



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: JANUARY 25, 2022**
FROM: PUBLIC WORKS DEPARTMENT **WARDS: ALL**
SUBJECT: UPDATE ON THE AIR QUALITY IMPROVEMENT FUND AND CHANGES TO AIR QUALITY IMPROVEMENT PROGRAMS

ISSUE:

The issue for consideration is to receive an update on the Air Quality Improvement Fund and approve changes to air quality improvement programs.

RECOMMENDATIONS:

That the City Council:

1. Receive an update on the Air Quality Improvement Fund;
2. Recommend that any current and future Air Quality Improvement Funds designated for special projects per the City Council in 2014 be freed up for other purposes as approved by the City Council or City Manager; and
3. Recommend that the Alternative Fuel Vehicle Rebate Program be retired effective January 31, 2022.

COMMITTEE RECOMMENDATION:

The Mobility and Infrastructure Committee met on December 9, 2021 and received an update on the Air Quality Improvement Fund and recommended changes to funded programs. After discussion, the Committee voted unanimously that the recommendations go to City Council for further discussion.

BACKGROUND:

Air Quality Improvement Fund Background

Since 1991 local governments have received funds from the South Coast Air Quality Management District (AQMD) to implement programs that improve air quality by reducing pollution from motor vehicles. Over the years, the City has allocated these AB 2766 funds toward projects which not only improve air quality, but also provide other community benefits.

AB 2766 funds come from a \$6.00 vehicle registration surcharge which is collected by the Department of Motor Vehicles and subvented to AQMD. AQMD disburses an amount proportionate to the City's population on a quarterly basis. The City receives approximately \$400,000 to \$420,000 annually. Public Works Air Quality Improvement Funds can only be used on projects which lead to a reduction of vehicle related air pollution.

Current Air Quality Improvement Fund Programs:

1. **Riverside Go Transit Program:** Provides discounts exclusively to City of Riverside residents on select Riverside Transit Agency (RTA) bus passes. It offers residents a discount of up to 30% on local bus fares as an incentive to use local public transportation.
2. **Western Riverside County Council of Governments (WRCOG) Clean Cities Coalition:** Mobilizes local stakeholders toward expanding the use of Alternative Fuel Vehicles (AFV) and advanced technology vehicles, promoting local idle reduction measures, and strengthening local AFV fueling infrastructure.
3. **Traffic Timing and Coordination:** Supports changes to signal light timing and coordination to reduce congestion and support more efficient traffic flow.
4. **AQMD Rule 2202 Compliance:** Supports compliance requirements of Rule 2202 from the AQMD which requires employers of over 250 employees to reduce mobile source emissions from employee commutes.
5. **Bicycle Programs:** Supports bicycle programs and infrastructure purchases such as marketing, small improvement projects, bicycle racks, lockers, etc.
6. **Compressed Natural Gas (CNG) Vehicle Purchases:** Purchase of CNG heavy duty trucks.
7. **Match Funding for Special Projects:** On June 10, 2014, the Riverside City Council recommended that current and future available funding be used as match funding for the following projects: Bicycle Share Program, SR-91 Pedestrian/Bicycle Bridge Study, Santa Ana River Bicycle Trail, and Santa Ana River Walking Path.
8. **Alternative Fuel Vehicle (AFV) Rebate Program:** Provides City residents \$500 rebates toward the purchase or lease of electric vehicles.
9. **Other Temporary Programs:** Funding has been used for a variety of other projects or programs as authorized by the City Council or City Manager.

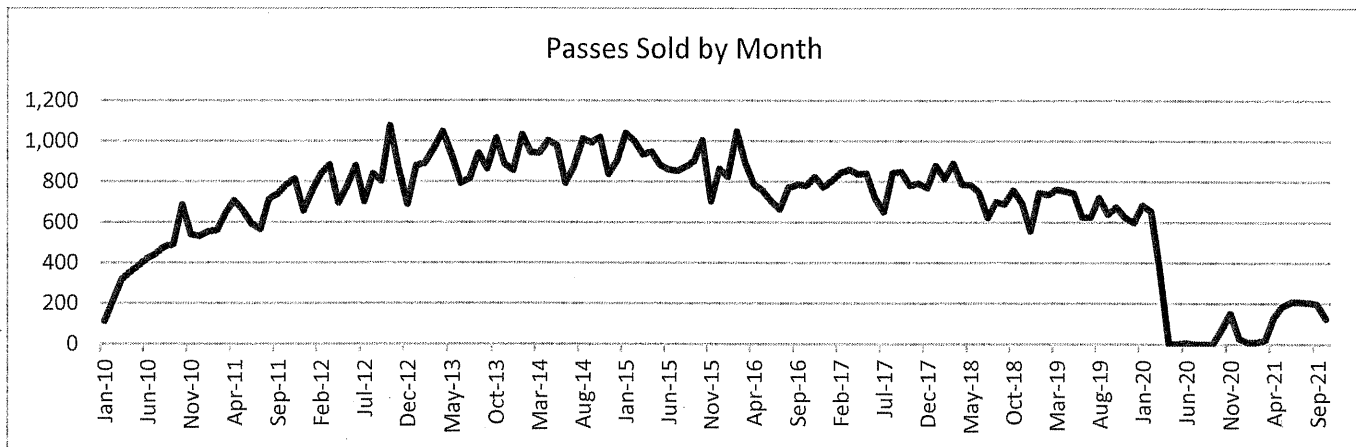
DISCUSSION:

The Air Quality Improvement Fund supports the reduction of emissions from mobile sources. Each program funded or partially funded through this fund must meet AQMD requirements and the City submits annual reports to AQMD to ensure compliance. Over the years, the City of Riverside has initiated several programs that have proved very effective in reducing mobile emissions. Staff has evaluated its current programs and proposes the following changes.

Go Transit Program:

In September 2009, the City Council approved the Riverside Go Transit Program (Program). The City purchases bus passes in bulk from RTA at a 5% discount of the regular cost. Those passes are then sold to City residents at a greater discount. Passes for 30-Day General, Senior/Disabled, and Youth are discounted by 30% of the regular RTA price, while 7-Day passes are discounted by 20%. Passes are sold online, at the Utilities Plaza at 3901 Orange Street, and at the Customer Resource Center at 3025 Madison Street.

Over the years, the Program became very popular among residents with the City selling 8,000 to 11,000 bus passes each year. Since March 2020, due to the COVID-19 pandemic, there has been significantly less demand for bus passes. The following graph shows the amount of passes sold by the City on a monthly basis.

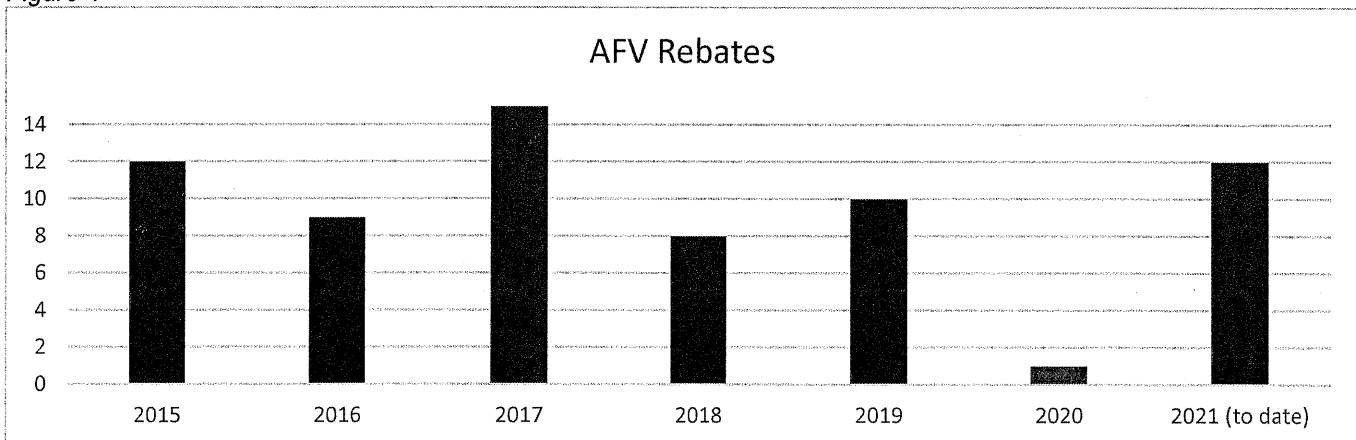


Staff is uncertain if bus pass sales will rebound with time or if the COVID-19 pandemic and telecommuting have led to a long-term decline in public transportation. Currently staff is not recommending any changes to the Program but welcomes direction/input from City Council.

AFV Rebate Program:

This program began in 2009 and offers City residents rebates toward the purchase or lease of AFVs. Since its inception, the program has been adapted to accommodate different vehicle fuel technologies and changes to the rebate amount to allow more rebates to be awarded. Currently the rebate amount is set at \$500. Eligible vehicles must be purchased from a City of Riverside dealership (TESLA vehicles are not eligible) by a resident of the City of Riverside. There are other restrictions that apply as well. Figure 1 shows the number of rebates awarded since 2015.

Figure 1



For more than a decade, the AFV Rebate Program has been very successful and has assisted City residents with the purchase of over 240 low emission vehicles. The City has been credited as a pioneer in establishing local vehicle rebate programs, and several other programs have been patterned from ours. The City continues to innovate in the realm of vehicle rebates. On April 7, 2020, the Riverside City Council approved a Joinder Agreement between Southern California Edison and RPU. As part of this agreement, RPU is participating in and has implemented the

Clean Fuel Reward Program which offers rebates of up to \$1,500 for qualifying vehicles at the point of purchase. This program launched in October 2020.

On October 12, 2021, the City Council approved additional programs from RPU including a Residential Used EV Purchase Rebate. This program offers Riverside residents in RPU service territory a rebate of up to \$500 to buy a qualifying used full battery electric or plug-in hybrid electric vehicle with an additional \$1,000 rebate available to low-income customers. They provide up to 150 rebates per year, for a total of \$150,000 for FY 2021/22.

Because of RPU's increased offerings, and to avoid the confusion that comes from multiple rebate programs from different City Departments, staff recommends that the AFV Rebate Program be retired effective January 31, 2022. Currently \$15,000 is budgeted annually for the AFV Rebate Program.

Match Funding for Special Projects:

On June 10, 2014, the Riverside City Council recommended that current and future available funding be used as match funding for the following projects: Bicycle Share Program, SR-91 Pedestrian/Bicycle Bridge Study, Santa Ana River Bicycle Trail, and Santa Ana River Walking Path. Of these projects only the Bicycle Share Program has utilized Air Quality Improvement Funds. The other three projects are on indefinite hold as grant funds were not awarded or were utilized for other projects. These projects are also dependent on General Fund contributions as air quality funds do not provide the full local match required. Staff recommends that any current and future Air Quality Improvement Funds designated for these projects be freed up for other purposes as approved by the City Council or City Manager. If one or more of these projects become viable, funding can be considered and reallocated. Currently there is approximately \$84,000 budgeted for these projects.

Suggested Alternative Uses of Funding

Staff has identified alternative uses for this funding for the City Council to consider:

1. Purchase clean air vehicles to replace aging elements of the City's fleet
 - a. Refuse trucks and sweepers
 - b. CNG and electric Public Works vehicles
2. Electric vehicle charging infrastructure at City Facilities to support the City's continued leadership in Clean Fleet technology
3. Construct connected vehicle and intelligent transportation system infrastructure to improve management of flow along City roadways
4. Bicycle program enhancements that promote and facilitate increased use of bicycles in the City
5. Other purposes as approved by the City Council or City Manager

STRATEGIC PLAN ALIGNMENT:

The programs described in this report aligns with **Strategic Priority 4 – Environmental Stewardship** and supports the following goals:

- 4.3 - Implement local and support regional proactive policies and inclusive decision-making processes to deliver environmental justice and ensure that all residents breath**

healthy and clean air with the goal of having zero days of unhealthy air quality per the South Coast Air Quality District's Air Quality Index (AQI).

4.6 - Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.

Furthermore, this project aligns with each of the five Cross-Cutting Threads:

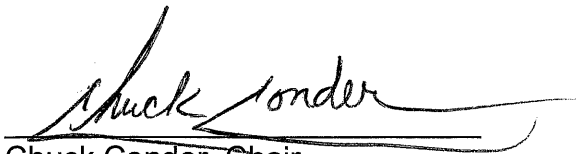
1. **Community Trust** – Programs funded by the Air Quality Improvement Fund serve the public interest by supporting clean air in all areas of the City. They result in the greater public good.
2. **Equity** – Programs funded by the Air Quality Improvement Fund help reduce mobile emissions which improves the air quality in the City, several communities in Riverside experience some of the worst air quality in the State measured in the 99th percentile.
3. **Fiscal Responsibility** – These programs are made possible through funds collected by the AQMD. The City acts as their steward to provide programs that benefit all within the City through improving air quality.
4. **Innovation** – These programs are varied and innovative. They all reduce vehicle emissions resulting in air quality improvements throughout the City. The City of Riverside has developed several inventive and first of their kind programs that have been used by many other agencies.
5. **Sustainability & Resiliency** – These programs directly support sustainability initiatives related to air quality and fuel conservation by reducing the number of motorists on City and Regional streets and highways and incentivizing cleaner modes of transportation.

FISCAL IMPACT:

There is no net fiscal impact for this action. Approval of the changes to the mentioned programs will shift funding from one project to another project with no change to the net fiscal impact already approved in previous Council actions.

Prepared by:	Gilbert M. Hernandez, Public Works Director
Certified as to availability of funds:	Edward Enriquez, Chief Financial Officer/Treasurer
Approved by:	Kris Martinez, Assistant City Manager
Approved as to form:	Phaedra A. Norton, City Attorney

Concurs with;



Chuck Conder, Chair
Mobility & Infrastructure Committee

Attachment: Presentation