

2024 COMMUNITY AIR QUALITY GRANT APPLICATION MANUAL

SACRAMENTO METROPOLITAN



AIR QUALITY
MANAGEMENT DISTRICT

MARCH 4, 2024



**SAC METRO AIR DISTRICT
TRANSPORTATION & CLIMATE CHANGE
DIVISION**



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Executive Summary

The Sac Metro Air District has over \$3.4 million in mobile source incentive funding to improve air quality in Sacramento. This funding is only available for applicants in Sacramento County. The off-road application period will start on March 4, 2024. Applicants are encouraged to develop their proposals now to ensure the best possible funding opportunities. The primary purpose of this funding is to promote the use of zero emission equipment instead of diesel in communities impacted by air pollution, however, applications are accepted for other off-road project categories.

Funding will be available to replace older farm tractors, replace utility terrain vehicles (UTV), replace forklifts, and any other eligible projects may be considered on a case-by-case basis. A separate solicitation will be available for Commercial Lawn and Garden Equipment. Applications are open to private companies, government agencies, and others to promote clean transportation and goods movement in Sacramento. Any applications not funded initially may be used to advocate for more funding in the future.

Two programs – the Carl Moyer Program and the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) – represent most of this funding. While each funding source has its own guidelines, the programs generally use the Carl Moyer Program guidelines for project eligibility. Air districts can choose to fund specific project categories, and the Sac Metro Air District will exercise this option. These options will be explained in each program section.

The Sac Metro Air District will accept electronic applications beginning on March 4, 2024. Projects will be evaluated by staff including potential inspections of existing equipment. Applicants selected for funding will enter into grant agreements and proceed with funding.



Funding Overview

The Sac Metro Air District will use the following sources of funding for this solicitation:

- Carl Moyer Program - \$3 million
 - Funding from the California Air Resources Board
 - Funded by vehicle registration and tire fees
- FARMER Program - \$400 thousand
 - Funding from the California Air Resources Board
 - Funded by Cap & Trade Auction Proceeds

Generally, applicants do not need to choose a specific funding source when applying for their project. Some project types cannot be funded with certain funding sources, and some funding sources may offer a higher funding amount than others. Staff will work with applicants to identify the best funding sources for their application to leverage available funding and meet community needs while providing maximum funding for the project. To assist applicants, the following table shows the maximum funding by project type and funding source. Please note that actual awards are often lower than the maximum funding.

Project Type	Carl Moyer Program	FARMER
Farm Tractor Replacement	Up to 65% of tractor cost for diesel; Up to 80% of tractor cost for e-tractors	Up to 65% of tractor cost for diesel; Up to 80% of tractor cost for e-tractors
Rough Terrain Forklift Replacement	Up to 80% of electric forklift cost	N/A
Zero Emission Utility Vehicle Replacement	N/A	75% of e-UTV cost up to \$13,500
*Other Off-Road Equipment Replacements	Up to 65% of equipment cost for diesel; Up to 80% of equipment cost for electric	Up to 65% of equipment cost for diesel; Up to 80% of equipment cost for electric

* Note: Eligible project types are outlined in Chapter 5 of the Carl Moyer Program Guidelines and approved by the Air District at its discretion. If you have any questions, please contact our staff at LEVIP@airquality.org.

This list does not include all project types. Funding of other projects may be considered on a case-by-case basis under the Carl Moyer Program Guidelines. Further details are in each funding section. Please contact staff if you plan to use or apply for other grants as part of your application.

Carl Moyer Program



The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) was established in 1998 to fund the incremental cost of cleaner-than-required heavy-duty engines. This program is named in honor of the late Dr. Carl Moyer, whose extraordinary dedication, hard work, vision, and leadership made this program possible. He created and masterminded this program, in a noble effort to unite business and government in the name of public interest to improve California's air quality.

The Sac Metro Air District receives funding from the ARB annually to implement the Carl Moyer Program. Air districts are required to fund projects according to the Carl Moyer Program guidelines, but they can also implement local restrictions suited to community needs. For this solicitation, the Sac Metro Air District has the following local restrictions:

1. Applicants must have a physical address within Sacramento County.
2. Funding is not available for leased vehicles or equipment.
3. The Sac Metro Air District must be listed as a lien holder on vehicle replacement projects through the contract term.
4. Agricultural funding is only available for Sacramento County based projects.
5. Funding determinations are based on usage within the Sacramento Federal Nonattainment Area for ozone except for zero emission replacements which use total California usage.
6. The Sac Metro Air District will not fund Light-Duty Vehicles, Heavy-Duty Vehicles, School Bus Projects, Locomotive Projects, or Residential Lawn and Garden Equipment Replacements during this application period. Future periods may include these options.
7. Commercial Lawn and Garden Equipment Replacements are under a separate solicitation.
8. Applicants are required to deliver old equipment to Bar None Auctions in Sacramento – or another designated dismantler – to participate in this solicitation.

Subject to the local restrictions shown above, the Sac Metro Air District will accept applications for all off-road projects described in the 2017 Revisions to the Carl Moyer Program Guidelines. Selection and review of the applications are described in the Project Selection and Funding section of this document.

Please ensure that your application includes the following documents scanned into PDF format to attach to your online application:

1. Completed Online Incentive Application
2. Vendor Payee Data Record W9 and ACH Forms with Cancelled Check or Bank Letter
3. For Off-Road Projects:
 - a. Certificate of Compliance from California Air Resources Board (CARB) DOORS Database or evidence that it is not applicable
 - b. Maintenance Records for off-road equipment showing service intervals and hour meter readings
 - c. Photograph of the current operational hour meter reading per existing equipment
 - d. Photograph of the current Engine Control Label tag showing the Engine Family Number
4. Cost Quote and Specifications for New Equipment

For more information about the Carl Moyer Program, please visit the following links:

Sac Metro Air District Carl Moyer Program Website:

<http://www.airquality.org/Residents/Incentive-Programs/Carl-Moyer-Program>

ARB Carl Moyer Program Guidelines:

<https://ww2.arb.ca.gov/guidelines-carl-moyer>

FARMER Program

California’s agricultural industry consists of approximately 77,500 farms and ranches, providing over 400 different commodities, making agriculture one of the State’s most diverse industries. Producers, custom operators, first processors, and rental companies own and operate approximately 160,000 pieces of off-road, diesel-fueled, mobile agricultural equipment statewide, in addition to stationary equipment, and on-road vehicles used in agricultural operations. Even with increasingly stringent emission standards on engine manufacturers, emissions from these vehicles and equipment are a significant source of air pollution. Reducing these emissions is necessary to meet federal ozone and particulate matter air quality standards, particularly in the Sacramento Valley where the agricultural sector is a vibrant and critical part of the local and state economy, but also contributes to the poor air quality.

In recognition of the strong need and this industry’s dedication to reducing their emissions, the State Legislature allocated funding to CARB to “reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.” CARB staff developed the Funding Agricultural Reduction Measures for Emission Reductions (FARMER) Program to meet the Legislature’s objectives and help meet the State’s criteria, toxic and greenhouse gas emission reduction goals. The FARMER Program Guidelines discuss the funding allocations for air districts, eligible project categories and criteria, program implementation details, and the justification for these investments.



The Sac Metro Air District has implemented FARMER funding for the first five years of the program and experienced overwhelming demand for funding. The District will fund electric utility terrain vehicles (e-UTVs) and farm tractors for this solicitation. Priority will be given to applications that promote zero emission technology such as electric tractors. Diesel projects (Tier 4 or better) for off-road equipment are encouraged to apply and will be considered for funding on a first come, first served basis.

Staff will follow the requirements outlined in the ARB FARMER Guidelines to evaluate applications. Applications will only be accepted for farm operations with business addresses in Sacramento County as determined by tax liability purposes. Farmers based outside the county should contact other air districts for funding opportunities.

Selection and review of the applications are described in the Project Selection and Funding section of this document. Please ensure that your application includes the following documents scanned into PDF format to attach to your online application:

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1. Completed Online Incentive Application
 2. SMAQMD Vendor Payee Data Record and ACH Forms with Cancelled Check or Bank Letter
 3. Maintenance Records for off-road equipment showing service intervals and hour meter readings
 4. Photograph of the current operational hour meter reading per existing equipment
 5. Photograph of the current Engine Control Label tag showing the Engine Family Number
 6. Cost quote and specifications for replacement electric UTV or replacement diesel or electric farm tractor

For more information about the FARMER Program, please visit the following links:

Sac Metro Air District FARMER Website:

<http://www.airquality.org/Residents/Incentive-Programs/FARMER-Program>

ARB FARMER Guidelines:

<https://ww2.arb.ca.gov/resources/documents/farmer-program-guidelines>

Application Process

The application period will start on March 4, 2024. Applicants will enter most of the information through the online form found on each program page and upload attachments as needed for each funding stream. The Sac Metro Air District now uses Seamless Docs for all applications. Once complete, applicants will receive an email showing their application was received, including a copy of the application. The Sac Metro Air District recommends that applicants keep a copy of all application records. It is also recommended that applicants use a PDF app for their Apple or Android phones that can convert documents and pictures into PDFs to make the process easier.



Applications will be processed generally in the order in which they are received. All applications will be reviewed by management to determine which funding sources are appropriate for each one based on the details of the project. Each funding source has detailed requirements that are described in this manual. Other grants may also become available which may also be used to fund applications with other requirements not listed in this manual. The Sac Metro Air District reserves the right to move applications

between funding sources as needed. In all cases, the purpose of this flexibility is to provide the best experience for our applicants and the community by funding projects as fast as possible while meeting all grant requirements.

If no funding is available for the application or the application does not meet community needs or grant restrictions, staff may place the application in a pending file or reject it based on the merits of the project. Priority will be given to projects that benefit Disadvantaged Communities using zero emission technology with a fast delivery timeline. The Sac Metro Air District may also give priority to projects that meet AB 1390 requirements as required by the California Air Resources Board. Projects that have delivery timelines beyond 180 days or are not fully approved by local permitting agencies may be delayed or rejected.

All fleets/participants are encouraged to apply as soon as their applications are ready for a complete submittal. Priority will be given to zero emission projects. This includes vehicle and/or equipment replacement projects where the replacement vehicles are zero emission along with supporting infrastructure for zero emission vehicles and equipment. Diesel projects (Tier 4 or better) for off-road equipment are encouraged to apply and will be considered for funding on a first come, first served basis.

Applications missing information may be given 30 days to submit any incomplete or ineligible documents. Staff may also request additional information from applicants if needed to evaluate the project. If a project is selected for funding, the project may require a pre-inspection where the applicant will be contacted by one of our staff to coordinate an inspection of the equipment and site. In some cases, the applicant will be offered an award lower than the amount requested in the application or the maximum grant for the project. This reduction is made if the Sac Metro Air District does not have enough funding for the project or if staff determines that the application does not qualify for full funding. If selected for funding, applicants will enter into a funding agreement with the Sac Metro Air District. The agreement will match the individual or business entity listed on the application and Payee Data Record.

Applicants must be compliant with state and local air quality regulations and will be checked. Most agreements have a term of 3-10 years with annual reporting requirements and penalties for non-compliance. Participants can reimburse a pro-rated amount of the funding for early termination or transfer their agreements to other parties if in the best interest of air quality in the region. All projects require a UCC filing to secure interest in the equipment. These are released at the end of the agreement if all performance requirements are met.

Eligible applications not selected for funding will be placed in a pending file for future funding opportunities. If an applicant does not want their application to be held, she or he must contact the Sac Metro Air District to withdraw their application. The Sac Metro Air District may also forward applications to other agencies that may have funding for the project. Please contact staff at LEVIP@airquality.org if you have any questions about the application process.

Project Selection and Funding

For this solicitation, the Sac Metro Air District will generally use an open solicitation application process to select projects for funding. Applications will be accepted and reviewed on a continuous basis with evaluations done per application to determine funding priority. This is done to ensure a fair and transparent process to the public while allowing staff to select projects that can be delivered quickly for maximum community benefit. It also allows staff to ensure compliance with all requirements of state and local funding.

Priority will be given to projects based in Disadvantaged Communities (DAC). For most projects, the determination is based on the physical address of the projects using CalEnviroScreen 4.0. Applications will be evaluated for DAC immediately to determine which funding source can be used for the project. Non-DAC applications may be rejected or subject to delay if no funding is available. Projects based in DAC may be funded sooner to meet funding and community needs. A map of DAC areas is available [here](#).

The California Air Resources Board also requires that at least 50% of Carl Moyer Funds be spent in AB 1390 designated areas. Most of these areas are DAC, but staff may give priority to non-DAC applications that meet the AB 1390 requirements. These applications would be funded sooner as needed. Applications not in AB 1390 areas may be rejected or subject to delay. The AB 1390 policy is available [here](#).

Priority will be given to projects that are zero emissions vehicles and/or equipment along with supporting infrastructure for these projects.

Priority will also be given to applications that can provide swift emission reductions to the community. This means that projects with short delivery and/or installation timelines and significant preparation may receive priority funding if they meet all other requirements. Applicants are highly encouraged to submit complete applications that are ready to implement to receive priority review.

For each application, staff will meet with management to discuss which ones will be funded and which funding source will be used. Further input and information may be requested by staff to help with this process. This process may also be altered to meet funding deadlines if the overall community benefit is preserved. Staff will endeavor to make the process transparent and ensure that all applicants are given timely responses to their projects.

The application period will remain open until the Sac Metro Air District decides to close or modify the program. This manual may be used for future funding sources as determined by the Sac Metro Air District.

Contacts

If you have any questions or concerns, please contact our staff at LEVIP@airquality.org. For more information, please visit our website at: <http://www.airquality.org/Businesses/Incentive-Programs>.

Staff contacts for each program are listed on the website and the pages for each incentive program. The Sac Metro Air District now implements a remote work policy to protect employee health and reduce emissions. This means staff are primarily available by email with virtual telephones available as listed on the website. Applicants needing in-person meetings must coordinate with District management. Additionally, staff works with regional equipment dealers who can provide additional assistance in applying for incentive programs.

