

Notice of Funding Availability

Proposition 1B: Goods Movement Emission Reduction Program

NOTICE OF FUNDING AVAILABILITY – APRIL 2010

The California Air Resources Board (ARB or Board) is soliciting applications from eligible local and State agencies to administer funding to reduce emissions and health impacts from diesel equipment used to move freight in California's four priority trade corridors. The applications must include proposals to implement incentive projects in one of four categories: heavy-duty diesel trucks (including truck loan and/or loan guarantee programs), freight locomotives and rail yards, cargo ships at berth and cargo handling equipment, or commercial harbor craft. This Notice describes the types of agencies eligible to apply, as well as the two-step process for on-line registration and application submittal.

Applications are due to ARB by May 10, 2010.

Proposition 1B authorized a total of \$1 billion to ARB for the Goods Movement Emission Reduction Program (Program), with \$750 million appropriated to date. In May 2008, the Board awarded the first installment of \$250 million to local agencies that are currently implementing the projects. Under the State's current fiscal policies, ARB's ability to award the next \$500 million is dependent on the availability of cash from bond sales or other State financing mechanisms.

From Spring 2010 bond sales, ARB has the cash available to award approximately \$200 million for new projects to local/State agencies at a public Board hearing on June 24-25, 2010. As ARB receives additional cash in the future, the Board will consider further awards for the remaining funds appropriated. ARB may rely on the applications received in response to this Notice of Funding Availability or may issue a subsequent Notice, depending on the time elapsed since submittal of applications.

As required by State law, the Board adopted the initial Program Guidelines (Guidelines) in February 2008 and the updated Guidelines in March 2010. The Guidelines define the procedures for ARB and local/State agencies to administer the Program, as well as specifications for eligible projects. In the event of a conflict between this Notice and the Guidelines, the Guidelines shall control.

FUNDING PRIORITIES

To select local/State agency project proposals for funding, ARB considers: the availability of Program funds, the trade corridor and category funding targets, priorities established by the Board for each funding cycle, the emission reductions and cost-effectiveness of each proposed project, and public input.

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ARB has established the following funding allocations for the trade corridors:

<u>Percent</u>	<u>By Trade Corridor</u>
55%	Los Angeles/Inland Empire trade corridor
25%	Central Valley trade corridor
14%	Bay Area trade corridor
6%	San Diego/Border trade corridor

The Board has also set targets for each funding category over the course of the \$1 billion Program. ARB maintains the regional allocations in each round of funding, but does not rely on a formula to calculate the specific funding by category within each trade corridor. The awards are responsive to the proposals submitted by agencies for each corridor, as well as the other factors described in this section.

<u>Dollars</u>	<u>By Funding Category</u>
\$700 million:	Heavy duty diesel trucks that haul goods, plus any truck stop or distribution center electrification.
\$100 million:	Diesel freight locomotives.
\$160 million:	Cargo ships at berth, plus cargo handling equipment used at a port or intermodal rail yard.
\$ 40 million:	Commercial harbor craft.

The Board adopted these priorities for the current funds:

- Truck upgrade projects to quickly reduce the health risk in communities near high truck-traffic freeways, warehouse/distribution centers, ports, and rail yards.
- Locomotive projects to cut the elevated, excess cancer risks in neighborhoods near rail yards, as identified in ARB's health risk assessments.
- Ships at berth projects to further reduce diesel pollution in port-side communities and greenhouse gas emissions.

AGENCY AND PROJECT ELIGIBILITY

Local Public Entities

Applicants must satisfy three criteria to be considered a local agency eligible for funding in this Program. First, they must be a "local public entity", which is defined to include a county, city, district, public authority created by statute, public agency, and any other political subdivision in the State. Second, local public entities must be involved in the movement of freight through trade corridors or involved in air quality improvements associated with goods movement. Third, local public entities must have the legal authority and resources to run a regional scale incentive program that includes sources outside their geographic jurisdiction.

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Appendices A-E of the updated Guidelines detail the equipment project options within each category for FY2008-09 and later funds, including upgrade specifications, funding caps, minimum project life, and key operating conditions. Local agencies can choose to propose projects for one or more funding categories, and must offer all of the equipment project options within that category. Local agencies may also choose to propose allowable project alternatives as specified in Chapter III - Section C of the Guidelines which are available on our website at <http://www.arb.ca.gov/gmbond>.

State Agencies

California State agencies interested in and capable of implementing a large scale truck loan or loan guarantee program to finance truck replacement or retrofit projects are also eligible to apply for funding.

APPLICATION PROCESS

Local Public Entities

The application process requires two steps, registration as a local public entity and the project proposal. Information for each step is provided below. More detailed information can be found in Chapter III - Sections A and E of the Guidelines which are available on our website at <http://www.arb.ca.gov/gmbond>.

Registration

The application process begins with e-mail registration to gain access to ARB's Goods Movement On-line Database (Database).

Local public entities need to complete a user account registration form, as specified below, and e-mail this form to gmbond@arb.ca.gov no later than 5:00 p.m., **April 29, 2010** to receive a username and password to access the Database.

Previous Applicants

Local public entities that have previously successfully registered as local agencies may use an abbreviated set of registration instructions which can be found on our website at <http://www.arb.ca.gov/gmbond>.

New Applicants

Local public entities that are **new** applicants to the Program must submit information described in the new applicant registration instructions which can be found on our website at <http://www.arb.ca.gov/gmbond>.

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Project Proposals

After a local public entity has successfully registered as a local agency, they must complete the application process by submitting a project proposal. This consists of information submitted to the Database and a separate proposal narrative.

The data to be entered by the applicant into the Database must include:

- Local agency contact information
- Project details
- Funding demonstration
- Air quality benefits(emission benefits)
- Project schedule

The proposal narrative must include the following elements:

- General information
- Project description
- Provisions to customize proposal
- Staff resources
- Local agency pre-application meeting information
- Certification to comply with Program requirements
- Board/commission resolution

The narrative information must be attached to the Review/Submit page of the Database. For detailed descriptions of the elements listed above, please consult the Guidelines or contact ARB staff for assistance. (See page 6 of this Notice for contact information.)

State Agencies

The application process requires two steps, qualification as an eligible State agency and the project proposal. Information for each step is provided below. More detailed information can be found in Chapter III - Section A of the Guidelines which are available on our website at <http://www.arb.ca.gov/gmbond>.

Qualification

State agencies applying to administer a loan or loan guarantee program for truck projects do not need to register for Database access but need to submit qualifying information to determine eligibility in the Program.

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This information must be emailed to gmbond@arb.ca.gov no later than 5:00 p.m., **April 29, 2010** and should include:

- Type of State agency
- Mission statement or purpose
- General information
- Description of how the State agency is involved in providing financial assistance, such as grants, loans or loan guarantee programs. This description shall include the agency's specific roles, authorities, responsibilities, and annual budget for these programs.
- State agency contact information

ARB staff will contact State agencies within two business days after receipt of information to discuss the results of qualification information.

Project Proposals

After a State agency has successfully qualified as an applicant, they must complete that application process by submitting a project proposal. This proposal must include the following elements:

- Project description
- Provisions to customize proposal
- Funding demonstration
- Air quality benefits
- Staff resources
- Project schedule
- Certification to comply with Program requirements
- State agency board/commission resolution

APPLICATION DEADLINE AND SUBMITTAL

Two completed paper copies of each local agency's or State application along with completion of the electronic submittal as described in this notice **must be received by ARB no later than 5:00 p.m. on May 10, 2010.**

Applications postmarked or received after 5:00 p.m. on **May 10, 2010** will not be accepted and will be returned to the applicant. Only mailed or hand-delivered applications and supplemental information will be accepted. No faxed applications will be considered.

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Please mail hardcopy applications and supplemental information to:

Goods Movement Emission Reduction Program
Planning and Technical Support Division
Air Resources Board
Standard U.S. Mail: P.O. Box 2815, Sacramento, CA 95812
Other Delivery Services: 1001 I Street, Sacramento, CA 95814

All application information shall be provided or the application shall be considered incomplete. Updates to any application information after the submittal deadline shall only be allowed on a case-by-case basis, at the sole discretion of ARB.

FOR ASSISTANCE AND CONTACT INFORMATION

ARB staff is available to assist applicants as needed. Please contact staff by e-mail or phone as described below.

E-mail question(s) to gmbond@arb.ca.gov. In the subject line, write "Local or State agency application question", and in the body of the e-mail identify the:

- Local agency or State agency name;
- Trade corridor and funding category identified; and
- Your question(s).

By phone, please contact: (916) 44-GOODS (444-6637).

TENTATIVE SCHEDULE OF PROPOSAL AND AWARD PROCESS:

Notice of Funding Availability	April 15, 2010
Registration as a Local Public Entity/Qualifying Info as a State Agency	April 29, 2010
Deadline to Submit Proposals	May 10, 2010
Approval of Awards at ARB Board Hearing	June 24-25, 2010