



Work Group Meeting on:

Vehicle Purchase Incentive Projects For Low-Income Consumers (Financing Assistance & Clean Cars 4 All)

June 17, 2021,
1:00 p.m. – 3:00 p.m. (PT)

[Register Here](#)



Introduction

- Launched in 2015 with local program (Driving Clean Assistance Program – DCAP)
 - Serves 16 northern California counties
 - Up & running but application processing time has increased due to high demand
- Statewide program launched in 2018 (Clean Vehicle Assistance Program – CVA Program)
 - Program closed shortly due to unexpected high demand
 - Relunched in Feb 2020 with major changes & additional funds
 - Closed again on April 14, 2021, due to another surge in demand

Funding Allocation to Date

Total Allocation for Financing Assistance Pilot Project

~\$43.8 million

Fiscal Year	CVA Program (millions)	DCAP (millions)
16-17	\$5	\$0.9
17-18	\$18	\$2
18-19	\$6	\$4
19-20	\$7.80	\$0.118
Total	\$36.80	\$7.02

Current Funding Status

Total grant budget & status of each programs

	CVA Program	DCAP
Total Grant Budget	\$22,842,485	3,378,500
Spent	\$18,661,340	1,824,000
Reserved (For Approved Applications)	\$2,975,000	--
Available (For Applications In Process)	\$1,206,144	1,554,500

Statewide Program Status

(CVA Program)



Reservation list established on March 17, 2021



Program closed on April 14, 2021



4,148 Applications through the life of program
3,695 Applications in phase II



\$20,254,406 Funded through the life of program
\$18,132,153 Funded in phase II

Income Eligibility & Grants Amount

- Eligibility criteria: gross household income $\leq 400\%$ of FPL
- Grant amounts based on income & vehicle technology type

Technology Type	<226% FPL	226%–400% FPL
HEV	\$2,500	\$1,500
PHEV	\$5,000	\$4,500
BEV	\$5,000	\$5,000
FCEV	\$5,000	\$5,000

Vehicle Type Distribution

- Majority of consumers purchased new vehicles
- PHEVs & BEVs are the most popular vehicle technology types amongst different income groups

Vehicle Type	Count	Proportion	Avg. Income
New	2,876	69%	\$43,182
Used	1,272	31%	\$35,164
Battery Electric	3,012	73%	\$41,667
Plug-In Hybrid	989	24%	\$39,243
Hybrid	119	3%	\$29,405
Fuel Cell	28	1%	\$39,598

Community Distribution

- Average vehicle purchase price is similar across communities

Community type	Avg. Income	Avg. Vehicle Purchase Price	Avg. FPL
All Grantees	\$40,723	\$38,237	204%
DAC	\$38,432	\$34,929	192%
Non-DAC	\$41,280	\$39,041	207%
LMI	\$37,695	\$35,364	192%
Non-LMI	\$42,729	\$40,140	211%

Cross Analysis

- Higher income groups purchase new PHEV/BEVs with larger down payments & undertake larger loans

Type	Avg. Income	Avg. Vehicle Purchase Price	Avg. Down Payment	Avg. FPL	Count In DAC	In DAC	Avg. Loan Amount	Sample Size
New PHEV/BEV	\$43,287	\$47,273	\$13,454	225%	482	17%	\$28,532	2,841
Used PHEV/BEV	\$35,633	\$18,097	\$4,040.13	161%	283	24%	\$14,560	1,160
New HEV	\$35,225	\$33,564	\$5,367	159%	8	25%	\$26,809	32
Used HEV	\$27,264	\$19,624	\$2,474	94%	33	38%	\$16,211	87

Loan Data Analysis

- Consumer preference is to work with their own financing institutions or use manufacturers financial services
- More partner banks/credit unions are essential to shift the focus on financing component of the program

Loan Source	Number of Loans	Avg. Loan Amount	Avg. Loan APR	Avg. Loan Term (Months)
All Loans	3,389	\$25,130	4.1%	60
Beneficial State Bank (BSB)	93	\$17,800	7.22%	60
Other Banks	3,296	\$25,335	3.6%	60

Loan Data Analysis (Cont.)

- Loan amounts & loan terms vary
 - More expensive purchases coupled with larger loans & longer terms
 - Very low-income groups tend to purchase less expensive used & new vehicles with smaller loan amounts

Vehicles with purchase price above \$40,000

	Avg Loan Amount	Avg. Loan Term (Months)	Avg. Loan APR	BSB	Other Lenders
Vehicles \geq \$40,000	\$33,000	64	2.9%	15	1,474
All Loans	\$25,130	60	4.1%	93	3,296

EVSE Data Analysis

- Prepaid charge cards are more popular among all applicants – surprisingly equal between homeowners & renters

Charging Grant Options	Number of Grants	Dollars Awarded	Avg. HH Income	Avg. FPL	Avg. Total Vehicle Cost	In DAC
All Types	1,350	\$2,617,203	\$40,950	203%	\$34,381	18%
Home Charger	427	\$851,071	\$47,423	203%	\$34,140	18%
Charge Card + Portable EV Charger	923	\$1,766,131	\$37,955	202%	\$34,492	19%

Concepts for Consideration



Switch From First-Come, First-Serve Model to Needs-based Approach



Graduate HEVs



Adopt Vehicle Purchase Price Cap



Reduce Income Eligibility To 300% Of FPL



Add More Partner Banks & Credit Unions



Limit Financing Services To Partner Banks Only



Adopt Loan Amount & Term Cap

HEV Elimination Impact

- Small number of very low-income consumers would be impacted by HEV removal
 - HEVs make up only 3% of total purchases across different income groups
- Due to lower purchase price of PHEVs/BEVs, HEV buyers can be supported by an increased grant amount for a cleaner technology

Total Number of HEV	119
Average Annual Income	\$29,405
Average FPL	112%
In DAC	41
Percent DAC	34
Number of Loans	109
Average Loan Amount	\$19,128
Average Loan Rate	8%
Number of Loans From BSB	18
Average Vehicle Price	\$23,372

Purchase Price Cap Impact

- Adopting a \$40,000 purchase price cap helps the program to focus on serving very low-income consumers

Cap	Sample Size	Avg. Income	Avg. FPL Percent	In DAC	Percent DAC	Avg. Vehicle Purchase Price	Avg. Down Payment	Avg. Loan Amount
\$60,000	302	\$46,834	239	49	16	\$66,078	\$17,936	\$44,643
\$55,000	828	\$46,301	244	126	15	\$60,505	\$17,931	\$41,544
\$50,000	1,159	\$45,225	241	192	17	\$58,376	\$16,588	\$38,799
\$45,000	1,441	\$45,076	238	236	16	\$56,160	\$15,837	\$37,148
\$40,000	2,177	\$43,934	232	355	16	\$51,704	\$14,533	\$33,563
\$30,000	2,877	\$43,208	225	488	17	\$47,718	\$13,409	\$29,253

Lowering Income Eligibility to 300% of FPL

Demographic Information

FPL Split	Number of Grantees	Percentage of Program	Avg. Household	Avg. Income	Avg. FPL	In DAC
300% - 400% FPL	1,049	25%	2.4	\$66,923	349%	17%
≤300% FPL	3,099	75%	2.3	\$31,855	155%	20%

Purchased Vehicle Information

FPL Split	Avg. Total Vehicle Cost	Avg. Down Payment	Number of EV	Number of PHEV	Number of HEV	New Vehicles
300% - 400% FPL	\$43,937	\$11,575	841	199	4	82%
≤300% FPL	\$36,308	\$10,091	2171	790	115	65%

Adopt Loan Amount & Term Cap

- Higher income groups on average purchase more expensive vehicles, take larger loans, & put more money towards down payments

FPL Split	Number of Loans	Number of BSB Loans	Avg. Loan Amount	Max Loan Amount
All Loans	3,389	93	\$25,129	\$88,495
≥225%	1,533	14	\$28,464	\$88,495
≤to 225%	1,856	79	\$22,374	\$72,220

Thank You!



Contact Us



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