



MONTEREY BAY

Unified Air Pollution Control District
Serving Monterey, San Benito, and Santa Cruz counties

Air Pollution Control Officer
Richard Stedman

24580 Silver Cloud Court • Monterey, California 93940 • 831/647-9411 • FAX 831/647-8501

May 20, 2014

To: Applicants for the FY15 AB2766 Grant Program
Re: Application Packet
From: Alan Romero/ Air Quality Planner

On March 19, 2014, the District Board authorized this year's AB2766 Motor Vehicle Emission Reduction Grant Program. On September 17, 2014, the Board will award approximately \$1.4 million to selected projects. In addition, each year the District may recover grant funds from completed projects with a residual balance and projects that were not completed or never initiated. These disencumbered funds are then returned to the grant program budget. The current maximum project award is \$200,000. However, certain qualifying emission reduction projects that exhibit fixed costs that represent 75% or greater of the total project cost are eligible for awards up to \$400,000. Eligible projects must reduce motor vehicle emissions and/or meet other criteria described in this packet. Only public agencies may apply for projects, which must be implemented in Monterey, San Benito and/or Santa Cruz Counties.

Emission reduction projects must enable reduction of ozone precursor emissions (ROG, NO_x) and PM from vehicle sources. Although only public agencies may apply and receive funds, private entities may implement the projects under contract to these agencies. Applications are due at the District's Office **by 4:45 PM on June 27, 2014.**

District staff will conduct two workshops for prospective applicants on project eligibility, application instructions, scoring, and grant selection. The workshops are free and open to the public on the following dates:

Tuesday, April 22, 2014

Santa Cruz: 10AM -12PM. Ecology Action, 877 Cedar Street, Suite 240.

Wednesday, April 23, 2014

Monterey: 10AM-12 PM. MBUAPCD offices, 24580 Silver Cloud Court, Monterey.

You may download digital versions in native or pdf format from the District website:
www.mbuapcd.org/programs/grants-incentives/ab2766

For questions or more information, please call Alan Romero at (831) 647-9418 x 241

Monterey Bay Unified Air Pollution Control District



Monterey Bay Unified Air Pollution Control District

**AB 2766 EMISSION REDUCTION
GRANT PROGRAM**

APPLICATION PACKET

**For Fiscal Year
July 1, 2014 to June 30, 2015**

Monterey Bay Unified Air Pollution Control District
24580 Silver Cloud Court
Monterey, CA 93940
Phone: (831) 647-9411 ~ Fax: (831) 647-8501
www.mbuapcd.org

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Significant Changes to the FY 15 AB2766 Application Packet

Significant changes to the FY15 AB 2766 Grant Program Criteria and Procedures are as follows:

- 1. The total FY15 AB2766 Budget shall be split into two categories:
 - a. Funds for the Electric Vehicle Replacement Incentive Program.**
 - b. Award funds up to \$400,000 will be available for 75% fixed cost direct emission reduction projects such as:
 - i. Roundabout design and construction**
 - ii. Adaptive Traffic Signal Control******
- 2. The Electric Vehicle Replacement Incentive Program shall be for existing public fleets to be replaced with electric vehicles only. Significant branding shall be used on the electric vehicles as an outreach mechanism encouraging their use.**
- 3. Ranking for the electric vehicle incentive program projects shall be based on the total emission reduction over the replacement project life.**
- 4. Awards amounts shall be subject to the existing funding allocations based on population per county. Award cap per electric vehicle shall be \$27,000.**
- 5. Local match funding shall be required on all electric vehicle incentive program projects.**
- 6. Motor vehicle direct emission reduction projects shall include the following projects:
 - a. Roundabout Design and Construction**
 - b. Adaptive Traffic Signal Control**
 - c. New transit****
- 7. Motor vehicle direct emission reduction projects shall be ranked by cost-effectiveness (CE) and project annual emission reduction.**

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AB 2766 CRITERIA AND PROCEDURES:

1. INTRODUCTION

In 1990, Assembly Bill (AB) 2766 was enacted into law as the California Health and Safety Code §§44220 – 44247. The legislation authorized the Department of Motor Vehicles (DMV) to collect a motor vehicle registration fee surcharge of \$4.00 for each vehicle registered within the boundaries of the Monterey Bay Unified Air Pollution Control District (MBUAPCD). The regulation requires that those AB766 revenues distributed to MBUAPCD “...be used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies...” (H&S §44220(b)).

California Air Resources Board (ARB) guidance for the AB2766 grant program directs the District to select cost-effective projects that directly reduce vehicular emissions. ARB 1995 guidelines state that the cost of an emission reduction project, or project cost effectiveness (C/E), should not exceed \$20,000.00 per ton of pollutant.

Since the District initiated the AB2766 grant program 24 years ago, the Board of Directors has awarded over \$30 million to 532 projects in Monterey, San Benito and Santa Cruz counties.

2. ELIGIBILITY

To be eligible, a project must reduce, or enable the reduction of motor vehicle ozone precursor pollutants and particulate matter (10 microns in diameter or less).

Applicants must be authorized officials of public agencies and implement the project within one or more of the following counties: Monterey, San Benito and Santa Cruz. Grants may be awarded only to the public agency or agencies that submitted the application, with one agency acting as signatory of a Grant Acceptance Agreement.

Projects funded under this program must comply with all terms and conditions in this FY 2015 application packet, must meet all application eligibility criteria listed in the packet and qualify in one of the following two categories:

1. **DIRECT MOTOR VEHICLE EMISSIONS REDUCTION:** Projects for which travel activity data are available and allow District Staff to calculate the expected reductions in motor vehicle emissions. Projects in this category are scored based on calculated emissions reduced. A quantifiable cost-effectiveness (C/E) score for these projects is therefore used to rank projects and is expressed in dollars per ton of pollutant reduced.
2. **ELECTRIC VEHICLE REPLACEMENT INCENTIVE PROGRAM:** Projects eligible for incentive funding under this program must replace the existing with electric vehicles only

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Applicants may submit regional projects, or those implemented in two or more Counties. Costs must be incurred within a two-year period and invoiced no later than ninety days thereafter. Provided all terms and conditions of the Grant Acceptance Agreement are met, projects may be implemented by private entities under District-approved subcontract(s) with the Grantee public agency as specified in the grant application.

3. GRANT APPLICATION TIMETABLE

FY15 AB2766 Timetable

Task	Due Date
Staff posts announcement and grant application packet to District website, www.mbuapcd.org	<i>March 24, 2014</i>
Application Workshop #1, Ecology Action, Santa Cruz	<i>April 22, 2014</i>
Application Workshop #2, MBUAPCD Office, Monterey	<i>April 23, 2014</i>
All applications due to District Office no later than 4:45PM	<i>June 27, 2014</i>
Staff posts list of all eligible applicants for FY14 funding on District Website	<i>July 7, 2014</i>
Staff completes scoring and ranking of eligible FY14 applications	<i>August 8, 2014</i>
Staff grant award recommendations presented at September 2014 Board meeting. Selected projects are announced by Board.	<i>September 17, 2014</i>

4. SCORING AND RANKING GRANT APPLICATIONS

1. Scoring for direct emission reduction projects shall be done according to the Air Resources Board (ARB) calculation models contained in the “Methods to Find the Cost-Effectiveness of Funding Air Quality Projects” (May 2013) in conjunction with the ARB 2013 Emission Factor Tables. Ranking shall be according to the highest cost-effectiveness (C/E), expressed in dollars per ton of pollutant reduced and project total annual emission reduction. Applicants submitting projects of this type will need to provide travel activity data. The ***Travel Activity Data Spreadsheet*** and accompanying Excel Spreadsheet Table can be downloaded at:

<http://mbuapcd.org/programs/grants-incentives/ab2766.html>

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5. APPLICATION WORKSHOPS

District staff will conduct two workshops for applicants on proposal format, eligibility, scoring, activity data and the selection process. The two workshops are open to the public at the following times and locations:

Tuesday April 22, 2014

Santa Cruz: 10AM -12PM. Ecology Action, 877 Cedar Street, Suite 240.

Wednesday April 23, 2014

Monterey. 10AM-12PM. MBUAPCD offices, 24580 Silver Cloud Court, Monterey.

In addition to the above two workshops, District staff will assist applicants by phone, email or FAX at 647-8501. Call Alan Romero (831) 647-9418 x241, or email at aromero@mbuapcd.org

6. PROJECT SELECTION AND GRANT AWARDS

District staff evaluates all applications for project eligibility, project life, travel data and other characteristics. Staff will post a list of all qualified and eligible projects for FY15 AB 2766 grant funding on the District website. Applicants must submit travel activity data for direct emission reduction projects. See the Travel Activity Data Spreadsheet, referenced in section 4, for what data to submit for various types of projects. District staff calculates the cost-effectiveness (C/E) expressed in dollars per ton of pollutant reduced. Staff performs C/E calculations based on ARB methods. The ARB methods can be found at: <http://www.arb.ca.gov/planning/tsaq/eval/eval.htm>

The District Board will consider grant awards for this year's program at the September 17, 2014 Board Meeting. The meeting will be held at the District office located at 24580 Silver Cloud Court, Monterey, convening promptly at 1:30 PM.

7. RESPONSIBILITIES OF GRANTEES

AB2766 grants are reimbursement grants payable to Grantees for expenses incurred in accordance with signed grant Agreements. The terms and conditions of the each Agreement vary, and include, but are not limited to the following:

1. All other funding needed to implement the project shall be secured prior to Grantee signature on the Grant Acceptance Agreement.
2. All expenditures for the project shall be incurred or invoiced after the start date and before the expiration date of the Grant Agreement.
3. Unless requested by the Grantee and included in the grant Agreement, advance payments are not allowed.
4. All grantees shall submit quarterly reimbursement requests throughout the project term along with a quarterly project progress report to receive payment for expenditures.
5. Grant funds shall be disbursed to the agency signing the Agreement, or to other parties if requested by Grantee and so specified in the Agreement.
6. Payment shall be within 30 days of District approval of a reimbursement request, unless otherwise specified in the Agreement.

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7. All expenditures shall occur within the terms of the project (two years or less), unless extended by the District Board. Extensions will only be recommended by staff if delay was beyond the control of the Grantee.

8. EQUAL EMPLOYMENT OPPORTUNITY GUIDELINES

All programs funded with AB 2766 funds must conform to the District's Equal Employment Opportunity Guidelines, available from the District on request.

9. APPLICATION AND INSTRUCTIONS

Applicants may submit applications for more than one project, but each application should be for a single project type. (For example, do not combine a direct emissions project with a vehicle replacement incentive project). Applications must be completed and submitted in accordance with the instructions on this application packet. All applications must submit a cover letter from an authorized representative of the sponsoring public agency to Richard Stedman, District Air Pollution Control Officer along with the completed application.

The application should contain all the required format components and data as described in the application instructions. The data needed to estimate emissions reductions for each type of direct emission project are listed in the *Travel Activity Data Spreadsheet*, which can be downloaded at:

<http://mbuapcd.org/programs/grants-incentives/ab2766.html>

The final grant application should not exceed 15 pages including any maps or graphics and must be received at the District offices no later than:

Friday, June 27, 2014 at 4:45PM

Only applications completed in accordance with the instructions in this packet will be considered for grant funding.

Monterey Bay Unified Air Pollution Control District

**FY15 AB 2766 EMISSION REDUCTION GRANT
PROGRAM**

APPLICATION



MONTEREY BAY UNIFIED AIR POLLUTION CONTROL DISTRICT

**24580 SILVER CLOUD COURT
MONTEREY, CALIFORNIA 93940
TELEPHONE: 647-9411; FAX 647-8501**

Monterey Bay Unified Air Pollution Control District

APPLICATION SUBMITTAL

All interested FY15 AB2766 grant applicants may submit to the District either electronic or hard copy applications. Electronic submittals are *encouraged* and all applications must be received before the due date of **June 27, 2014, 4:45PM**. If electronic copies are sent, hard copies do not need to be submitted.

APPLICATION INSTRUCTIONS

All applications shall be submitted in a Proposal format including graphics. As a minimum, the grant application must have the following components:

1. **Cover letter:** The letter shall include the name, title, mailing address, email address and signature of the person with signatory authority in representing the applicant agency.
2. **Introduction:** Provide an overview of the grant project. Identify the entire grant project cost and the requested grant amount as well as the grant applicant contact person, their name, title, mailing address, email address and phone number.
3. **Scope of Work:** This is a detailed narrative of the project describing the project objective and a detailed description of the methodology(ies) used.
 - a. **Detailed Task Description:** Include enough level of detail that describes each activity specific to each task. If the project involves direct vehicle emission reduction, travel activity must be supplied (see section 9 in the AB2766 Criteria and Procedures).
 - b. **Role and Responsibilities of personnel:** Identify personnel assigned to each task/activity
 - c. **Sub consultant list:** List all sub consultant personnel and include short resumes or bios for each person.
4. **Task Deliverables:** Include a detailed description all deliverables associated with each task and who is responsible for its submittal or implementation.
5. **Project Schedule:** Preferably, this should be a milestone chart format showing milestone event, task and respective activity underlying each task as described in the Scope of Work. Chart shall be able to indicate any critical path relationship between tasks and activities within the scope of the project. Each task and activity shall indicate time duration and completion dates.
6. **Project Cost and Budget:** This shall include a work breakdown structure that identifies all personnel required to perform tasks and activities and the direct cost associated with all required labor in completing the project. Budget shall also indicate administrative cost for the entire project. As well, the budget shall identify the sub-total cost of each task totaling up to the requested grant amount. Matching funds used with AB2766 grant funds for the same task or activity shall be shown separately. The budget will also indicate the entire project cost.
7. **Travel Activity Data:** For all direct emission reduction project proposals, use the Travel Activity Data Spreadsheet at: <http://mbuapcd.org/programs/grants-incentives/ab2766.html>

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PROGRAM CRITERIA CHECKLIST

Project Title: _____

Public Agency Applicant: _____

PROJECT CATEGORY:

For ALL Applications. Check ONE

- 1. **MOTOR VEHICLE EMISSIONS REDUCTION PROJECTS** - directly reduce vehicular emissions and data is available (or will be collected as part of the project) to enable District staff to estimate those reductions over the project life. This category is scored by District staff as described in this application packet.
- 2. **DEMONSTRATION PROJECTS** – demonstrate facilities, equipment, methods and/or procedures that would enable vehicular emission reductions, even when those reductions cannot be quantified.
- 3. **EDUCATION or POLICY PROJECTS** - Educate, inform the public, or propose policies or regulations for adoption by jurisdictions or agencies regarding activities, facilities and equipment, processes or procedures that would enable reduction or directly reduce future motor vehicle emissions, even if these reductions cannot be quantified. Projects must complement and duplicate District educational programs.
- 4. **FUELING INFRASTRUCTURE PROJECTS** – Increase the availability and use of fuels, including electricity, that enable future motor vehicle emission reductions, even if the amount of emission reductions cannot be reliably estimated.

GENERAL CRITERIA:

Unless ALL are checked, YOU CANNOT APPLY for a grant.

- 5. ***This AB2766 application consists of a signed original cover letter and all the application format/component requirements listed above in the instructions.***
- 6. The grant request does not exceed \$200,000 in AB2766 funds, or \$400,000, if the project is quantifiable and has fixed costs greater than or equal to 75%.
- 7. The proposed project will result in actions needed to implement the California Clean Air Act (as amended in 1992) and/or achieve motor vehicle emission reductions meeting the requirements of Health & Safety Code §44220 to 44247.
- 8. The proposed project will be implemented within two years in Monterey, San Benito and/or Santa Cruz Counties.

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9. ___ Applicant will secure all other funds needed to implement the proposed project prior to executing a grant agreement, no later than January 31, 2015. "Secured other funds" are defined as adopted in an agency budget for the project.
10. ___ For projects to be implemented under subcontract with another entity, the implementing entity is fully identified in the application.
11. ___ Data requested by District staff to estimate the project's emissions reductions are included in the application.
12. ___ Applicant will not apply any AB2766 grant funds to reimburse any costs of preparation of applications or preliminary work related to obtaining the AB2766 grant. Up to 5% of grant funds may be used to cover administrative costs. Other funds or value of in-kind services to perform administrative tasks are included in the Project Cost and Budget section of the proposal.
13. ___ If the proposal includes purchase of an engine or engine modification, the resulting engine will meet or exceed current applicable California Air Resource Board emissions standards unless otherwise specified in the grant Agreement.

MULTI-YEAR CRITERIA:

***ONLY for applicants with multi-phase projects previously awarded AB2766 grants.
Check ALL the following criteria for such projects.***

17. ___ The C/E calculated for the project will only include emission reductions calculated for the entire project using FY15 calculation methods.
18. ___ The project will generate emission reductions within five years of the *initial* AB2766 grant award for this same project.
19. ___ The project is for the same purpose as any previously AB2766 grant-funded phase and the proposed new phase is consistent with all prior AB2766 Grant Agreement terms and conditions for this same project.