

# **GRANT SOLICITATION**

## **LIGHT-DUTY FINANCING ASSISTANCE IN DISADVANTAGED COMMUNITIES PILOT PROJECT (FINANCING ASSISTANCE PILOT PROJECT)**

### **FISCAL YEAR 2014-15 LOW CARBON TRANSPORTATION INVESTMENTS**

California Air Resources Board  
Mobile Source Control Division  
March 25, 2015

California Environmental Protection Agency

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 **Air Resources Board**

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**LIGHT-DUTY FINANCING ASSISTANCE IN DISADVANTAGED COMMUNITIES  
PILOT PROJECT  
(FINANCING ASSISTANCE PILOT PROJECT)**

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## I. PROJECT SUMMARY

The California Air Resources Board (ARB or Board) is soliciting Grantee(s) to administer the Light-Duty Financing Assistance in Disadvantaged Communities Pilot Projects (Financing Assistance Pilot Project or pilot project) for fiscal year 2014-2015 (FY 2014-15). The current funding available for FY 2014-15 is up to \$1.5 million for the project provided by Low Carbon Transportation Investments, which is funded from the Greenhouse Gas Reduction Fund (GGRF) with proceeds from the State's Cap-and-Trade Program.

All projects funded from the GGRF must reduce greenhouse gas (GHG) emissions. The purpose of this project is to reduce GHG emissions and also to achieve co-benefit criteria pollutant emission reductions through the introduction of advanced technology vehicles to lower income consumers in the State's most disadvantaged communities. These communities are identified by the California Environmental Protection Agency's California Communities Environmental Health Screening Tool (CalEnviroScreen 2.0)<sup>1</sup> that assesses all census tracts in the State to identify areas disproportionately burdened by and vulnerable to multiple sources of pollution. The identified disadvantaged communities' census tracts are available at <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>.

The Financing Assistance Pilot Project will provide financial assistance opportunities to enable lower income consumers to purchase or lease advanced technology vehicles which will result in immediate greenhouse gas and criteria pollutant benefits. In addition, this will enable consumers the ability to become more comfortable and familiar with advanced technology vehicles throughout California.

One or more Grantees will be selected via a competitive solicitation process. Applications are due to ARB no later than **5:00 p.m., April 30, 2015**.

## II. BACKGROUND

In 2007, Governor Schwarzenegger signed into law the *California Alternative and Renewable Fuel, Vehicle Technology, Clean Air, and Carbon Reduction Act of 2007* (Assembly Bill (AB) 118, Statutes of 2007, Chapter 750). AB 118 created the Air Quality Improvement Program (AQIP), a voluntary incentive program administered by ARB to fund cleaner vehicle and equipment projects, air quality research, and workforce training.

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<sup>1</sup> <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>

In 2014, Governor Brown and the Legislature appropriated GGRF monies to ARB for Low Carbon Transportation Investments. These monies provide an additional funding source for ARB's advanced technology and clean transportation incentive projects, expanding the types of projects funded through AQIP. These investments are being administered through the administrative framework established by AQIP as part of the FY 2014-15 Funding Plan for the Air Quality Improvement Program and Low Carbon Transportation Greenhouse Gas Reduction Fund Investments (FY 2014-15 Funding Plan).<sup>2</sup> The FY 2014-15 Funding Plan includes several light-duty pilot projects—including the Financing Assistance Pilot Project—that will be funded solely with Low Carbon Transportation Investments, and is focused on supporting development and deployment of the advanced technology vehicles needed to meet California's longer-term, post-2020 air quality and climate change goals.

### **III. FUNDING**

In June 2014, the Board approved the FY 2014-15 Funding Plan, providing up to \$1.5 million of Low Carbon Transportation Investments for the Financing Assistance Pilot Project. This pilot project is available for one or multiple projects. No minimum match funding is required, but voluntary match or in-kind funding will be considered in scoring the application. Funding from other public or private sources may be combined with ARB funds and must be identified in a proposed project budget.

A proposed project budget and a project implementation plan must identify the project timeline, including a project completion date, anticipated by the applicant. At ARB's sole discretion, alterations may be required to the proposed project budget and the administration plan timeline.

Expenses must be identified in a proposed project budget and are subject to ARB approval. Only expenses that are necessary to support project development, implementation, and support the project's GHG reductions are eligible for payment. Such eligible expenses may include, but are not limited to: direct consumer loans, price buy-down toward vehicle purchases or leases, loan-loss reserve projects, outreach and education, vehicle inspection, data collection, reporting, staffing, administrative expenses, and electric vehicle supply equipment (EVSE) purchase and installation, if applicable.

A determination that use of GGRF monies is not consistent with the approved project budget may occur during an audit or program review conducted by the State or third-party auditor. Depending on the outcome of those proceedings or review, the project Grantee may be required to return monies to ARB.

Although, this pilot project will evaluate the feasibility of program(s) that provide financing assistance to lower income consumers to purchase advanced technology

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<sup>2</sup> [http://www.arb.ca.gov/msprog/aqip/fundplan/final\\_fy1415\\_aqip\\_ggrf\\_fundingplan.pdf](http://www.arb.ca.gov/msprog/aqip/fundplan/final_fy1415_aqip_ggrf_fundingplan.pdf)

vehicles in the short-term, the grantee must include a description in their implementation plan of their long-term vision or goals to sustain the program in future years. Long-term goals of the program must promote the purchase or lease of advanced technology vehicles.

If the pilot project is successful and future funding is made available, an option to renew at ARB's sole discretion may be included in the final grant agreement.

#### **IV. PROJECT TIMELINE**

Pilot project funds must be encumbered within three years of the Board approved FY 2014-15 Funding Plan (June 26, 2014) and must be expended three years after the grant agreement is signed. Applicants need to be aware that the length of the project timeline depends on the project, grant agreement execution, and the date of the last loan or financing assistance instrument has been fully repaid. For example, the applicant must include the term of the loan or in the case of a loan loss reserve the associated loan that utilizes the loan loss reserve as a financing instrument, the term of the agreement is until the final payment under the consumer loan is repaid.

#### **V. DISADVANTAGED COMMUNITY BENEFITS**

In October 2014, the Secretary for the Environmental Protection Agency (CalEPA) identified disadvantaged communities for the purpose of GGRF investments, as required by Senate Bill (SB) 535 (De Leon, Chapter 830, Statutes of 2012). The Financing Assistance Pilot Project is designed to benefit disadvantaged communities and applicants must identify which communities will benefit from the proposed project. In addition, vehicles and charging infrastructure must meet the criteria for being located within or benefitting a disadvantaged community, as provided in Table A-1, Low Carbon Transportation, from ARB's Interim SB 535 Guidance, <http://www.arb.ca.gov/cc/capandtrade/auctionproceeds/535investments.htm> . For the purposes of this pilot project, lower income consumers must reside within a zip code containing a disadvantaged community census tract.

#### **VI. PROJECT DESIGN**

ARB anticipates the following possible financing assistance project types which are consistent with the goals of the Financing Assistance Pilot Project and may be eligible for funding.

A. The following are examples of financial project types or programs:

1. Loan loss reserve account at a lending institution issuing loans: a specific account at a lending institution in which funds are reserved (set aside) to cover loan losses. The lender is liable for any defaults on loans that it enrolls, but all or a portion of those losses are reimbursable through a loan loss reserve account,

which is funded through a percentage of the initial loan amount of each enrolled advanced technology vehicle loan.

2. Price buy-down through a non-profit organization program already lending to lower income consumers, where the consumer is purchasing an advanced technology vehicle instead of a conventional gasoline vehicle. Price buy-down would offset the difference in additional costs the lower income consumer selecting an advanced technology vehicle would incur instead of a conventional gas vehicle. The price buy-down would also keep the loan amount at what the non-profit organization program typically lends.
3. Direct consumer loans where an existing program is already lending to lower income consumers in disadvantaged communities to loan funds for the purchase or lease of advanced technology vehicles.
4. Other financing enhancements or models such as interest rate buy-down, or other financial mechanisms that will facilitate a lower income consumer to purchase or lease an advanced technology vehicle.

B. ARB requirements on the financing assistance project types:

1. If a loan loss reserve account project is proposed, ARB requires the loan loss reserve account premiums up to twenty (20) percent of the loan amount on the first \$300,000 in enrolled loans, at that point contributions can be reduced to up to ten (10) percent. The application must define proposed premiums up to the amounts listed. Note that in a loan loss reserve account project, once all loans guaranteed by the loan loss reserve account have been repaid, the Grantee must return to ARB the premium contributions funded in lenders' loan loss reserve accounts made on behalf of the borrower and lender.
2. For all financing project types, the maximum interest rate a lender may charge is fifteen (15) percent annual percentage rate (APR). If higher interest rates are proposed the project will be rejected.
3. If a price buy-down is proposed by a non-profit organization, the funding maximums are as follows:
  - i. For a hybrid electric vehicle, 8 year old or newer with combined fuel economy rating of at least 20 miles per gallon of fuel or more depending on the model year as described in Table 1, a maximum price buy-down of \$2,500
  - ii. For a plug-in hybrid and zero emission vehicles, a maximum price buy-down of \$5,000.

As ARB monitors the pilot project, at ARB's sole discretion, alterations may be required to the interest rate and price buy-down caps.

## **VII. ELIGIBLE GRANTEES**

This solicitation is open to federal, State, or local government entities, non-profit organizations, and organizations or companies with expertise implementing financial assistance programs. An applicant with expertise administering financing assistance programs (which includes, but is not limited to, lending institutions, banks, credit unions, community development financial institutions, or automotive financiers), grant programs, and direct community outreach and education is encouraged to apply. Applications must demonstrate meeting the specific requirements as described in this solicitation and the Sample Grant Agreement. The grantee must comply with all applicable local, State, and federal laws and regulations including applicable license requirements. ARB may request clarification regarding application responses during the application review process.

## **VIII. SCOPE OF WORK**

The Grantee is responsible for the development, on-the-ground project implementation and distributing finance assistance payments for eligible advanced technology vehicles to eligible lower income consumers, and reporting results to ARB. Lower income consumers must reside in a zip code containing a disadvantaged community. The scope of work for this pilot project may be adjusted, as needed, to address unforeseen issues to carry out the goals of the Financing Assistance Pilot Project. The Grantee responsibilities include, but are not limited to the following requirements and tasks.

### **A. Financial Assistance Project Types**

The Grantee's proposal must include one or more financing or financing assistance project type(s) for eligible lower income consumers to purchase or lease eligible advanced technology vehicles. The Grantee must describe the proposed financing design in a detailed implementation plan that describes the components and entity involved in outreach, participant selection, vehicle selection, financial assistance, reporting, and monitoring (including enforcement measures) until the end of the loan period or term of the applicable financing project type. Grantee must also provide a detailed budget that corresponds to the tasks identified in the scope of work and in their proposed financing design.

The Grantee may also include costs of an extended warranty if the lower income consumer requests to purchase an extended warranty at the time of vehicle purchase. If a lower income consumer is purchasing a BEV, costs can also include the purchase and installation of an EVSE.

### **B. Consumers Eligible for Financing Assistance**

Applicant must ensure consumers participating in the program meet the following requirements in order to be eligible in the Financing Assistance Pilot Project:

1. Participant must currently reside in a zip code containing a disadvantaged community census tract. The identified Disadvantaged Communities census tracts are available at <http://www.calepa.ca.gov/EnvJustice/GHGInvest/>.
2. Participant must have a household income less than or equal to 400% of the Federal Poverty Level. The Federal Poverty guidelines (U.S. Department of Health and Human Services, Office of Assistant Secretary for Planning and Evaluation: <http://aspe.hhs.gov/poverty/15poverty.cfm> income thresholds are updated annually and vary by household size).
3. Participant must possess a valid California Class C Driver's license.
4. Participant must register the advanced technology vehicle in California.
5. Participant must purchase and maintain minimum required automotive insurance. In California, drivers must carry liability insurance of \$15,000 for injury/death to one person, \$30,000 for injury/death to more than one person and \$5,000 for damage to property.
6. Participant must reside in California for the term of the loan or other financing project type.
7. For participants receiving funds in the form of price buy-down, the associated loan taken in purchasing an advanced technology vehicle must also meet requirements of this section for the term of the loan.
8. Participant purchasing or leasing an eligible vehicle may also participate in the Clean Vehicle Rebate Program (CVRP) by purchasing or leasing a new vehicle pursuant to CVRP requirements.
9. Participant purchasing or leasing an eligible vehicle may also participate in Enhanced Fleet Modernization Program (EFMP) or EFMP Plus-Up programs by purchasing new or used vehicles pursuant to EFMP and EFMP Plus-Up requirements.
10. Participant must agree to complete a survey annually until the financing assistance loan or other financing project term ends. The survey will be developed in coordination with ARB and the Grantee to assist in determining greenhouse gas benefits.
11. Participant must complete a fiscal, vehicle maintenance, and consumer protection class(es) prior to receiving financial assistance.

#### C. Eligible Advanced Technology Vehicles

The Grantee must confirm the vehicle being purchased or leased meets the following vehicle eligibility criteria. Eligible vehicles for the purpose of this Financing Assistance Pilot Project solicitation include light-duty passenger vehicles that are either a hybrid electric vehicle (HEV), a plug-in hybrid electric vehicle (PHEV), a battery electric vehicle (BEV), or a fuel cell electric vehicle (FCEV).

For used vehicles (HEV, PHEV, or zero-emission vehicles including BEV and FCEV), vehicles must be eight years old and newer with a U.S. Environmental

Protection Agency (U.S. EPA) combined fuel economy rating of at least 20 miles per gallon of fuel or more depending on the model year. Combined fuel economy ratings requirements are described in Table 1: Minimum U.S. EPA Combined Fuel Economy Rating by Model Year. This pilot project excludes neighborhood electric vehicles and zero-emission motorcycles.

**Table 1: Minimum U.S. EPA Combined Fuel Economy Rating by Model Year**

Model Year	Minimum U.S. EPA Combined Fuel Economy Rating
2008 – 2009	20
2010	22
2011	25
2012	28
2013	29
2014	30
2015	31

Additional vehicles requirements:

1. A chassis that has been modified with aftermarket parts or equipment to create a PHEV or zero-emission vehicle is not eligible.
2. No modifications to the vehicle's emission control systems, hardware, software calibrations, or hybrid system (California Vehicle Code (CVC) section 27156).
3. Vehicle title cannot be salvaged (as defined in CVC section 544).
4. Vehicle inspection by a reliable, licensed automotive mechanic.
5. Vehicle history to be provided and attached to the financing assistance paperwork.

D. Eligible EVSE

If a lower income consumer is purchasing a BEV, the consumer may request financial assistance under this solicitation of up to \$2,000 in additional funding to fund EVSE and installation expenses. The applicant must provide an option to fund EVSE and include a description on the process for issuing EVSE funds in the implementation plan.

E. Consumer Outreach

The Grantee must propose an outreach plan to be used in implementing ARB's Financing Assistance Pilot Program. The outreach plan must show how the Grantee will target lower income consumers located in disadvantaged communities. The Grantee must prepare materials and conduct outreach to disadvantaged communities in consultation with ARB. If applicable, the implementation plan must include outreach to auto financing and dealer lenders to encourage consumer participation in the Financing Assistance Pilot Program.

F. Consumer Education

The Grantee must ensure the recipient of financial assistance successfully completes a fiscal, vehicle maintenance, and consumer protection class as part of the loan or other financing assistance application/approval process. The goal is to educate potential borrowers about ARB's financing assistance program and assist in the successful purchase or lease of advanced technology vehicles. With ARB consultation, Grantee's educational component must include the educational topics listed in Table 2: Minimum Educational Components. Grantee must include in their implementation plan how the educational requirements will be met. The Financing Assistance Pilot Project educational component materials or curriculum must be approved by ARB prior to program implementation.

**Table 2: Minimum Educational Components**

Subject	Topics include but are not limited to the following:
Fiscal	Money Smart Adult Financial Education Curriculum similar to the Federal Deposit Insurance Corporation modules found at: <a href="https://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html">https://www.fdic.gov/consumers/consumer/moneysmart/mscbi/mscbi.html</a> <ul style="list-style-type: none"> <li>• Introduction to bank services</li> <li>• Introduction to credit</li> <li>• Rights as a consumer</li> <li>• How your credit history will affect your credit future</li> <li>• Know what your borrowing before you buy</li> <li>• Vehicle expenses (payments, insurance, fuel, maintenance, battery replacement costs)</li> </ul>
Vehicle	<ul style="list-style-type: none"> <li>• Basic auto maintenance</li> <li>• Vehicle safety (tire, proper maintenance) and care</li> <li>• Fluid level check</li> <li>• Electrical System</li> <li>• Lubrication System</li> <li>• Fuel System</li> <li>• Advanced technologies including: battery technology, useful life, warning indicators</li> </ul>
Consumer Protections	Recall information on vehicle <a href="http://www.recalls.gov/nhtsa.html">http://www.recalls.gov/nhtsa.html</a>

**G. Leveraging Funds**

The Grantee is encouraged to leverage other sources of funds (including in-kind funds) to increase availability of Financing Assistance Pilot Project monies. Some examples include, possible leveraging through co-funding opportunities with other grant programs, partnership opportunities with other organizations already involved in retiring old vehicles and replacing them with advanced technology vehicles (such as the Enhanced Fleet Modernization Program) or organizations currently issuing car loans to lower income consumers.

**H. Quarterly and Final Reports**

The Grantee must report project information quarterly, respond to ARB requests for information and public queries, and provide an end-of-project Final Report as follows.

**1. Quarterly Reports:**

The grantee will provide quarterly summary reports to ARB, beginning three months after full grant execution and continuing through the end of the project. Deliverables include, but are not limited to:

- i. Excel spreadsheet of:
  - a. Purchased or leased vehicle information, including make, model, model year, vehicle identification number, mileage at time of purchase and vehicle type.
  - b. Dollar amount of the financing assistance (loan, price buy-down, or other financial mechanism), financing terms (interest rate, term of loan), participant's income level, participant's zip code, census tract, whether the vehicle is purchased or leased and purchase/lease date.
  - c. If financial assistance is provided for EVSE, report EVSE parts and installation costs.
  
- ii. Summary report of:
  - a. Program participation rates.
  - b. Survey results, feedback received from participants, including those participants that ultimately did not receive any financing assistance, if available.
  - c. Remaining grant funds available.
  - d. Accounting records, including expenditure and supporting documentation.
  - e. Copies of any reports from sub-contractors or partner agencies concerning the performance of the program, if appropriate.
  - f. Identified problems or concerns and proposed solutions, if applicable.
  - g. Other data and analysis as required by ARB.

## 2. Final Report:

The Grantee will provide a Final Report within 30 days of the project end date. The Final Report must include:

- i. Excel spreadsheet of:
  - a. Purchased or leased vehicle information, including make, model, vehicle identification number, model year, mileage at time of purchase and vehicle type.
  - b. Dollar amount of the financing assistance (loan, price buy-down, or other financial mechanism), financing terms (interest rate, term of loan), participant's income level, participant's zip code, census tract, whether the vehicle is purchased or leased and purchase/lease date.
  - c. Expenditure documentation of financing assistance, administration costs, match and in-kind contributions.
  - d. If financial assistance is provided for EVSE, report must also include installation costs.

- ii. Summary report of:
  - a. Program participation rates.
  - b. Outreach efforts.
  - c. Survey results, feedback received from participants, including those participants that ultimately did not receive any financing assistance, if available.
  - d. Copies of any reports from sub-contractors or partner agencies concerning the performance of the program, if appropriate.
  - e. Accounting records, including expenditure and supporting documentation.
  - f. Implementation challenges and recommendation for potential program improvements.
  - g. Other data and analysis as required by ARB.
  - h. Remaining grant funds available.
  - i. Earned interest.
- iii. Overview of the Financing Assistance Pilot Project from inception through project end, including project background, partnerships, funding sources, challenges, successes, and suggestions going forward.
- iv. Table of milestones and narrative of how the milestones have been met.
- v. Other co-benefits to the disadvantaged community.
- vi. Expenditure and income information and supporting documentation.
- vii. Other data and analysis as developed with ARB.

Additional reporting requirements may be added based on the information provided in response to this solicitation.

#### I. Policies and Procedures Development

The Grantee must develop an implementation plan that includes policies and procedures documents and flow charts that describe the administrative actions for processing participants, implementing outreach and educational requirements, assessing vehicle eligibility, and data gathering and reporting. Examples include, but are not limited to:

1. Organizational charts
2. Details on how key program processes are conducted and how associated documentation of data, approvals, and authorizations are gathered and recorded, including, but not limited to:
  - i. Outreach and education
  - ii. Program approvals and disapprovals
  - iii. Tracking of repayment history.

3. Develop and maintain accounting procedures to track expenditures by:
  - i. Grant agreement number
  - ii. Fiscal year
  - iii. Funding source
4. Provisions to protect against conflict of interest
5. Provisions to protect against fraud, and to identify, respond to, and report if fraud has occurred.

J. Record Retention

The Grantee must establish and maintain project records of participants, financial assistance (loan, grant amount, or other reporting data), vehicle selected, costs, EVSE (if applicable), and other records, as follows:

1. Identify participant data that is confidential and develop measures to keep this data confidential and secure.
2. Retain all project records during the term of the Grant Agreement plus seven years.
3. Return project records to ARB once the seven years is up.
4. Store all records in a secured and safe storage facility that maintains confidentiality and provides fire and natural disaster protection.

## IX. DEFINITIONS

Descriptions offered below are for the purposes of this solicitation only.

**“Battery Electric Vehicle (BEV)”** means any vehicle that operates solely by use of a battery or battery pack, or that is powered primarily through the use of an electric battery or battery pack but uses a flywheel or capacitor that also stores energy produced by the electric motor or through regenerative braking to assist in vehicle operation.

**“Confidentiality”** means no record which has been designated as confidential by ARB or is the subject of a pending application of confidentiality may be disclosed by the Grantee.

**“Consumer Protections”** means any method, provision, or requirement designed to ensure that Financing Assistance Pilot Project participants accrue the full benefit of the financing assistance offered through the program.

**“Electric Vehicle Supply Equipment (EVSE)”** means a portable, pedestal-mounted, or wall-mounted unit that delivers electricity to BEVs or PHEVs. EVSEs establish two-way communication with the on-board charger in the car.

**“Federal Poverty Level (FPL)”** means the income level published in the poverty guidelines which are updated periodically in the Federal Register by the

U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2).” See Federal Poverty guideline website for the current poverty levels, <http://aspe.hhs.gov/poverty/15poverty.cfm>.

“**Fuel Cell Electric Vehicle (FCEV)**” means any vehicle that receives propulsion energy from both an on-board fuel cell power system and either a battery or a capacitor. FCEV is equivalent to “hybrid fuel cell vehicle.”

“**Hybrid Electric Vehicle (HEV)**” means any vehicle that can draw propulsion energy from both of the following on-vehicle sources of stored energy: 1) a consumable fuel and 2) an energy storage device such as a battery, capacitor, or flywheel.

“**Lower Income**” for the purposes of this project means a household income less than or equal to 400% of the Federal Poverty Level.

“**Plug-in Hybrid Electric Vehicle (PHEV)**” means a vehicle having the capacity to charge a battery from an off-vehicle electric energy source that cannot be connected or coupled to the vehicle in any manner while the vehicle is being driven. PHEV is equivalent to “off-vehicle charge-capable hybrid electric vehicle.”

“**Zero-Emission Vehicle (ZEV)**” means any vehicle certified to zero-emission standards.

## **X. APPLICATION INSTRUCTIONS**

This application packet contains the forms and information necessary for submittal of a complete application. ARB will select one or more Grantees based upon the scoring criteria identified in this solicitation. All information and data submitted as a response to this solicitation are the property of ARB and will become a public record once a grantee is selected and a grant agreement is signed. If no qualified proposal is submitted, ARB will not award a grant and will re-evaluate this solicitation to re-solicit for project proposals.

If you need this document in an alternate format or language, please contact Ms. Laura Zaremba-Schmidt at (626) 459-4394 or [Laura.ZSchmidt@arb.ca.gov](mailto:Laura.ZSchmidt@arb.ca.gov). TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

An application package consists of one signed original, four copies, and one compact disk (CD) of the application and all required documents. Applications submitted by U.S. Postal Service must be postmarked no later than **April 30, 2015**. Items delivered in person or by another delivery service provider (other than U.S. Postal Service) must be received by ARB no later than **5:00 p.m. on April 30, 2015** (delivery service provider tracking number may be used to verify date of receipt).

Mail to or submitted in person to the following address:

Laura Zaremba-Schmidt  
Air Resources Board  
Mobile Source Control Division  
9480 Telstar Avenue, No. 4  
El Monte, California 91731

Please send an email to Laura Zaremba-Schmidt, [Laura.ZSchmidt@arb.ca.gov](mailto:Laura.ZSchmidt@arb.ca.gov) confirming the application has been mailed or hand-delivered to ARB. ARB will send a confirmation email to the applicant once the hard-copy of the application has been received.

**No applications may be submitted by fax or email.**

ARB strongly encourages applications to be accurate, brief, and clear. Applications will be initially screened for completeness. Applications must include all the Required Elements identified in Section XII or the application will be rejected. In addition, any project application(s) submitted that are not benefiting a disadvantaged community as identified by the California Environmental Protection Agency's California Communities Environmental Health Screening Tool (CalEnviroScreen 2.0) will be rejected.

**Table 3: Solicitation Timeline\***

<b>Key Actions</b>	<b>Dates</b>	<b>Time</b>
Public Release of Solicitation	March 25 , 2015	N/A
Applicant Question Deadline	April 15, 2015	No later than 5:00 p.m.
Applicant Teleconference	April 16, 2015	
Application Deadline	April 30, 2015	No later than 5:00 p.m.
Review/Rating of Applications	May 1-15, 2015	N/A
Grantee(s) Selected and Notified	Late- Spring	N/A
Return of Signed Grant to ARB	Within 10 calendar days of receipt	

\*Timelines are subject to change at ARB's sole discretion.

**XI. APPLICANT TELECONFERENCE**

ARB will hold an Applicant Teleconference at which time staff will be available to answer questions potential applicants may have regarding eligibility, application completion, and other requirements. The Applicant Teleconference will take place on:

Date: April 16, 2015  
Time: 1:30 p.m. to 3:30 p.m. (PST)  
Phone Number: (888) 790-1802  
Passcode: 24005

The Applicant Teleconference will be open to all interested entities. The intent of the Applicant Teleconference is to provide potential project applicants with an opportunity to

ask clarifying questions regarding general application requirements or terminology definitions. Written questions submitted before the Applicant Teleconference will be given priority. Questions may be emailed to Ms. Laura Zarembo-Schmidt at [Laura.ZSchmidt@arb.ca.gov](mailto:Laura.ZSchmidt@arb.ca.gov). Questions may be submitted up to 5 p.m. one day prior to the Applicant Teleconference.

The questions and answers from the Applicant Teleconference and any questions received via email will be posted on the ARB website, <http://www.arb.ca.gov/msprog/aqip/aqip.htm> , no later than **5:00 p.m. on April 23, 2015**; this date may be extended or the solicitation may be re-solicited at ARB's sole discretion. ARB will not answer questions regarding this solicitation after the Applicant Teleconference. Any verbal communication with an ARB employee concerning this solicitation is not binding on the State and shall in no way alter a specification, term, or condition of the solicitation.

## **XII. REQUIRED ELEMENTS**

The application is included as Appendix A of this solicitation, and includes the following required elements:

- Appendix A: Application
- Attachment 1: Applicant Qualifications
- Attachment 2: Implementation Plan
- Attachment 3: Proposed Budgets
- Attachment 4: Applicant Resources to Implement the Pilot Project
- Attachment 5: Conflict of Interest Declaration
- Attachment 6: STD. 204 Payee Data Record

### **XIII. APPLICATION EVALUATION AND SCORING**

ARB will evaluate each application based on the criteria described below. The maximum score is 100 points. The highest overall scores will be considered for selection as Grantee(s); however, ARB is not required to award funds if ARB determines the proposed project does not satisfy the goals of this solicitation. Up to \$1.5 million is available in total for this solicitation. If an agreement with the highest scoring Grantee(s) cannot be reached by the specified date established by ARB, then ARB may select the next highest scored project, and so on, until an agreement(s) is reached.

The selected applicant(s) will be required to sign a Grant Agreement with ARB to fulfill the duties of Grantee. If additional or future year funds become available and valid applications remain unfunded, those projects may be funded without reissuing a solicitation. ARB reserves the right, in its sole discretion, to award to a single or multiple Grantees, cancel the solicitation, re-solicit, or direct funding to another project. In addition, any project application(s) submitted that are not in or benefit a disadvantaged community (top 25 percent as identified by CalEnviroScreen 2.0) will be rejected.

**Table 4: Summary of Scoring Criteria for the Financing Assistance Pilot Project**

	<b>Scoring Criteria</b>	
A	Applicant Qualifications	25
B	Project Implementation Plan	25
C	Budget, Match and In-kind Contributions	25
D	Resources to Implement the Pilot Project	10
E	Promote Use of Advanced Technology Vehicles	10
F	Number of Advanced Technology Vehicles	5
	TOTAL	100

#### **A. Applicant Qualifications (Appendix A, Attachment 1) – Maximum 25 points**

Scoring will be based upon the applicant's ability to successfully act as the Grantee based upon its experience and expertise in administering one or more financing assistance program(s). Include descriptions of proposed Grantee's financing assistance history in the light-duty vehicle sector, lending process from loan application to loan approval, including review and decision making process. Include a description of proposed Grantee's loan or other financing program servicing process, including process for delinquent payments and default loans, if applicable. Also include a copy of any applicable required licenses or verification documentation (for example, California Finance Lenders License; for a non-profit organization, copy of your organization's IRS determination letter).

<b>Applicant Qualifications</b>	<b>Points Earned</b>
Applicant lacks relevant experience and expertise applicable to the Pilot Project.	<b>0 – 5 points</b>
Applicant demonstrates experience and expertise to complete the tasks required of the Pilot Project. Applicant has some relevant experience successfully running similar sized programs.	<b>6 – 15 points</b>
Applicant demonstrates extensive and strong experience and expertise required to effectively and successfully complete the tasks of the Pilot Project. Applicant has significant relevant experience successfully running similar sized programs.	<b>16 – 25 points</b>

**B. Project Implementation Plan (Appendix A, Attachment 2) – Maximum 25 points**

Applicants will be evaluated based on the completeness of their plan for implementing the Financing Assistance Pilot Project and the ability to complete the work in a timely manner. The Project Implementation Plan must address how the applicant will implement all of the tasks under the Scope of Work and other tasks as required by their financing program. The Project Implementation Plan must include a project schedule for each major task, necessary subtask, and milestone by which progress can be measured and payments made. In addition, the implementation plan must include long-term goals of the program to promote the purchase or lease of advanced technology vehicles.

<b>Project Implementation Plan</b>	<b>Points Earned</b>
Plan is incomplete or unclear.	<b>0 points</b>
Plan is complete, provides sound recommendations for effective and efficient project development, implementation, and administration.	<b>1 – 15 points</b>
Plan is sound and well organized, tailors recommendations creatively and appropriately to successfully implement the project, provides recommendations for effective and efficient project development, implementation, and administration.	<b>16- 25 points</b>

**C. Proposed Budget and In-kind Contributions (Appendix A, Attachment 3)  
– Maximum 25 points**

Applicants must identify their proposed budget for completing the tasks of the Financing Assistance Pilot Project, consistent with the Sample Grant Agreement, an Implementation Plan (created by the applicant and included as part of the application) and the requirements of this solicitation. The proposed budget must include a cost breakdown per loan or vehicle transaction using financial assistance and incorporate administrative (outreach, implementation, etc.) and fixed costs.

In-kind services refer to goods or services contributed by the Grantee but not charged to the Financing Assistance Pilot Project, but which help to more effectively and efficiently meet the goals of the pilot project. Match funding refers to funds contributed by the Grantee to the Financing Assistance Pilot Project to provide loans to eligible vehicles, price buy-down, EVSE loans, or other finance enhancement tool providing financial assistance to a lower income consumer in purchasing an advanced technology vehicle.

<b>Budget</b>	<b>Points Earned</b>
Budget is unclear, inconsistent with the applicant's Project Implementation Plan, and the requirements of this solicitation, or are insufficient to successfully complete the pilot project.	<b>0 – 5 points</b>
Budget is clear, detailed, and consistent with the applicant's Project Implementation Plan, the requirements of this solicitation, and is adequate to complete the pilot project. Costs are represented clearly.	<b>6 – 10 points</b>
Budget is very clear, detailed, and consistent with the applicant's Project Implementation Plan, the requirements of this solicitation, and is adequate to complete the pilot project. Costs are represented clearly, and are appropriate for the level and quality of work to be performed.	<b>11 – 20 points</b>

No minimum match funding is required, but voluntary match or in-kind funding will be considered in scoring the application. Funding from other public or private sources may be combined with ARB funds and must be identified in a proposed project budget.

<b>Match and In-kind Contribution</b>	<b>Points Earned</b>
No or limited match funding or in-kind support (0-2 points), or commitment for match funding or in-kind support will enable the program to be significantly more effective and efficient (3-5 points).	<b>0 – 5 points</b>

**D. Applicant Resources to Implement the Pilot Project (Appendix A, Attachment 4) – Maximum 10 points**

Scoring will be based upon the applicant’s ability to successfully act as the Grantee based upon demonstrable staffing, infrastructure, finance assistance funding, and other available resources. Applicants must provide a list of key personnel who will be working on the project. Include title, qualifications and if a subcontractor will be used include a description of the subcontractor’s role in the project along with their relevant qualifications.

<b>Resources to Implement Project</b>	<b>Points Earned</b>
The applicant has not demonstrated sufficient resources to successfully implement the pilot project.	<b>0 points</b>
The applicant has demonstrated minimally adequate resources needed to implement the pilot project.	<b>1 – 5 points</b>
The applicant has clearly demonstrated sufficient staff, expertise, infrastructure and funding resources to effectively and successfully implement the pilot project.	<b>6 – 10 points</b>

**E. Ability to Promote the Use of Advanced Technology Vehicles – Maximum 10 points**

<b>Promote Use of Advanced Technology Vehicle</b>	<b>Points Earned</b>
The applicant has a clear and effective plan for public outreach (as identified in the Project Implementation Plan) to ensure effective and efficient project implementation.	<b>0 – 10 points</b>

**F. Number of Advanced Technology Vehicles – Maximum 5 points**

Air quality improvements can be measured by the number of advanced technology vehicles being purchased instead of conventional gasoline vehicles. Applicants must provide an estimate of the number of advanced technology vehicles that will be purchased or leased.

<b>Number of Advanced Technology Vehicles</b>	<b>Points Earned</b>
The applicant has clearly identified the number of advanced technology vehicle purchases or leases by lower income consumers for this pilot project. Applicant has included in the Project Implementation Plan an estimated number of vehicles purchases or leases and associated cost per transaction.	<b>0 – 5 points</b>

#### **XIV. NOTIFICATION**

The applications will be evaluated and the successful applicant(s) will be notified in writing of their selection and will be required to promptly enter into a grant agreement with ARB.