



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 on May 8, 2025, through September 30, 2026;
2. An update on the Old Car Buy Back Program for vehicles retired during the period of July 01, 2026 through September 30, 2026;
3. Status report for the 2022-2026 Clean Air Grant Programs: fund allocations and expenditures; and
4. Summary of the 2025 Clean Air Grants Program emission-reduction grant agreements approved by the Air Pollution Control Officer for the period of May 1, 2026 through September 30, 2026; 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, emails 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. In June, your Board approved the District to enter into a Memorandum of Understanding (MOU) with the San Luis Obispo County Air Pollution Control District, accepting \$123,448.73 of their unspent Woodsmoke Reduction funds. The District has a waitlist of eligible applicants and will resume issuing vouchers once CARB transfers those funds. Applications are being processed on a first-come, first-served basis 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 eight (8) eligible installers for heat pumps and three (3) installers for electric fireplace inserts.

As of September 30, 2026, 104 voucher project applications have been received, which includes 49 enhanced fireplace inserts, 20 enhanced heat pumps, 26 standard fireplace inserts, and nine (9) standard heat pumps. Including returned funds due to withdrawn or expired vouchers, over \$401,000 in voucher funds have been issued. As of September 30, 2026, over \$327,000 in Project funds have been expended.

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. On August 21, 2025, your Board approved modifications to the Old Car Buy Back Program that increased the incentive amount to \$2,200 for vehicle owners and \$300 to dismantlers per vehicle scrapped. In addition, the current vehicle model year accepted by the program was increased from 1997 to 2002 model year or older. From July 01, 2026, through September 30, 2026, 96 vehicles have been purchased and retired.

Clean Air Grants Program:

The 2026 Clean Air Grants program application window closed on September 04, 2026 and has approximately \$2.3 million in CARB grant funds and DMV surcharge revenue available for projects. The District received 60 grant applications, and is currently reviewing them for completeness, prioritization, and conducting pre-inspections. Of the 60 applications, there are 47 off-road equipment replacements, Five (5) Climate Heat Impact Response Program (CHIRP), Four (4) alternative vehicle fueling infrastructure purchases and installations, two (2) marine engine repowers, one (1) electric school bus fleet expansions, and one (1) on-road vehicle replacements. Currently, zero of the 60 applications (0%) have executed grant agreements. The District will prioritize zero-emission technology projects, along with projects located within disadvantaged communities, as defined by CARB. Successful projects will be eligible to receive a grant within a range from \$10,000 to \$250,000.

For the 2025 Clean Air Grants program, the District is currently in the process of executing grant agreements for 29 projects throughout Santa Barbara County with approximately \$3 million in CARB grant funds and DMV surcharge revenue. Of these 29 projects, there are 18 off-road equipment replacements, eight (8) alternative fuel vehicle infrastructure purchases and installations, two (2) electric school bus fleet expansions, and one (1) marine diesel engine repower project. Currently, 18 of the 29 projects (62%) have been completed, with the remainder in the implementation process.

For the 2024 Clean Air Grants program, the District executed grant agreements for 38 projects throughout Santa Barbara County with approximately \$2.9 million in CARB grant funds and DMV surcharge revenue. Of these 38 projects, there are 27 off-road equipment replacements, 10 alternative fuel vehicle infrastructure purchases and installations, and one (1) agricultural water pump. Currently, 28 of the 38 projects (74%) have been completed, with the remainder in the implementation process.

For the 2023 Clean Air Grants program, the District executed grant agreements for 39 projects throughout Santa Barbara County with approximately \$2.7 million in CARB grant funds and DMV surcharge revenue. Of these 39 projects, there are 28 off-road equipment replacements, eight (8) alternative fuel vehicle infrastructure purchases and installations, and three (3) marine engine repowers. Currently, 37 of the 39 projects (95%) have been completed, with the remainder in the implementation process.

For the 2022 Clean Air Grants program, the District is currently implementing 54 projects throughout Santa Barbara County with approximately \$3.6 million in CARB grants funds and DMV surcharge revenue. Of these 54 projects, there are 37 off-road equipment replacements, nine alternative fuel vehicle 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, 53 of the 54 projects (98%) have been completed with the remainder in the implementation process.

ATTACHMENTS:

- A. Heat Clean Program Update.
- B. Old Car Buy Back Program Update.
- C. Grant Agreement Approval Form.

ATTACHMENT A

Heat Clean Program Update

October 15, 2026

Santa Barbara County Air Pollution Control District
Board of Directors

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

1011 West McCoy Lane
Santa Maria, California 93455

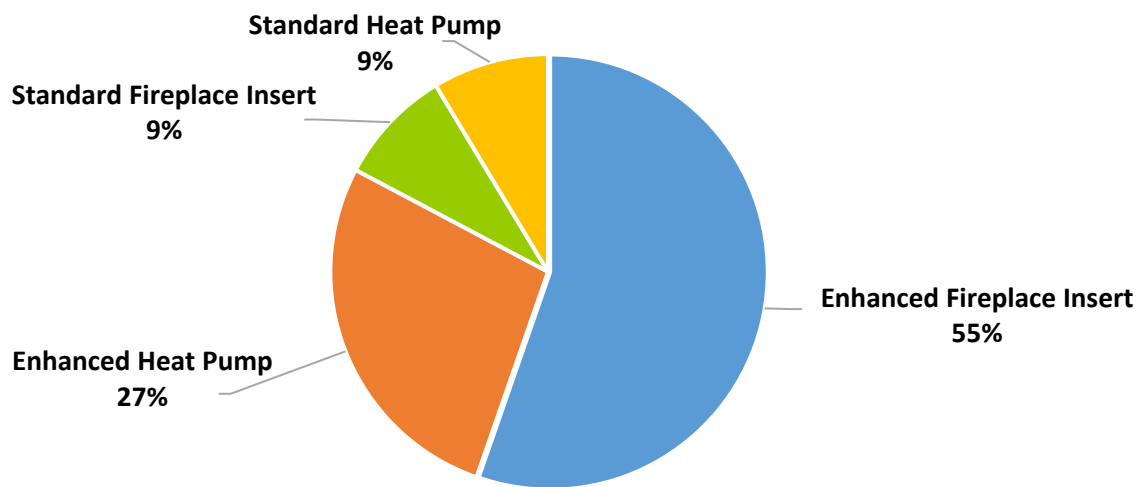
Heat Clean Program Update

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 with \$402,118 available for project funds. To supplement the program, in June of 2026 the District signed an MOU with the San Luis Obispo County Air Pollution Control District to accept \$123,449, for a total of \$525,577 available for projects. The program is currently fully subscribed with a waitlist of pending eligible applicants.

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 – September 30, 2026)				
Voucher Type	Project Type	Applications Received		Funds Expended
		Number	Funds Issued	
Enhanced	Fireplace Insert	49	\$288,591	\$176,591
	Heat Pump	20	\$143,000	\$96,000
Standard	Fireplace Insert	26	\$45,000	\$30,000
	Heat Pump	9	\$45,000	\$25,000
Total		104	\$521,591	\$327,591

FUNDS ISSUED BY PROJECT TYPE



ATTACHMENT B

Old Car Buy Back Program Update

October 15, 2026

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Board of Directors

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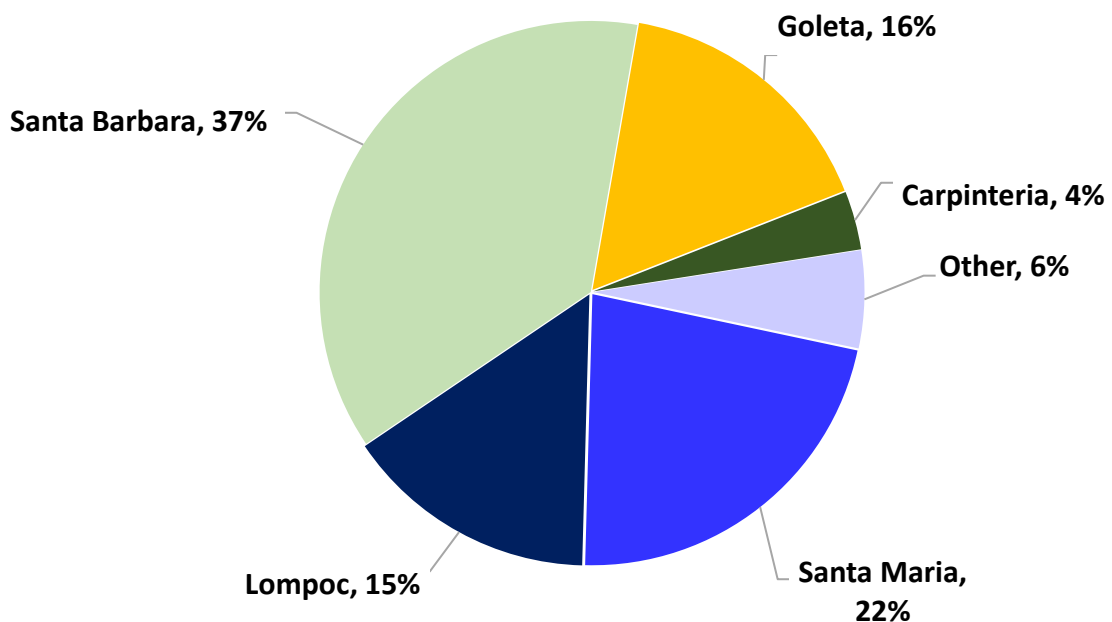
Old Car Buy Back Program Update

The District's Old Car Buy Back Program pays Santa Barbara County vehicle owners \$2,200 to voluntarily retire their fully legal and operational 2002 or older, light or medium duty car, truck, van, or SUV. The regional dismantlers earn \$300 for each vehicle that they help retire. Currently, the total program cost is \$2,500 to retire a vehicle. To increase public participation, the program was modified in August 2025 to raise the vehicle owner payout and expand the vehicle model year eligibility.

The program accelerates the improvement of air quality by removing high polluting vehicles from the road, quicker than through normal attrition. Funding for the program comes from \$2 DMV registration surcharge funds. Below is the program data for the most recent reporting period and the entire fiscal year.

Old Car Buy Back Program Activity		
	7/1/2026 - 9/30/2026	FY 2026 - 2027
Vehicles retired	96	96
Funds committed @ \$2,500/vehicle	\$240,000	\$240,000
Total tons reduced [NOx+ ROC + PM]	5.14	5.14
Average project cost-effectiveness	\$50,610/ton	\$50,610/ton

Vehicle Owner Location (FY 2026 - 2027)



ATTACHMENT C

Grant Agreement Approval Form

October 15, 2026

Santa Barbara County Air Pollution Control District
Board of Directors

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

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Santa Maria, California 93455

GRANT AGREEMENT APPROVAL FORM

GRANT INFORMATION

To: Air Pollution Control Officer
Staff Contact: Mike McKay
Date: 08/17/2026
Grant Program: Community Air Protection
Grant Program Funds: \$966,799
Category: Off-Road

PROJECT INFORMATION

Grantee: Acquistapace Farms (AP252636)
Project Location: Santa Maria Valley
Grant Agreement Amount: \$105,000
Old Equipment: 1998 John Deere agriculture tractor 105hp (Tier 1)
New Equipment: New John Deere agriculture tractor 130hp (Tier 4F)
Grant Cost-Effectiveness (\$/T): \$11,850
Cost-Effectiveness Limit (\$/T): \$60,000
Project Life: 3 Years
Project Emission Reductions: 3.270 tons (1.090 tons/yr)

Approved: 
Air Pollution Control Officer

Date: 17 August 2026

Please contact the Board Clerk to review this grant agreement