



**REVISED**

Date: 10-24-23  
Item No.: 23

# City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL                      DATE: OCTOBER 24, 2023

FROM: OFFICE OF THE CITY MANAGER                      WARDS: ALL  
PUBLIC WORKS DEPARTMENT  
GENERAL SERVICES DEPARTMENT

SUBJECT: AUTHORIZATION TO APPLY FOR UP TO \$10 MILLION FROM THE CALIFORNIA AIR RESOURCES BOARD ADVANCED TECHNOLOGY DEMONSTRATION AND PILOT PROJECTS PROGRAM TO FUND A PORTION OF HEAVY DUTY ZERO EMISSIONS TRUCK AND HAUL VEHICLE PURCHASES, LEASE AN AUTONOMOUS OHMIO SHUTTLE, AND CHARGING AND INFRASTRUCTURE IMPROVEMENTS TO SUPPORT THE INTEGRATION OF THESE VEHICLES INTO THE CITY FLEET - ~~SUPPLEMENTAL APPROPRIATION~~

**ISSUE:**

Request for authorization to apply for up to \$10 million from the State of California Air Resources Board Advanced Technology Demonstration and Pilot Projects Program to fund a portion of heavy duty zero emissions truck and haul vehicle purchases for the Public Works Department, support the lease of an autonomous shuttle manufactured by Ohmio, and charging and infrastructure improvements at the Corporation Yard to support the integration of these vehicles into the city fleet.

**RECOMMENDATIONS:**

That the City Council:

1. Authorize a multi-departmental application for up to \$10 million to the State of California Air Resources Board Advanced Technology Demonstration and Pilot Projects Program to fund a portion of heavy duty zero emissions truck and haul vehicle purchases for the Public Works Department, support the lease of an autonomous shuttle manufactured by Ohmio, and charging and infrastructure improvements at the Corporation Yard to support the integration of these vehicles into the City fleet;
2. Authorize the City Manager or designee to sign all necessary documents for the application to this grant program, including application materials, contracts and extensions related to the grant funding application and other necessary documents related to the application.

**BACKGROUND:**

The City of Riverside was recognized in 2022 as the No. 1 Green Fleet in North America by the

National Association of Fleet Administrators. This recognition is based on a holistic approach to alternative fuels, intentional investment in infrastructure, as well as policies and leadership. Specifically, the Green Fleet Award was given in consideration of the City's commitments towards the use of alternative fuel and hybrid vehicle composition, fuel usage and savings, purchasing policy, long-range planning, and community outreach.

### Strategic Planning and Leadership

The City of Riverside's Envision Riverside 2025 Strategic Plan elevates environmental stewardship as a top priority, as reflected in Strategic Goal 4.6 to implement the requisite measures to achieve citywide carbon neutrality no later than 2040. A key performance action is the greening of the City's fleet. In addition, the City's Climate Action Plan (CAP) adopted in 2016 demonstrates the City's commitment to taking action on the pressing issue of climate change, reducing greenhouse gas (GHG) emissions and supporting the low-carbon economy. CAP measures, including "Measure SR-12: Electric Vehicle Plan and Infrastructure" and "Measure %-19: Alternative Fuel & Vehicle Technology and Infrastructure" provide that alternative fuel vehicles and related infrastructure will serve as effective strategies to reduce GHG emissions. The City issued a Request for Proposals in May 2023 to secure professional services to update the City's Climate Action Plan in parallel with the comprehensive General Plan Update.

### Zero-Emission Fleet Transition Plan

Recently, the California Air Resources Board (CARB) adopted new Advanced Clean Fleet (ACF) regulations, which will necessitate phasing out gasoline and Compressed Natural Gas (CNG) powered medium to heavy duty fleet vehicles and transitioning to zero-emission vehicles (ZEV) as follows:

- a. Starting January 1, 2024: 50% of new medium to heavy duty vehicles purchased by fleet operations must be ZEV.
- b. Starting January 1, 2027, 100% of new medium to heavy duty vehicles purchased by fleet operators must be ZEV.
- c. Emergency vehicles are excluded from the Regulation.

To assist the City with this transition to ZEV, Request for Proposal No. 2316 was issued on September 6, 2023, seeking a qualified entity or individual to provide a comprehensive system wide assessment of ZEV needs for the City and to recommend a strategy for a phased vehicle purchase and replacement process, inclusive of necessary fueling and charging infrastructure. Proposals are currently being evaluated by a cross-departmental team, with City Council award anticipated for January 2024.

### Accelerator for America Innovative Infrastructure Initiative (i3)

Accelerator for America (AFA) is providing technical assistance and capacity building to help local government and economic development leaders maximize new investment in infrastructure and climate action. The Accelerator for America's Innovative Infrastructure Initiative (i3) is helping communities leverage new funding toward critical infrastructure projects through alternative procurement and financing solutions. The City of Riverside is one of ten cities recently selected for AFA's Inaugural i3 cohort, to help accelerate transformative infrastructure projects by providing technical assistance and peer learning. Through membership in this cohort, the City will benefit from the opportunities and investments the Bipartisan Infrastructure law provides for electrical vehicle charging deployment. As the City progresses with its ZEV Fleet Transition Plan, AFA will provide in-kind support with grant writing, workforce development initiatives, and project delivery.

### California Air Resources Board Advanced Technology Demonstration and Pilot Projects Grant

On April 28, 2023 the State of California passed the Advanced Clean Fleets Act, a groundbreaking

regulation designed to phase out the sales of medium- and heavy-duty internal combustion engine trucks in California. The act aligns with the state's long-term vision of transitioning the state's transport system to zero-emissions vehicles by 2045. And other states are expected to follow suit in the coming years.

The goal under this Grant is to support a wide array of zero-emission off-road equipment and vessel projects as well as Green Zones, which has a very broad scope and is focused on supporting broad and creative roads to zero-emission adoption at the municipal level. Projects must develop zero, or near to zero, GHG reductions; demonstrate the practicality and viability of zero emissions vehicles; accelerate market acceptance of zero emissions vehicles. There is a \$50 million cap on proposals. The grant supports a large variety of vehicle types, including watercraft. The Grant also supports "Green Zones" or a host of municipal projects in a target area aimed to creating broad and creative paths to use of zero emission vehicles.

The Grant is intended to strategically accelerate the advancement of innovative and economically viable technologies into the commercial marketplace while also supporting the State's equity and emission reduction goals. The Grant helps to achieve these goals by funding projects that help guide development by encouraging the economic and environmental benefits of the projects. Projects funded under the Grant can support both pre-commercial technologies that are not yet offered for sale in the marketplace as well those commercial technologies that have already been deployed into the marketplace.

There is a match of between 15-50% based on the size of the business receiving the climate investment. Because of the size of the City's and its funding request, the grant would require a 50% match. Match is defined as 10% cash and the remainder as in-kind budgeted but unspent.

## **DISCUSSION:**

Because of the complexities of the grant application, and because of timing constraints, the City is requesting to apply for the Grant as part of a consortia application led by the South Coast Air Quality Management District (AQMD). Riverside will be joined by the cities of Los Angeles, Sacramento, and Long Beach in this \$50 million application request. Riverside's portion of the consortia budget will be approximately \$10 million, which is anticipated to fund a combination of heavy-duty trucks & solid waste hauling equipment (including automated side-loader trash trucks), support the lease of one Ohmio autonomous shuttle, and related charging and infrastructure improvements.

This grant requires a 50% matching fund commitment, which is anticipated to total \$5M. If the grant is awarded, staff will return to City Council for acceptance of the grant award and with a recommendation of funding sources for the grant match. Grant matching funds may be recommended come from a combination of sources such as:

1. The South Coast Air Quality Management District anticipates providing \$2M in matching funds to assist the City
2. Infrastructure Reserve Funds (Up to \$2M)
3. Standing Solid Waste equipment annual budget (Up to \$1.1M)
4. City of Riverside Air Quality Improvement Fund (Up to \$1M)
5. Measure Z

Should the City and its grant partners be successful in their pursuit of the grant funding, staff will return to Council with a definitive recommendation for allocating matching funds and for procurement contract awards.

The Purchasing Manager concurs that the recommendation is in accordance with Purchasing Resolution 23914.

**STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 3 – Economic Opportunity** (Access to Transportation, Choices, Green Fleet and Systems and Smart City Ecosystem); **Strategic Priority 4 – Environmental Stewardship** (Implement proactive policies and measures to ensure all residents breath healthy and clean air, Implement the requisite measures to achieve citywide carbon neutrality no later than 2040); and **Strategic Priority 6 – Infrastructure, Mobility and Connectivity** (Access to Transportation, Choices, Green Fleet and Systems and Smart City Ecosystem).

This item aligns with each of the five Cross-Cutting Threads as follows:

1. **Community Trust** – The Proposal allows for the testing and validation of safety and efficient transportation management. Zero emission vehicles have the potential to reduce carbon emissions contributing to a greener Riverside.
2. **Equity** –Zero emission vehicles have climate and air quality benefits. The shuttles have zero tail pipe emissions and cleaner transportation means cleaner air and better health for all.
3. **Fiscal Responsibility** –The Proposal helps to showcase the viability of a zero emissions fleet, allows for real world research and provides a valuable service to City residents as Riverside evolves beyond gas powered vehicles. This grant also allows the City to make a substantial fleet conversion investment for 50%of the cost.
4. **Innovation** – The Proposal positions Riverside as a testbed for new and emerging technology. A zero emissions fleet provides an inventive and sustainable solution to meet the need for “first-mile/last-mile” connection for transit riders in the community and around the world.
5. **Sustainability & Resiliency** – The deployment of zero-emission vehicles adds to the changing transportation needs of the community. With the addition of vehicles, Riverside will have the opportunity to rethink urban design and planning, leading to more efficient use of road space and potentially reducing the need for parking infrastructure. Using all-electric vehicles will also help to reduce greenhouse gas emissions positively contributing to air quality and support sustainability efforts like reaching carbon neutrality.

**FISCAL IMPACT:**

There is no fiscal impact relating to the submission of the grant application. If the grant is awarded, staff will return to City Council for authorization to accept and appropriate the grant award of \$10 million and with a recommendation of funding sources for the required City match of \$5 million.

Prepared by: Jeff McLaughlin, Grants Administrator  
Certified as to

availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer

Approved by: Rafael Guzman, Assistant City Manager

Approved as to form: Phaedra A. Norton, City Attorney