

Clean Cars 4 All & Driving Clean Assistance Program Fact Sheet

Working in tandem to support California communities

Background

California's Clean Cars 4 All (CC4A) program provides incentives for eligible low-income consumers to purchase or lease a new or used clean vehicle – up to \$12,000 when scrapping an older vehicle and living in a disadvantaged community and up to \$7,500 when not scrapping an older vehicle. The program also provides opportunities for alternate mobility options such as transit passes or e-bikes, and up to \$2,000 in additional incentives to offset the cost of charging. The program has traditionally been offered in 5 regional air districts and limited to a small number of legislative districts, but with the launch of the Driving Clean Assistance Program (DCAP), CC4A can now be accessed in every legislative district. DCAP goes beyond CC4A by including access to low-interest rate loans and incentives for consumers that don't have a vehicle to scrap, marking CARB's efforts to streamline programs and expand access to incentives in communities that need it most.

DCAP

As of Jan. 2025, DCAP has launched in regions covered by the following air districts; Imperial, Mojave Desert, Eastern Kern, Antelope Valley, Great Basin Unified, Mariposa, Tuolumne, Calaveras, Amador, El Dorado, Placer, Feather River, Northern Sierra, Lassen, Modoc, Siskiyou, Shasta, Tehama, and Butte.

DCAP is administered by the Community Housing Development Corporation, a minority-owned community-based organization from Richmond, California that competed for the opportunity to administer DCAP through a rigorous and competitive solicitation.

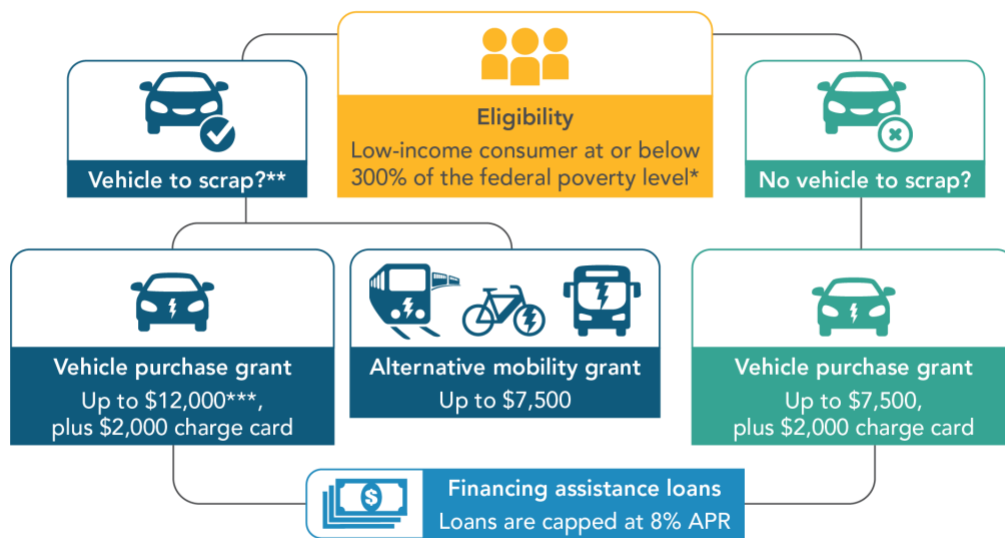


Incentive Pathways

DCAP provides incentive pathways for individuals that will scrap an old vehicle and for those who will not. It also provides access to credit-union backed loans that are capped at 8%. DCAP provides the CC4A incentive pathway to those who provide a vehicle to scrap which provides income-qualified participants with a maximum of \$12,000 for a new or used clean vehicle plus an additional \$2,000 charging incentive with the scrapping of an eligible vehicle.

The Financing Assistance incentive pathway provides income-qualified participants a maximum of \$7,500 for a new or used clean vehicle plus an additional \$2,000 in charging incentives. Participants of both the CC4A and Financing Assistance incentive pathways are eligible to receive a capped interest rate loan of 8%. Participants must be at or below 300% of the Federal Poverty Level which in 2024 was \$93,600 for a family of four. This is expected to change annually.

Driving Clean Assistance Program Scenarios



* Based on 2024 federal poverty level guidelines. This number is subject to change annually.

** Additional guidance for model year vehicle type subject to change at CARB's discretion.

*** Maximum grant for eligible applicants living in a Disadvantaged Community as defined by Cal EnviroScreen 4.0.

Regional Clean Cars 4 All

Regional CC4A programs are administered by the five largest air districts – South Coast Air Quality Management District (AQMD), San Joaquin Valley Air Pollution Control District (APCD), Bay Area AQMD, Sacramento Metropolitan AQMD, and San Diego APCD – collectively referred to as Regional CC4A.

CC4A had historically been limited to residents living in zip codes containing disadvantaged communities as defined by the Office of Environmental Health Hazard Assessment's (OEHHA) CalEnviroScreen 4.0. Through the public process, CARB has enabled air districts to expand access to CC4A incentives to all residents living within their jurisdiction and continues to focus on ensuring that those who need access to incentives the most are not left behind.

Currently, Regional CC4A programs provide income-qualified participants a maximum of \$12,000 for a new or used clean vehicle plus an additional \$2,000 in charging incentives. CC4A participants must be at or below 300% of the Federal Poverty Level which in 2024 was \$93,600 for a family of four. This is expected to change annually.

DCAP and Regional CC4A Program Differences

DCAP and the Regional CC4A programs share many similarities in the incentive amounts however, there's several differences between the administering bodies.

- DCAP provides incentives for scrapped and non-scrapped vehicles while Regional CC4A programs focus on scrap-and-replace only.
- DCAP includes CC4A incentives as well as access to 8% capped interest rate loans.
 - The average CC4A participant is a household of three with an income of \$28,828 and a 54-month loan at 6%.
- By providing access to capped interest rate loans, DCAP enables long-term financial support to participants to adopt cleaner technology vehicles. This option was included to address public comments that some cleaner technology vehicles remain out of reach to participants even with existing incentives. Regional CC4A programs implement a first-come, first-served system and have a variety of partnerships such as local community-based organizations and credit unions.
- DCAP implements a needs-based system and also has several partnerships with local community-based organizations, credit unions, and dealership networks. The needs-based system uses tiers to ensure funding availability:
 - Tier I – Priority Applicants: DAC/Low-Income Community Residents
 - Immediate application processing
 - Open all year
 - Tier II – Priority Applicants: ≤225% FPL, Categorical Eligibility, Need Credit Repair
 - Expedited application processing
 - Closes when 25% of funds are remaining
 - Tier III – Regular Applicants: Low-Income (≤300% FPL)
 - More than 30 days application processing
 - Closes when 50% of funds are remaining

Funding

DCAP and the Regional CC4A programs are similarly funded and share common funding sources.

- Both DCAP and CC4A are primarily funded by the Greenhouse Gas Reduction Fund and have received funding in the past from other sources, including the General Fund.
- South Coast AQMD and San Joaquin Valley APCD receive annual allocations of \$1.4M from the Enhanced Fleet Modernization Program, a complementary effort to CC4A.
- DCAP and Regional CC4A programs had an allocation of \$28M in Fiscal Year (FY) 2023-24 from the Greenhouse Gas Reduction Fund and the General Fund. This was split equally between DCAP and Regional CC4A with each program receiving \$14M.
- The FY 2023-24 Funding Plan allows CARB to re-allocate funds that have not been previously liquidated, encumbered, or obligated prior to Dec. 31, 2024.

- CARB re-allocated \$14M from DCAP to San Joaquin Valley APCD's CC4A program from the FY 2023-24 Funding Plan.

Current Funding Status for DCAP and Regional CC4A

Funding status for DCAP:

- \$125M was allocated to the establishment and implementation of the statewide Clean Cars 4 All program (DCAP) through the passage of Budget Act of 2022.
- \$107M was allocated for Financing Assistance via the FY 2023-24 Funding Plan.
- \$10M has been allocated to the Zero-Emission Assurance Program.

Funding status for Regional CC4A:

- District programs receive allocations from both the Greenhouse Gas Reduction Fund and the General Fund. Specific allocations between district programs undergo the Funding Plan process, a public process that enables community groups, program administrators, district staff, and the general public to provide comment on policy and funding allocations. The table below provides the funding status of each district as of Dec. 31, 2024.

District	Historical Allocation (in millions) ¹	FY 23-24 CC4A Dollars Allocated (in millions)	CC4A Dollars Remaining (in millions) ²
South Coast AQMD	\$135.5	\$4.5	\$35.3
San Joaquin Valley APCD	\$92.9	\$17.3 ³	\$7.8
Bay Area AQMD	\$66.4	\$3.4	\$17.3
Sac Metro AQMD	\$25.4	\$1.4	\$8.9
San Diego APCD	\$18.4	\$1.4	\$9.9
Total	\$338.6	\$28.0	\$79.2

¹ This amount includes the most recent FY 23-24 allocation and includes administrative dollars.

² These funds may also include funds that have not yet been expended from prior fiscal years and includes administrative dollars.

³ This amount includes the \$14M re-allocation from DCAP to San Joaquin Valley APCD from the FY 23-24 Funding Plan.

Shared Goals

DCAP and the Regional CC4A programs are designed to complement one another and support residents in California who need incentives. CARB, Air Districts, and CHDC are coordinating to ensure that operations are continuous and are exploring how to best optimize systems, implementation, and coordination across all program administrators. This streamlined effort will provide consumers with an incentive program that is easy to understand and navigate.

Additionally, DCAP is designed to provide Regional CC4A programs additional support in preventing the start-stop operation that has plagued District programs.