


Agenda Item: G-2
Agenda Date: August 21, 2025
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Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

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SUBJECT: Overview of Voluntary Grant and Incentive Programs

RECOMMENDATION:

Receive and file a presentation on the status of the District's Grant and Incentive programs.

BACKGROUND:

Since 1988, the District has successfully implemented a variety of voluntary grant and incentive programs. We've promoted clean air solutions using proven new technologies, achieved cost-effective emission reductions through public and private partnerships, fostered local business opportunities, and provided long-term air quality benefits. Through these grant and incentive programs, the District has leveraged over \$60 million in state and local funds to voluntarily secure several thousand tons of emission reductions throughout the county.

Grant & Incentive Programs & Funding Sources

Below is a summary of the grant programs and funding sources implemented by the District:

Carl Moyer Program: The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) provides state grant funds for the incremental cost of cleaner-than-required engines, equipment, and other sources of air pollution to obtain early or surplus emission reductions. Grant funds help private businesses and public agencies purchase cleaner technologies and expand the use of zero and near-zero emission technologies. Since 1998, the State has earmarked funds for the statewide implementation of the Carl Moyer Program, enabling the replacement, scrappage, or repower of over 68,000 engines.

Carl Moyer State Reserve Program: State Reserve funds are a portion of the Carl Moyer Program funds that are set aside to provide grants for specific project type(s) or a specific program, as determined annually by the California Air Resources Board (CARB).

Community Air Protection Program: Enabled by Assembly Bill 617, the Community Air Protection Program provides state grant funds for a community-focused framework to improve air quality and reduce exposure to criteria and toxic air pollutants in disadvantaged and low-income communities most burdened by the health effects of air pollution. Since 2018, the State has utilized Greenhouse Gas Reduction Funds to implement the Community Air Protection grant program. This funding is used for projects that replace dirty diesel engines with cleaner technologies, expanding infrastructure for electric vehicles, and for other community based projects to help benefit disadvantaged communities utilizing CARB's updated Community Air Protection [incentive guidelines](#).

FARMER Program: These state grant funds reduce agricultural sector emissions through the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. The FARMER Program has provided grant funds to reduce emissions from agricultural equipment including zero emission utility vehicles, heavy-duty trucks, irrigation pump engines, tractors, and other equipment used in agricultural operations.

\$2 DMV Surcharge Revenue: Assembly Bill 923 and Senate Bill 513 authorized air districts to collect a \$2 surcharge on vehicle registrations. Revenue can be used for many types of projects that include but are not limited to: Carl Moyer-eligible projects, school buses, alternative fuel and electric infrastructure, electric landscape equipment, and voluntary accelerated vehicle retirement programs.

Clean Air Fund: Established by your Board in March 2019, the Clean Air Fund uses revenues from the District's Mutual Settlement program. Funds are allocated to projects undertaken by the District and/or third parties to provide air quality and human health benefits to the Santa Barbara County community in innovative ways that traditional grant funds do not allow.

Heat Clean Program: The Heat Clean Program (formerly known as the Woodsmoke Reduction Program) provides state grant funds that help homeowners replace an uncertified wood-burning stove, fireplace insert, or fireplace used as a primary source of heat with a cleaner and more efficient electric heater.

DCAP: The Driving Clean Assistance Program (DCAP) provides incentives statewide in California to assist low-income and disadvantaged communities with the purchase of clean air vehicles including battery electric vehicles, plug-in hybrid electric vehicles, and fuel cell electric vehicles. DCAP is in partnership with and funded by the California Air Resources Board (CARB) and administered by the Community Housing Development Corporation (CHDC) and aims to increase equitable access to clean transportation. On May 15, 2025, your Board approved a Memorandum of Understanding between the District and CHDC to ensure that the DCAP incentives reach community members in Santa Barbara County. Specifically, the District's role in the rollout of DCAP in Santa Barbara County includes community engagement, spreading awareness of the program at outreach events, promoting the program on social media, and providing direct support to applicants in filling out their DCAP applications.

Attachment A, Table 1 *Summary of Grant and Incentive Funds*, provides a breakdown of project funds, administrative funds, and total program funds allocated in Fiscal Year (FY) 2024-25.

DISCUSSION:

Grant & Incentive Expenditures

The goal of the grant and incentive programs is to promote innovative, voluntary ways to reduce air pollution in Santa Barbara County from public agencies, schools, commercial businesses, and the general public. The District's Clean Air Grants program provides funding through grant agreements, with project amounts not to exceed \$250,000. Incentives from the District's Landscape Equipment Electrification Fund (LEEF) and Heat Clean programs are paid out via vouchers and incentives from the Old Car Buy Back program are paid out by third-party dismantlers that contract with the District.

Grant projects funded during FY 2024-25:

During FY 2024-25, the District was able to allocate over \$3,200,000 for 42 Clean Air Grant projects that benefited businesses, public agencies, multi-family housing properties, and schools throughout Santa Barbara County:

- Off-Road Equipment Replacement: 31 projects (i.e., 20 diesel agriculture tractors, four front loaders, one backhoe, one dozer, one forklift, one wheel loader, one electric dolly, one electric tractor, and one electric ag pump);
- Infrastructure: 10 electric vehicle charging station projects (i.e., 67 Level 2 ports and 42 Level 3 ports);
- Marine Diesel Engine Repowers: One marine project.

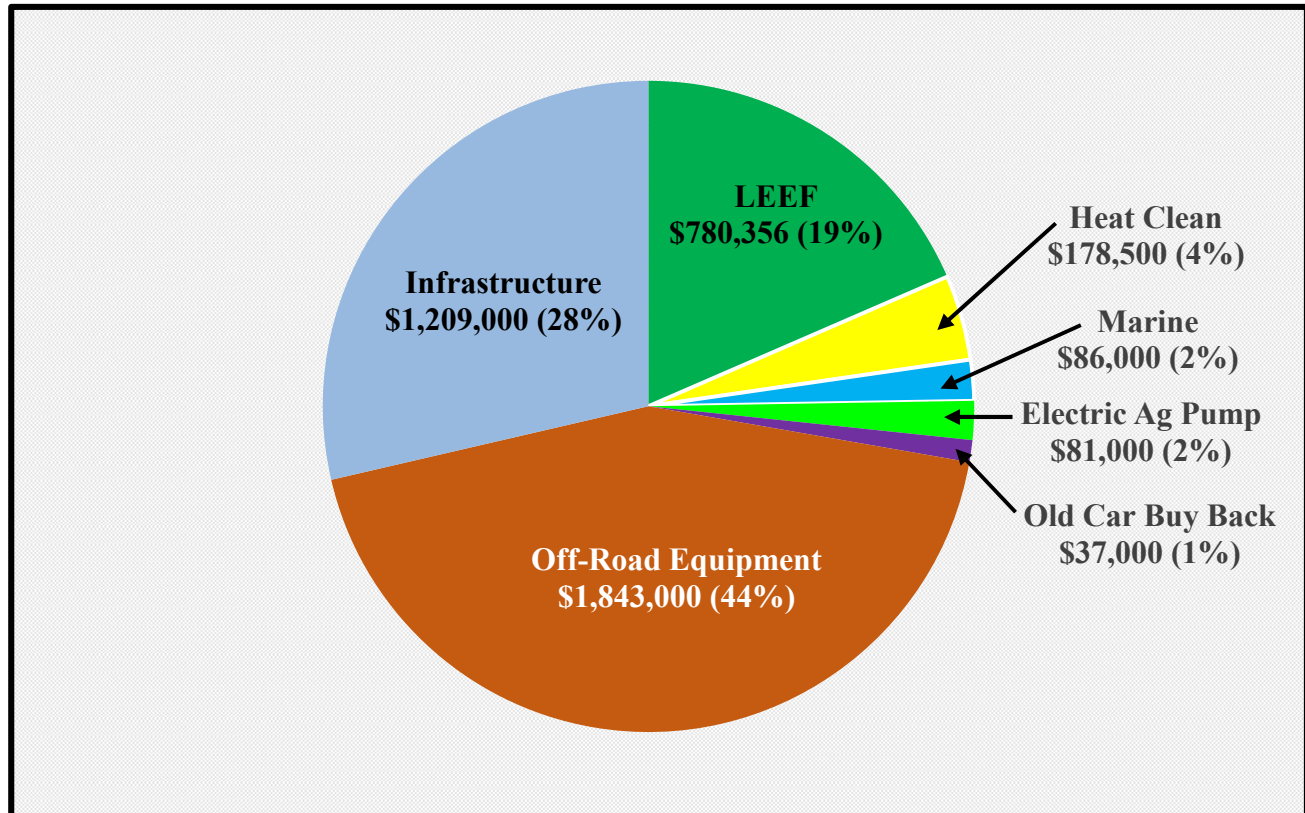
Incentive projects funded during FY 2024-25:

The District's incentive programs helped consumers and businesses clean the air in their communities through the following projects:

- Old Car Buy Back: Funded the purchase and destruction of 37 older high polluting vehicles and expended \$37,000 in \$2 DMV surcharge funds;
- Landscape Equipment Electrification Fund: Expended \$780,356 from Carl Moyer State Reserve and \$2 DMV funds to incentivize the purchase of 810 pieces of electric landscape equipment including 155 trimmers, 118 leaf blowers, 84 chainsaws, 60 walk-behind mowers, 32 ride-on mowers, 298 batteries, and 63 chargers;
- Heat Clean Program: Issued 28 vouchers totaling \$178,500 from CARB's Woodsmoke Reduction Program funds to change out wood-burning heaters with electric heaters, including 6 heat pumps and 22 fireplace inserts.

Figure 1 represents the District's Grant and Incentive Program Expenditures for FY 2024-25. Attachment A, Table 2 *Grant and Incentive Program Expenditures*, provides breakdown of expenditures and projects funded under each category.

Figure 1: Grant and Incentive Program Expenditures, FY 2024-25



Goals and Objectives for FY 2025-26

As we move into FY 2025-26, the District recently launched the 2025 Clean Air Grants program on July 28 and will accept grant applications through September 5. The program has approximately \$3,500,000 in project funding available to help fund infrastructure, off-road, marine, heavy-duty on-road, locomotive, and school bus projects. In FY 2025-26, eligible projects may receive a grant within a range from \$10,000 to \$250,000, and not to exceed 80% of the project's total eligible costs. Emission reductions from the projects must be surplus to any rule or regulation.

Priority for grant funds will be given to projects with zero emission technology as well as projects located within disadvantaged communities, as defined by SB 535. The disadvantaged community map (<https://oehha.ca.gov/calenviroscreen/sb535>) was updated in May 2022 and is based on data from the CalEnviroScreen Model version 4.0, which was released in late 2021. Three areas in Santa Barbara County (i.e., Guadalupe, Old Town Goleta, and the Santa Ynez Chumash Reservation) are designated as disadvantaged communities in CalEnviroScreen.

Following the successful launch of the District's Clean Air Rooms Pilot Program in Guadalupe and Casmalia from 2021-2023, the District will launch a second iteration of the program in the City of Goleta's Old Town district. The Clean Air Rooms Program was designed to provide High-Efficiency Particulate Air (HEPA) air purifiers to Santa Barbara County residents who are traditionally underserved and/or who may not have the means to purchase an air purifier on their own. The District plans on launching this program in FY 2025-26 utilizing funding from the Community Air Protection Program.

This fiscal year, the District continues to administer its Heat Clean Program, which launched on May 8. The Heat Clean Program is funded by grant agreements that the District received from CARB's Woodsmoke Reduction Program in 2023 and 2024, which provide over \$400,000 in incentive funds that allow the District to issue vouchers for the changeout of wood-burning fireplaces and stoves with cleaner-burning and more efficient electric heaters for residential homes. The Woodsmoke Reduction Program is first-come, first-serve and the District plans to accept applications until all funds have been expended.

The District Board approved a \$325,000 expenditure for the Clean Air Funds for Lompoc program on June 26, 2025, and this program will be implemented during FY2025-26. Four indoor air quality projects are planned to include three air filtration systems projects and one project to replace existing composite wood furniture in classrooms with ultra-low emitting formaldehyde composite wood furniture. The Clean Air Funds for Lompoc program will also include a community engagement and outreach component.

The District actively promoted the launch of the 2025 Clean Air Grants program prior to its July 28th launch. District staff presented to the County of Santa Barbara Agricultural Advisory Committee on July 10, 2025, and the Santa Barbara Harbor Commission on July 22, 2025. Staff has also met with local off-road equipment dealers to discuss program details and improve outreach to their clients. A bilingual news release (English/Spanish), newsletter, and direct email were distributed to local media, and to our Clean Air Grants outreach list that has over 1,100 personal and business contacts. Grant applications are currently available on our website, with availability of District assistance for Spanish speakers.

FISCAL IMPACTS:

The District's Grant and Incentive programs for this fiscal year are included in the FY 2025-26 Budget that your Board adopted on June 26, 2025. A summary of the Grant and Incentive Funds for FY 2025-26 is provided in Attachment A, Table 3. These revenue sources are appropriated annually and provide administrative funds to implement and manage our Grant and Incentive programs. However, these revenue sources fluctuate year-to-year, and in most years, the administrative funds received are insufficient to pay for all staff labor performed in these programs, especially given that these projects are implemented and tracked across the course of multiple years. Staff labor costs beyond what CARB has provided in administrative funds are covered by the District's general funds.

Funds obtained through Grant and Incentive programs (Attachment A, Table 1) have deadlines to expend that are built into each CARB grant agreement. The District strives to expend these funds as expeditiously as possible and preferably within the same fiscal year that funds are received. However, CARB program guidelines do allow expenses to be carried over and expended in future fiscal years. Attachment A, Table 1 shows \$3,817,886 in Program Funds received for FY 2024-25 while Attachment A, Table 2 shows \$4,214,856 have been either encumbered or expended on projects.

ATTACHMENT:

A. Fund and Expenditure Tables for Voluntary Grant and Incentive Programs.

ATTACHMENT A

Fund and Expenditure Tables for Voluntary Grant and Incentive Programs

August 21, 2025

Santa Barbara County Air Pollution Control District
Board of Directors

260 San Antonio Road, Suite A
Santa Barbara, California 93110

Table 1: FY 2024-25 Summary of Grant and Incentive Funds

Grant and Incentive Programs	Project Funds	Administrative Funds	Total Program Funds
Community Air Protection (Year 7)	\$933,599	\$133,371	\$1,066,970
Carl Moyer (Year 26)	\$831,125	\$118,732	\$949,857
\$2 DMV Surcharge Revenue	\$788,995	\$9,372	\$798,367
Woodsmoke Reduction	\$402,118	\$42,886	\$445,004
Clean Air Fund for Lompoc	\$325,000	\$0	\$325,000
Carl Moyer State Reserve (Year 26 - ZE)	\$203,602	\$29,086	\$232,688
TOTAL FUNDS	\$3,484,439	\$333,447	\$3,817,886

Table 2: FY 2024-25 Grant and Incentive Program Expenditures

Grant and Incentive Programs	Number of Projects	Project Expenditures
Off-Road Equipment Replacement	30	\$1,843,000
Infrastructure purchase and installation	10	\$1,209,000
Landscape Equipment Electrification Fund	65	\$780,356
Heat Clean	28	\$178,500
Marine Engine Repowers	1	\$86,000
Electric Agricultural Pump	1	\$81,000
Old Car Buy Back	37	\$37,000
TOTALS	172	\$4,214,856

Table 3: FY 2025-26 Summary of Grant and Incentive Funds

Grant and Incentive Programs	Project Revenue	Administrative Revenue	Total Program Funds
\$2 DMV Surcharge Revenue	\$773,178	\$48,323	\$821,501
Carl Moyer (Year 27)	\$805,917	\$142,221	\$948,138
Community Air Protection (Year 8)	\$743,740	\$131,248	\$874,988
Carl Moyer State Reserve (Year 27 - ZE)	\$107,569	\$18,983	\$126,552
TOTAL FUNDS	\$2,430,404	\$340,775	\$2,771,179