

SACRAMENTO METROPOLITAN



# MANAGEMENT'S RESPONSE TO CARB INCENTIVE PROGRAM REVIEW

June 12, 2026

Prepared by Management of  
Sacramento Metropolitan Air Quality Management District

## A. Findings

### **Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)**

*None Noted*

### **Community Air Protection (CAP) Incentives Program**

*None Noted*

### **Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program**

*None Noted*

### **Clean Cars 4 All (CC4A)**

*None Noted*

## B. Commendable Efforts

### **General Commendable Efforts**

1. Record Retention.
2. Reporting Timeliness and Completeness of Reporting, Disbursement Requests, and Fund Liquidation.
3. Outreach and Advocacy.

### Management's Response:

We concur.

### **Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)**

1. Exhibit "Z."
2. Annual Usage Monitoring.
3. Salvage Program.
4. Pre-Inspection
5. Contractual Oversight of Auction House Inspections.
6. Funding Source Tracking within Accounting Framework.

Management's Response:

We concur.

**Community Air Protection (CAP) Incentives Program**

1. Active Leadership in CAP Incentives Program Forums.
2. Compliance with Additional California Climate Investments (CCI) Requirements.

Management's Response:

We concur.

**Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program**

1. Management of Redirected Funds.
2. Compliance with Additional CCI Requirements.

Management's Response:

We concur.

**Clean Cars 4 All (CC4A)**

1. Effective Budget Management.
2. Collaboration with Other Air Districts.
3. Community Engagement and Incentives Education.
4. Emphasis on Affordability and Sustainable Purchasing.
5. Agility in Ensuring Applicant Compliance.

Management's Response:

We concur.

## C. Recommendations

**Carl Moyer Memorial Air Quality Standards Attainment Program (CMP)**

1. Application Funding Amount. Crowe observed in a few instances that the total project cost and/or requested amount was not completed by grantees on the application. Per discussion with Sac Metro during sample walkthroughs, Sac Metro does not require applicants to provide an amount on the application to encourage as many applications as possible. Sac Metro may consider requiring the total project cost and/or requested

amount to be provided with application submission to better anticipate the amount of funding to request from CARB and the number of projects to be funded in the program year.

Management's Response:

We disagree. Given the complicated and changing regulatory and funding landscape for projects eligible for CMP funding, management prefers to minimize barriers to adoption. Projects are often eligible for multiple funding sources, and getting applicants into our system allows us to work with project proponents to right-size their projects for our program or refer them to other programs.

2. Project Selection. If, in the future, Sac Metro elects to work with rural or smaller air districts within the Sacramento Federal Non-Attainment Area (SFNA), Sac Metro may consider clarifying and/or refining its selection process (e.g., from first-come, first-served to cost-benefit based) to enhance transparency for participating entities. Air District Regions included in the SFNA are the Sacramento Metropolitan Air Quality Management District, the majority of El Dorado County Air Quality Management District and the Placer County Air Pollution Control District, the most southern portion of Sutter County under the Feather River Air Quality Management District and the Yolo-Solano Air Quality Management District. The APCOs for these air district regions, except for Feather River AQMD have agreed to combine their Carl Moyer funds into the Sac Metro's Carl Moyer funds. This was noted in the Sac Metro 2015 Policies and Procedures Manual for Moyer, section 2.1.1 *Combined Grants*.

Management's Response:

We concur. Our current project selection process has been refined since 2015 and involves solicitations based on CMP guidelines, Sac Metro Air District priorities, and community input. Any combined program with other Air Districts would likely refine this process further as it would require the assent of Management and the other participating Air Districts.

3. Develop and Share Salvage Program Best Practices. Sac Metro should consider developing a formal salvage program toolkit or guidance document and hosting workshops to share its approach with other air districts interested in implementing similar programs. By documenting key elements such as drafting contracts to ensure auction houses adhere to program requirements, establishing competitive solicitation processes, establishing sub-funds in accounting systems to trace proceeds, and administering the program effectively, Sac Metro could serve as a model for other agencies. Sharing these practices would enable other districts to implement salvage programs as a creative means of generating supplemental revenue to support air quality initiatives, while also providing an opportunity to demonstrate their continued commitment to improving environmental outcomes in disadvantaged communities. In addition, implementing and documenting such programs can help districts illustrate

responsible stewardship of public resources and highlight innovative approaches to maximizing the impact of limited public funds.

#### Management's Response

We concur. Management is proud of Sac Metro Air District's salvage program. However, we recognize the program's existence is due to unique circumstances, vendors, and culture that may not be replicable statewide at scale. Regardless, we are regular participants in the Air Resources Board and CAPCOA Mobile Source and Grants retreat and will propose a session on our salvage program for consideration in the program in future years.

4. Highlight Metrics Related to the Return on Salvage Proceeds. Sac Metro has an opportunity to highlight and quantify the financial impact of its salvage proceeds. By tracking and communicating return on reinvestment metrics, such as the number of disadvantaged communities impacted, proceeds dollars generated, tons of equipment diverted from landfill, and emissions reduced by equipment that otherwise would not have provided any additional benefits to targeted communities, Sac Metro can demonstrate how recovered value from retired assets directly supports program objectives. This transparency can strengthen stakeholder confidence and showcase Sac Metro's commitment to maximizing the value of public resources. This could be presented as an Annual Scrap Program Impact Summary, included in the MD&A section of financial statements, and/or published to internal stakeholders.

#### Management's Response:

We concur in part. Some metrics proposed are not part of the CMP, which would introduce confusion, and our current tracking systems are not robust enough to measure some of the proposed metrics. However, greater disclosure of metrics that can be efficiently and effectively tracked could be shared, as appropriate, with stakeholders.

#### **Community Air Protection (CAP) Incentives Program**

1. Application Funding Amount. Crowe observed, in a few instances, that the total project cost and/or requested amount was not completed by grantees on the application. Per discussion with Sac Metro during sample walkthroughs, Sac Metro does not require applicants to provide an amount on the application to encourage as many applications as possible. Sac Metro should consider requiring the total project cost and/or requested amount to be provided with the application submission to better anticipate the amount of funding to request from CARB and the number of projects to be funded in the program year.

Management's Response:

We disagree. Given the complicated and changing regulatory and funding landscape for projects eligible for CAP funding, management prefers to minimize barriers to adoption. Projects are often eligible for multiple funding sources, and getting applicants into our system allows us to work with project proponents to right-size their projects for our program or refer them to other programs.

**Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program**

1. Application Funding Amount. Crowe observed, in a few instances, that the total project cost and/or requested amount was not completed by grantees on the application. Per discussion with Sac Metro during sample walkthroughs, Sac Metro does not require applicants to provide an amount on the application to encourage as many applications as possible. Sac Metro should consider requiring the total project cost and/or requested amount to be provided with application submission to better anticipate the amount of funding to request from CARB and the number of projects to be funded in the program year.

Management's Response:

We disagree. Given the complicated and changing regulatory and funding landscape for projects eligible for FARMER funding, management prefers to minimize barriers to adoption. Projects are often eligible for multiple funding sources and getting applicants into our system allows us to work with project proponents to right-size their projects for our program or refer them to other programs.

2. Inter-District Impact Reporting for Redirected Funds. Sac Metro may consider developing a formal reporting process to communicate to smaller air districts the outcomes of projects funded through redirected funds received from those smaller air districts, such as FRAQMD. Providing periodic impact reports summarizing metrics such as total funds received, number of projects funded, geographic distribution of projects, emission reductions achieved, and salvage proceeds generated would allow partner districts and their constituents to better understand potential benefits of the redirected funding to their communities. While this type of reporting is not required under current FARMER Program Guidelines or existing inter-district agreements, implementing a standardized inter-district impact report could further enhance transparency and support regional collaboration. This consideration is outside the scope of current FARMER Program Guidelines and existing inter-district agreements and is provided for informational purposes only.

**Management's Response:**

We concur in part. Trust and transparency between regional partners are required for regional projects and combined grant programs, but a standardized, formal inter-district impact report may not be the best or most efficient way to build that trust. Management will focus on fulfilling reporting requirements of program guidelines and inter-district agreements before adding additional non-required reporting requirements. That said, our new AiriA database system is designed to be more transparent than the current system and will allow interested parties and stakeholders to better understand Sac Metro Air District's programs and projects.

**Clean Cars 4 All (CC4A)**

1. **Update Ownership Compliance Monitoring Systems.** Program participants are required to own and operate incentivized vehicles, whether purchased or leased, within the State of California for a minimum of 30 months, as stated in the Grant Agreement and program terms and conditions. To demonstrate compliance, participants are sent post-incentives surveys at 12-month, 24-month, and 30-month intervals, which prompts participants to provide basic information as well as proof of current registration in California. Sac Metro personnel stated that while completing surveys is mandatory, they cannot compel participants to complete surveys. While sampling, Program Review staff noted two (or 50%) of sampled projects lacked survey results or had incomplete/inaccurate survey content (e.g., registration renewal notice rather than updated registration). This is a known challenge for all grantee's implementing the CC4A program. Sac Metro should consider enhancing this monitoring system to ensure participant compliance. This could include working with the Department of Motor Vehicles (DMV) to automatically receive notifications if vehicles that have received incentives have been sold or transferred outside the state.

**Management's Response:**

We concur in part. This is a statewide issue that requires a statewide solution. Management encourages the Air Resources Board to work with its counterparts at the Department of Motor Vehicles to create a portal for the Air Resources Board and Air Districts to monitor compliance with CC4A program requirements.

2. **Increase Scrapping Program Participants.** Sac Metro is required to work with BAR-certified scrapping facilities within the district to facilitate the retirement of vehicles. During the reporting period, only one company, Pick-N-Pull, was BAR-certified within the district. Sac Metro should work with additional scrapping facilities to assist in BAR-certified retirement. Over time, adding new scrapping vendors can increase customer options, relieve future resource constraints, and create a more competitive cost environment. This suggestion is not intended to be a requirement, but rather a recommendation aimed at increasing options and flexibility for applicants.

Management's Response:

We concur in part. This is a statewide issue that requires a statewide solution. Management encourages the Air Resources Board to work with its counterparts at the Bureau of Automotive Repair to certify additional dismantling facilities within the Central Valley.