

Pilot program helps low-income families get financing for advanced-technology, clean cars

Program benefits six Bay Area counties: Contra Costa, San Francisco, Santa Clara, Alameda, Santa Cruz and Solano

FOR IMMEDIATE RELEASE

Nov. 3, 2016

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RICHMOND – Benefits of a new pilot program – from financial savings to reduced air pollution in neighborhoods – were celebrated today at a press event hosted by the Community Housing Development Corporation (CHDC) of Richmond, in coordination with the California Air Resources Board (CARB). Recipients shared their experiences with the program, which helps lower-income Bay Area families get grants and loans for clean-technology vehicles.

Eight families have benefitted from the program since June, getting the financing they need to get into cleaner cars. And many more just like them are expected to benefit from the pilot Light-Duty Financing Assistance in Disadvantaged Communities Pilot Project. The project provides loans, and grants of up to \$5,000 -- for financing hybrid-electric vehicles, plug-in hybrid-electric vehicles, battery-electric vehicles and fuel-cell-electric vehicles -- to individuals who live in eligible zip codes.

“Richmond-based CHDC has a proven track record of increasing housing and economic opportunities for lower-income residents so the organization is well suited to administer this important project,” Contra Costa County Supervisor and CARB Board member John Gioia said. “The pilot project has empowered CHDC to expand its existing financing-for-vehicles program, enabling more people to get into cars that help them save money at the pump and reduce air pollution in their neighborhoods.”

Today’s press event brought together program participants, County Supervisor Gioia, as well as Congressman Mark DeSaulnier, State Assemblymember Tony Thurmond, Oakland City Council Member-At-Large Rebecca Kaplan, Richmond Mayor Tom Butt and CHDC Executive Director Don Gilmore.

“We’ve been working diligently to develop a sustainable infrastructure that will continue to provide opportunities for residents in these disadvantaged communities to finance fuel efficient hybrid and battery-electric vehicles,” CHDC Executive Director Gilmore said. “The program,

made possible by a partnership with the California Air Resources Board, is already having direct benefits -- both financial and social --to our program participants. And that is something worth celebrating.”

The CHDC signed a grant with CARB one year ago for more than \$900,000 to administer the project, which is offered to eligible residents in six Bay Area counties, including Contra Costa, San Francisco, Santa Clara, Alameda, Santa Cruz and Solano. It is part of California Climate Investments, a statewide program to reduce greenhouse gas emissions while providing clean-air benefits to California neighborhoods, with an emphasis on disadvantaged communities. California Climate Investments programs are funded by the Greenhouse Gas Reduction Fund using proceeds from the state’s cap-and-trade auctions.

This program is just one part of a larger low-carbon transportation funding plan that uses proceeds from the state’s cap-and-trade program to make the cleanest cars available to low-income consumers and disadvantaged communities. Investments range from supporting increased numbers of zero-emission heavy-duty trucks and buses to rebates for low- and zero-emission passenger vehicles.

For more information, visit <https://drivingclean.chdcnr.com/>





Financing Assistance for Lower-Income Consumers

This pilot project is designed to provide lower-income consumers with an affordable financing mechanism for the purchase or lease of cleaner vehicles, and to provide additional health, economic and social benefits to their communities. The project will help eligible consumers access loans to purchase new or used advanced technology vehicles, such as hybrid electric, battery electric, and plug-in hybrid electric, at a reduced price. Financing can be a significant barrier to vehicle ownership for many lower-income consumers. The project will help identify if this model can be used statewide in promoting car ownership for lower-income consumers.

Community Housing Development Corporation (CHDC) Financing Assistance

The California Air Resources Board (CARB) awarded about \$900,000 to CHDC to administer a Financing Assistance pilot project in the Bay Area. Participants must reside in zip codes that include disadvantaged communities in Alameda, Contra Costa, Santa Clara, Santa Cruz, San Francisco and Solano counties. The project combines a loan loss reserve program with vehicle price buy-down assistance. The goal is to provide 100 loans for clean vehicles through 2018.

| Eligible | Price Buy-Down | + | Consumer Loan |
|---|----------------|---|---|
| Hybrid-Electric Vehicles (HEV) | Up to \$2,500 | | Up to: \$8,000, 8% Interest Rate, Term of 36 Months |
| Battery-Electric Vehicle (BEV) Plug-in Electric Vehicle (PHEV) | Up to \$5,000 | | |

CHDC identifies prospective financing recipients through its housing assistance program, social service agencies and employers and provides them training on loans, financing and how to use and maintain advanced technology vehicles. CHDC counselors will also remain in contact with individual recipients throughout the term of the loan to help ensure a successful outcome. Information about CHDC, program details and eligible zip codes can be found at drivingclean.chdcnr.com.

Funding Overview

Since 2014, CARB has approved \$99 million to fund five light-duty vehicle pilot projects aimed at increasing the use of clean, advanced technology vehicles to benefit lower-income consumers and disadvantaged communities (see link below). Most recently, \$80 million of the \$99 million has been allocated and additional projects are anticipated in early 2017. These Low Carbon Transportation projects are a part of the California Climate Investments programs funded by proceeds from the state's cap-and-trade auctions.

| Low Carbon Transportation Light-Duty Vehicle Pilot Projects | Total (million) |
|---|-----------------|
| Financing Assistance | \$ 6.9 |
| Car Sharing and Mobility Options | \$ 11.1 |
| Public Fleets Increased Incentives | \$ 6.0 |
| Vehicle Retirement and Replacement (EFMP Plus-up) | \$ 72.0 |
| Agricultural Worker Vanpool in San Joaquin Valley | \$ 3.0 |
| TOTAL | \$ 99.0 |

| Pilot Project Contacts | |
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