



# City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 3, 2024

FROM: PUBLIC WORKS DEPARTMENT      WARDS: ALL

SUBJECT: APPROVAL OF A GRANT APPLICATION TO THE CLEAN MOBILITY OPTIONS (CMO) VOUCHER PILOT PROGRAM OFFERED BY CALSTART FOR AN ADDITIONAL FUNDING REQUEST OF \$300,000, FOR A TOTAL PROJECT COST OF \$1,800,000 FOR THE RIVERSIDE CLEAN AIR CARSHARE (RCAC) PILOT PROGRAM

**ISSUE:**

Authorize the submittal of a grant application requesting \$300,000 in additional grant funding for the Clean Mobility Voucher Pilot Program offered by CALSTART to supplement the Riverside Clean Air Carshare (RCAC) Pilot Program.

**RECOMMENDATIONS:**

That the City Council:

1. Authorize the Public Works Department to submit a grant application to CALSTART under the “Clean Mobility Voucher Pilot Program” for an additional funding request in an amount of up to \$300,000 to supplement the Riverside Clean Air Carshare (RCAC) Pilot Program, a network of hydrogen fuel cell vehicles with free usage for qualifying low-income residents, in partnership with Mobility Development Operations and the University of California Riverside’s Center for Environmental Research and Technology (UCR CE-CERT); and
2. Authorize the City Manager to sign applications, documents, extensions, or related items to this grant application, making minor and non-substantive changes as necessary.

**BACKGROUND:**

The Clean Mobility Options Voucher Pilot Program is funded through the California Climate Investments (CCI) program. The CCI program uses Cap-and-Trade dollars on initiatives intended to reduce greenhouse gas emissions, improve public health, and strengthen the economy in underserved communities. The Clean Mobility Options program had an initial allocation of \$20 million in available funds to establish zero-emission mobility programs; local government agencies are eligible applicants for these funds.

On October 6, 2020, Council authorized the submittal of a \$1,000,000 grant application through the CALSTART “Clean Mobility Voucher Pilot Program” to establish a network of hydrogen fuel cell vehicles with free usage for qualifying low-income residents, in partnership with the original program operator and the University of California Riverside’s Center for Environmental Research

and Technology. The grant application was successfully awarded, was formally accepted by City Council on July 6, 2021, and has been branded Riverside Clean Air Carshare (RCAC).

On May 7, 2024, City Council accepted \$500,000 in additional funding for the project to support increased capital and labor costs, bringing the total grant amount to \$1,500,000.

## **DISCUSSION:**

Riverside Clean Air Carshare will be the City's first carshare network, with a fleet of up to nineteen (19) zero-emission vehicles available for rent at seven station locations within the City of Riverside. The proposed program is unique, operating exclusively with hydrogen fuel cell vehicles (FCVs), which do not emit harmful air pollutants like traditional gasoline and diesel vehicles and can be driven within a 100-mile radius of the rental station.

In addition to increasing accessibility of zero-emissions vehicles to all residents, the program plans to offer qualifying low-income residents with free drive time and discounted rental rates. The qualification and administration of the program will be managed by Mobility Development Operations (MDO). The City will not own or maintain the vehicles used as part of the program. In turn, the City intends to provide on-street and off-street parking locations within the qualifying Assembly Bill 1550 Low-income Communities and Senate Bill (SB) 535 disadvantaged communities locations for vehicle rental stations.

### *Additional Funding*

Through the planning process, the program was heavily impacted by several unanticipated costs such as above-standard insurance procurement and compliance, planning and operational costs, as well as significantly increased vehicle procurement costs. Funds were re-allocated within the budget to cover these shortfalls, resulting in a decrease in the number of vehicles to be purchased along with cuts to planning and marketing efforts.

The City was not the only awardee facing these budgetary challenges and grant recipients voiced their concerns during the California Air Resources Board (CARB) Public Work Group on December 8, 2022. In response, CARB set aside funds in the 2022/2023 budget for awardees to request additional funding. In March 2023, awardees were invited to request additional funding in an amount not to exceed \$500,000 to be used for a range of eligible activities in support of the initial scope of work outlined in the Clean Mobility Options Voucher Agreement.

Preceding the anticipated launch of RCAC in the Fall of 2023, the original Program operator communicated their inability to continue in their role and the City was tasked with securing a new operator for the program. Staff submitted an Additional Funding Request to CALSTART in the amount of \$500,000, concurrently working to secure a new program operator and the request was approved.

The City accepted the additional funds and Mobility Development Group (MDO) formally took over operations of the program in May 2024. MDO has since been working diligently to get the program back on track and prepare for launch in the coming months. However, the transition to a new operator resulted in a significant delay of the launch and subsequent impacts to the budget. Additional project costs incurred include vehicle storage, insurance and planning. Moreover, the project team still aims to regain items within the original scope that had to be scaled back, such as fleet size and community outreach.

Following feedback from the public at the California Air Resources Board Public Work Group on February 8, 2024, CARB set aside an additional \$11,400,000 for Mobility Project Voucher funded projects. In August 2024, CALSTART formally invited awardees to request up to \$300,000 in additional funding for their current awarded projects.

To capitalize on the additional available funds, staff are proposing to submit an Additional Funding Request to CALSTART in the amount of \$300,000 which requires no local matching funds.

### **STRATEGIC PLAN ALIGNMENT:**

The proposals presented in this report align with **Strategic Priorities 3 – Economic Opportunity, 4 – Environmental Stewardship, and 6 – Infrastructure, Mobility, and Connectivity**, and the following goals:

**Goal 3.1** - Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

**Goal 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).

**Goal 6.1** - Provide, expand, and ensure equitable access to sustainable modes of transportation that connect people to opportunities such as employment, education, healthcare, and community amenities.

Additionally, this item aligns with each of the five Cross-Cutting Threads:

1. **Community Trust** – The purpose of this grant application request is to support the establishment of the Riverside Clean Air Carshare Program and to provide the community with an environmentally friendly car share transportation option.
2. **Equity** – The purpose of the carshare program is to increase accessibility of zero emissions vehicles to residents, especially those in disadvantaged communities.
3. **Fiscal Responsibility** – Riverside is a prudent steward of public funds and ensures responsible management of the City's financial resources by advocating and applying for additional grant funding from the California Climate Investment's Clean Mobility Options Voucher Program. There is no local match component for this grant program.
4. **Innovation** – The City is inventive and timely in meeting the community's changing needs and prepares for the future through collaborative partnerships and adaptive processes. This would be the City's first carshare program available within disadvantaged communities and will be the only hydrogen fuel carshare network in the region.
5. **Sustainability & Resiliency** – Riverside is committed to meeting the needs of the present without compromising the needs of the future and ensuring the City's capacity to persevere, adapt and grow during good and difficult times alike. The hydrogen fuel cell vehicles do not emit harmful air pollutants like traditional gasoline and diesel vehicles and present a sustainable option for transportation.

**FISCAL IMPACT:**

There is no immediate fiscal impact to the City and the grant does not require a local match. If the City is selected for grant award, staff will return to City Council to accept the \$300,000 and request the appropriation of the award.

Prepared by:	Philip Nitollama, City Traffic Engineer
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Attachment:	Project Location Map
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