## Why is there a need for statewide expansion of CC4A?

- The CC4A program currently operates in five air districts (Bay Area, San Diego, South Coast, San Joaquin, and Sacramento). This proposal is to expand geographic eligibility statewide while maintaining income eligibility requirements and developing a needs-based approach to focus the program on Californians in most need.
- In order to be eligible for the statewide program, applicants must fall below 300 percent of the Federal Poverty Level (\$83,250 for a family of 4) in addition to prioritizing applicants with a needs-based criteria which will be determined with a public process.
- California Air Resources Board (CARB) is committed to continuing to focus benefits to communities in most need, including low-income communities, rural communities, tribal communities, and other priority populations that could benefit from the reliable transportation the CC4A program could provide to them. The statewide expansion will provide access to the program for the nearly 4 million residents in or near low-income communities which contain 60-70 percent of the 1.3 million older, higher polluting vehicles that may be eligible for replacement.
- Statewide expansion will also support Governor Newsom's <u>Executive Order</u> which requires all light- duty vehicle sales to be zero-emission by 2035.
- Community members have asked for statewide expansion of CC4A.
- The Legislature appropriates CARB \$125 million for a suite of equity transportation programs established under the Charge Ahead California Initiative including, but not limited to, the CC4A program in the Budget Act of 2022 (Senate Bill 154). The Budget was approved by the Legislature on June 13, 2022, and is currently awaiting the Governor's signature.
- CARB staff will propose an allocation for CC4A, including funding to expand the program statewide, in its FY 2022-23 Funding Plan for Clean Transportation Incentives to be released later this year.
- The Budget Act of 2022 includes part, but not all, of the Zero-Emission Vehicle (ZEV) Acceleration package funding that the Administration has proposed in the May revise. The Legislature has agreed to the overall level of ZEV Acceleration funding, but it has announced that it will defer consideration of the full program level allocations until later in the 2022 Legislature section, so there may be additional funding allocated to CC4A later in 2022.

## Why create this as a needs-based program?

- CARB supports prioritizing communities in most need, which includes communities designated as
  Disadvantaged Communities (DACs) through CalEnviroScreen. The statewide proposal to include
  low- income tribal, border, and rural communities statewide is consistent with the core principles of
  the program to focus benefits on those that have the highest barriers to clean transportation.
- Existing district programs require residency in or near DACs and use ZIP codes containing DACs to
  determine eligibility and operate on a first-come, first-serve basis. To ensure that the statewide
  program supports DACs throughout the state, it must evolve to a needs-based program that goes
  above and beyond the first-come, first-serve model and builds upon the program's existing approach
  by developing a community-level focus on consumer protection, outreach, and education.

- This shift in program design specifically addresses community concerns with the current first-come, first-serve model by ensuring that funding is prioritized for Californians in most need, respecting the needs of local communities, as well as supporting California's climate and air quality commitments. The needs-based approach is under development still, but could use a combination of mechanisms including income, residence, vehicle ownership, and other qualifiers to determine eligibility and prioritization.
- Historically, the exclusively DAC requirements have served as an important parameter to ensure investments are directed to communities disproportionately burdened by negative environmental and climate impacts, however, there are DACs beyond the current air district borders as well as other priority populations including tribal, rural, and low-income communities that do not have the resources to access cleaner technologies under the current program.
- The statewide program will continue to prioritize the communities and individuals in most need, including DACs, and will limit income to 300 percent of the Federal Poverty Level, rather than 400 percent in the district programs, to ensure that the program continues to serve those with the greatest need.
- We are soliciting feedback from stakeholders and communities regarding other potential factors that should determine need or priority, methods for identifying communities with the greatest need, and strategies for an equitable approach in program outreach, implementation, and participation.

## Why a joint solicitation with Clean Vehicle Assistance Program (CVAP)?

- CARB's proposed joint solicitation between the CVAP and statewide CC4A is designed to streamline the application process for residents in most need, providing increased opportunity to match the need for low-cost financing with the vehicle purchase incentives provided through CC4A.
- Combining the two programs into one solicitation directly addresses feedback CARB has received for several years from community members, environmental justice advocates, and the Legislature regarding the need to consolidate programs to reduce consumer confusion when applying for incentives.
- A combined solicitation will allow for better management of communication across the programs, consolidated processing of rebate applications, cooperative relationships with dealers, more streamlined efforts and use of outreach tools and materials (when appropriate), and result in fewer administrators and risk of added complexity when working in partnership with Access Clean California.
- During the CC4A April 11, 2022 workgroup, stakeholders and community groups voiced their support in pursuing a joint solicitation to better align the programs to continue providing support to low-income participants during the statewide expansion of CC4A.

## What are continued opportunities for the public to weigh in on designing this statewide program?

- Staff held a public workgroup meeting on April 11, 2022 to outline the proposal for statewide expansion and receive feedback from the public.
- A workgroup meeting on the joint solicitation was held on May 4, 2022.
- Public workgroups over the next few months will focus on defining needs-based criteria, in conjunction with Financing Assistance; goal setting and program performance; and other topics as needed.

- Information on how to participate in the Funding Plan public process, which includes CC4A can be found <u>here</u>.
- CARB staff is available and willing to meet with community-based organizations and groups.

