and owner reluctance to sell. On October 24, 2024, CARB approved modifications to their Carl Moyer Program Guidelines, which allows the District to provide increased incentive amount to program participants and raised the cost-effectiveness threshold which would allow the program to accept a wider range of vehicle model years to provide improvements that will benefit county residents and increase program participation. The current dismantler contracts expire on August 20, 2025. Proposed changes to the dismantler contracts to incorporate CARB guideline changes are included in the August 2025 Board meeting as an administrative agenda item D-6 for your Board's consideration.

Landscape Equipment Electrification Fund Program Final Report:

The Landscape Equipment Electrification Fund (LEEF) Program provided voucher incentive funds to businesses that operated gasoline powered landscape equipment in Santa Barbara County and voluntary replaced them with zero-emission landscape equipment. The fourth cycle of the LEEF Program launched on July 11, 2024, and the District employed a wide range of bilingual outreach tools including postcards sent direct mail, email outreach list to almost 500 organizations, news releases, social media posts, community newsletters, public presentations, and equipment demonstration events. The LEEF program was funded with a total of \$780,356 (i.e., approximately \$303,000 from the CARB Carl Moyer Program State Reserve fund and approximately \$477,356 from DMV surcharge revenue). One hundred percent (100%) of the

LEEF Program funds have been allocated to 65 projects and 100% of the funds have been expended. This is the final update on the fourth cycle of the LEEF program.

Clean Air Grants Program:

The 2025 Clean Air Grants program application window opened on July 28, 2025, and will close on September 5, 2025, and the District budgeted approximately \$3.5 million in CARB grant funds and DMV surcharge revenue for projects. The District will prioritize zero-emission technology projects, along with projects located within disadvantaged communities, as defined by this map: SB 535 Disadvantaged Communities. Project categories include on-road heavy-duty vehicles, alternative fueling infrastructure, off-road equipment, marine vessels, agricultural engines, and locomotives. Successful projects will be eligible to receive a grant within a range from \$10,000 to \$250,000.

For the 2024 Clean Air Grants program, the District executed grant agreements for 42 projects throughout Santa Barbara County with approximately \$3.3 million in CARB grant funds and DMV surcharge revenue. Of these 42 projects, there are 30 off-road replacements, 10 alternative vehicle fueling infrastructure purchases and installations, one (1) agricultural water pump, and one (1) marine engine repower. Currently, 0 of the 42 projects (0%) have been completed with the remainder in the implementation process.

For the 2023 Clean Air Grants program, the District executed grant agreements for 40 projects throughout Santa Barbara County with approximately \$2.7 million in CARB grant funds and DMV surcharge revenue. Of these 40 projects, there are 28 off-road equipment replacements, 9 alternative vehicle fueling infrastructure purchases and installations, and three (3) marine engine repowers. Currently, 32 of the 40 projects (80%) have been completed with the remainder in the implementation process and one school bus grant agreement for \$175,000 was recently terminated:

• AP232414: College School District – College School District requested termination of their grant agreement because the cost of their new electric school bus was covered by several other grants and the air district grant funds were no longer necessary to implement this project. The unexpended \$175,000 in grant funds from the College School District project will be redirected to other eligible projects to ensure that funds are allocated, implemented, and completed within the CARB grant program expenditure deadlines.

For the 2022 Clean Air Grants program, the District is currently implementing 55 projects throughout Santa Barbara County with approximately \$3.7 million in CARB grants funds and DMV surcharge revenue. Of these 55 projects, there are 37 off-road equipment replacements, 10 alternative vehicle fueling infrastructure purchases and installations, three (3) marine engine repowers, two (2) on-road heavy-duty vehicles, two (2) electric school bus fleet expansions, and one (1) agricultural water pump. Currently, 52 of the 55 projects (95%) have been completed with the remainder in the implementation process.

For the 2021 Clean Air Grants program, the District is currently implementing 31 projects throughout Santa Barbara County with approximately \$2.4 million in CARB grants funds and DMV surcharge revenue. Of these 31 projects, there are 19 off-road equipment replacements, nine

(9) alternative vehicle fueling infrastructure purchases and installations, two (2) electric school bus fleet expansions, and one (1) marine engine repower. Currently, 28 of the 31 projects (90%) have been completed with the remainder in the implementation process.

For the 2020 Clean Air Grants program, the District is currently implementing 23 projects throughout Santa Barbara County with approximately \$1.6 million in CARB grants funds and DMV surcharge revenue. Of these 23 projects, there are 17 off-road equipment replacements, four (4) alternative vehicle fueling infrastructure purchases and installations, one (1) electric school bus fleet expansion, and one (1) marine engine repower. Currently, 23 of the 23 projects (100%) have been completed. This is the final update on the 2020 Clean Air Grants program.

ATTACHMENTS:

- A. Heat Clean Program Update.
- B. Old Car Buy Back Program Update.
- C. Landscape Equipment Electrification Fund (LEEF) Program 4 Update.
- D. Grant Agreement Approval Forms.
- E. Grant Agreement Termination: AP232414 College School District.

ATTACHMENT A

Heat Clean Program Update

August 21, 2025

Santa Barbara County Air Pollution Control District Board of Directors



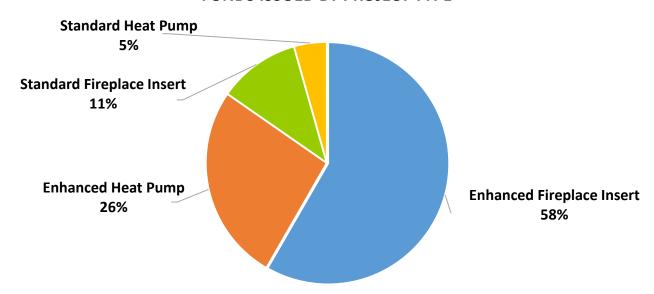
Heat Clean Program Update

The Heat Clean Program provides incentive funds for residents to replace a wood-burning stove or fireplace with a cleaner burning and more efficient electric heater, either a heat pump or electric fireplace insert. Some households may qualify for a higher amount, an Enhanced Voucher, depending on the household's location in a state-designated low-income, disadvantaged, or tribal community, or based on the household's income. Households that do not qualify for the Enhanced Voucher may qualify for the Standard Voucher. The replacement heater must be purchased and installed with a participating installer who has signed an agreement with the District. The program is funded with \$445,004 from the California Air Resources Board (\$402,118 for projects and \$42,886 for program administration). Applications were made available starting on May 8, 2025 and vouchers are issued on a first-come, first-served basis until funds are fully allocated.

The Program mitigates neighborhood impacts and achieves emission reductions in criteria air pollutants, toxic air contaminants, and greenhouse gases by reducing the amount of woodsmoke emitted from fireplaces and wood stoves throughout the County.

| Heat Clean Program Voucher Incentives (May 8, 2025 – July 31, 2025) | | | | | |
|--|------------------|------------------------------|--------------|----------------|--|
| Voucher Type | Project Type | Applications Received | | Funds Expended | |
| | | Number | Funds Issued | | |
| Enhanced | Fireplace Insert | 19 | \$133,000 | \$0 | |
| | Heat Pump | 5 | \$60,000 | \$24,000 | |
| Standard | Fireplace Insert | 10 | \$25,000 | \$0 | |
| | Heat Pump | 2 | \$10,000 | \$0 | |
| | Total | 36 | \$228,000 | \$24,000 | |

FUNDS ISSUED BY PROJECT TYPE



ATTACHMENT B

Old Car Buy Back Program Update

August 21, 2025

Santa Barbara County Air Pollution Control District Board of Directors



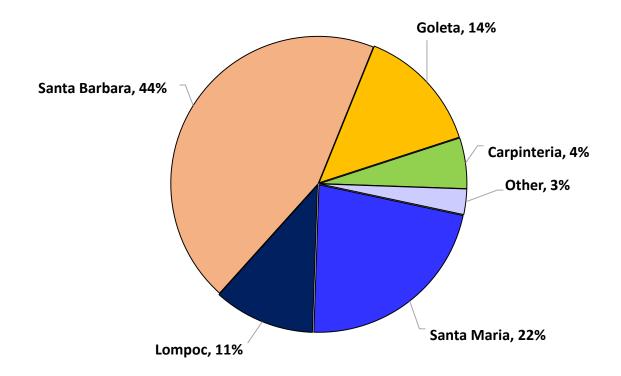
Old Car Buy Back Program Update – FY 2024-2025 Summary

The District's Old Car Buy Back Program currently pays Santa Barbara County vehicle owners \$1,000 to voluntarily retire their fully legal and operational 1997 or older, light or medium duty car, truck, van, or SUV. The regional dismantlers earn \$250 for each vehicle that they help retire. Currently, the total program cost is \$1,250 to retire a vehicle.

The program accelerates the improvement of air quality by removing high polluting vehicles from the road, quicker than normal vehicle attrition. Funding for the program is derived from \$2 DMV registration surcharge funds. Below is program data summarizing activity for the 2023-2024 fiscal year.

| | FY 2024-2025 | |
|------------------------------------|--------------|--|
| Vehicles retired | 37 | |
| Funds committed @ \$1,250/vehicle | \$46,250 | |
| Total tons reduced [NOx+ ROC + PM] | 2.73 | |
| Average project cost-effectiveness | \$31,260/ton | |

Vehicle Owner Location (FY 2024-2025)



ATTACHMENT C

Landscape Equipment Electrification Fund (LEEF)
Program 4 Update

August 21, 2025

Santa Barbara County Air Pollution Control District Board of Directors



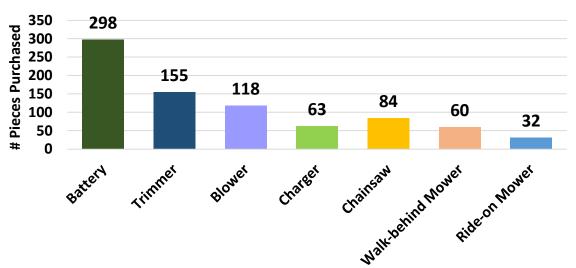
Landscape Equipment Electrification Fund (LEEF) Program Year 4 Final Report

The LEEF Program offers vouchers for the trade-in of gasoline landscape equipment for zero-emission electric landscape equipment. Businesses, nonprofit organizations, public agencies, and public schools that perform their own landscape maintenance services, and that are located in or conduct business within Santa Barbara County, are eligible to participate in the LEEF Program. The current cycle of the LEEF Program was funded with \$303,443 from the California Air Resources Board and \$476,913 from DMV surcharge revenue for a total of \$780,356 expended on projects. The voucher covers a large portion of the purchase price for new equipment, including mowers, leaf blowers, edgers, trimmers, chainsaws, batteries, and chargers. Vouchers are issued on a first-come, first-served basis. The program reopened on July 11, 2024 and has been very popular with community members.

The program helps to reduce gasoline landscape equipment emissions, including nitrogen oxides, particulate matter, carbon dioxide, and other pollutants. The program also helps community members, businesses, and employees experience the health and environmental benefits of cleaner technology.

| LEEF Program Year 4 Voucher Incentives Final Results (July 11, 2024 – July 31, 2025) | | | | | |
|---|------------------------------|--------------------------------------|--------------|----------------|--|
| Organization | Applications Received | Vouchers Issued | | Funds Expended | |
| Туре | Number | Number | Funds Issued | | |
| Business | 53 | 47 | \$550,187 | \$550,187 | |
| Public Agency | 4 | 4 | \$16,230 | \$16,230 | |
| School | 8 | 7 | \$108,113 | \$108,113 | |
| Non-profit | 8 | 7 | \$105,826 | \$105,826 | |
| Total | 73 | 65 | \$780,356 | \$780,356 | |
| | | Emission Reductions (ROC, NOx, PM10) | | 8,746 lbs/year | |

ELECTRIC EQUIPMENT PURCHASED BY TYPE



ATTACHMENT D

Grant Agreement Approval Forms

August 21, 2025

Santa Barbara County Air Pollution Control District Board of Directors

GRANT AGREEMENT APPROVAL FORM

GRANT INFORMATION

To: Air Pollution Control Officer

Staff Contact: Mike McKay

Date: 06/02/2025

Grant Program: Carl Moyer

Grant Program Funds: \$1,424,000

Category: Off-Road

PROJECT INFORMATION

Grantee: Runway Farms (AP242542)

Project Location: Santa Maria Valley

Grant Agreement Amount: \$47,000

Old Equipment: 1980 TCI Forklift 63hp (Tier 0)

New Equipment: 2023 John Deere Tractor w/forks 74hp (Tier 4F)

Grant Cost-Effectiveness (\$/T): \$21,551

Cost-Effectiveness Limit (\$/T): \$34,000

Project Life: 3 Years

Project Emission Reductions: 2.238 tons (0.746 tons/yr)

Approved:

Air Pollution Control Officer

06/02/2025

Date:

GRANT AGREEMENT APPROVAL FORM

| GRANT INFORMATION | | |
|--|---|--|
| To: | Air Pollution Control Officer | |
| Staff Contact: | Sydney Rouse | |
| Date: | 06/09/2025 | |
| Grant Program: | Moyer Year 26 State Reserve | |
| Grant Program Funds: | \$203,602 | |
| Category: | Infrastructure | |
| PROJECT INFORMATION | | |
| Grantee: | RPEV Infrastructure 3, LLC (AP242513) | |
| Project Location: | Santa Maria | |
| Grant Agreement Amount: | \$200,000 | |
| New Equipment: | Thirty-one (31) Level 2 electric vehicle charging ports | |
| | Twelve (12) Level 3 electric vehicle charging ports | |
| Grant Cost-Effectiveness: | Not Applicable for Infrastructure | |
| Cost-Effectiveness Limit: | Not Applicable for Infrastructure | |
| Project Life: | 3 Years | |
| Project Emission Reductions: Not Applicable for Infrastructure | | |
| | | |

Date: 9 June 2025

Please contact the Board Clerk to review this grant agreement

Air Pollution Control Officer

Approved: Mul

GRANT AGREEMENT APPROVAL FORM

| GRANT INFORMATION | | |
|------------------------------------|---|--|
| To: | Air Pollution Control Officer | |
| Staff Contact: | Sydney Rouse | |
| Date: | 06/26/2025 | |
| Grant Program: | \$2 DMV | |
| Grant Program Funds: | \$856,181 | |
| Category: | Infrastructure | |
| PROJECT INFORMATION | | |
| Grantee: | City of Santa Barbara (AP242509) | |
| Project Location: | Santa Barbara | |
| Grant Agreement Amount: | \$116,000 | |
| New Equipment: | One (1) mobile battery energy storage system paired with four (4) Level 3 electric vehicle charging ports | |
| Grant Cost-Effectiveness: | Not Applicable for Infrastructure | |
| Cost-Effectiveness Limit: | Not Applicable for Infrastructure | |
| Project Life: | 3 Years | |
| Project Emission Reductions | : Not Applicable for Infrastructure | |
| | | |
| | | |

27 June 2025

Date:

Please contact the Board Clerk to review this grant agreement

ATTACHMENT E

Grant Agreement Termination: AP232414 – College School District

August 21, 2025

Santa Barbara County Air Pollution Control District Board of Directors



College School District
Attn: Maurene Donner, Superintendent
3525 Pine Street
Santa Ynez, CA 93460

RE: Termination of Grant Agreement AP232414

Dear Maurene Donner:

The Santa Barbara County Air Pollution Control District (District) received your June 11, 2025 letter requesting termination of Grant Agreement AP232414, as executed on January 9, 2024. This letter serves as the District's acknowledgment and acceptance of your termination of the grant agreement for good cause, pursuant to Section 15.a (Termination).

Since the District has not provided any grant funds to College School District in relation to the grant agreement, there is no obligation for College School District to return any money to the District pursuant to Section 15.b (Termination). No further action is required on your part.

The District congratulates College School District on securing additional grant funding to purchase an electric school bus and appreciates your commitment to adopting cleaner technologies to protect the people and the environment of Santa Barbara County from the effects of air pollution.

The District encourages College School District to apply to future Clean Air Grant Programs to cost-effectively replace old, high-pollutant equipment with newer, cleaner equipment to reduce air pollution across Santa Barbara County.

Please contact Jim Fredrickson of my staff at fredricksonj@sbcapcd.org or (805) 979-8328, if you would like to discuss this issue further. Thank you.

Sincerely,

Aeron Arlin Genet,

Air Pollution Control Officer



COLLEGE SCHOOL DISTRICT

3525 Pine Street • Santa Ynez, CA 93460 Phone (805) 686-7300 / FAX (805) 686-7305

Date: June 11, 2025

Santa Barbara County Air Pollution Control District Attn: Sydney Rouse 260 N. San Antonio Rd. Suite #A Santa Barbara, CA 93110

RE: Request to Terminate Grant Agreement AP232414

Dear Sydney Rouse:

This letter is to request termination of Grant Agreement AP232414 between College School District and the Santa Barbara County Air Pollution Control District from the 2023 Clean Air Grants Program.

College School District is requesting to terminate this grant agreement because the cost of the new electric school bus was fully covered by funding received under several other grants.

Based on this, College School District is requesting termination of Grant Agreement AP232414 for cause according to Section 15.a (Termination).

Sincerely,

Maurene Donnes

Maurene Donner, Superintendent

College School District