Summary. Staff requests Board approval to amend Interagency Agreement (“IA”) ARB13-606 between the California Pollution Control Financing Authority (“CPCFA” or “Authority”) and ARB which funds loan loss reserve contributions for the On-Road Heavy Duty Vehicle Air Quality Loan Program (“Program”). The amendment will extend the expiration date of the IA from December 31, 2015 to March 31, 2016, will increase the allocated amount from $10 million to $20 million, and will include several new reporting criteria.

Background. ARB is an Independent Contributor under CalCAP and provides financial assistance to small business owners of heavy-duty diesel vehicles affected by ARB’s Statewide In-Use Truck and Bus Regulation and the Heavy-Duty Vehicle Greenhouse Gas Emission Reduction Regulation. The ARB Program began in 2009 under IA ARB08-607. In February 2014 a second contract, IA ARB 13-606, was executed for an amount not to exceed $10 million from SB 359 which supplemented ARB’s Air Quality Improvement Plan (“AQIP”) monies. The current expiration date of IA ARB13-606 is December 31, 2015. Approximately $6 million remains unobligated. Since the Program’s inception, CalCAP has enrolled 5,144 loans for $338 million and $45 million in contributions.

The amendment will extend the expiration date of ARB13-606 to March 31, 2016. The extension will provide CalCAP the ability to use the entire allocation of funds under IA ARB13-606. This amendment will also incorporate changes to the scope of work to fulfill additional reporting criteria requested of CPCFA by ARB and will provide $10 million in additional funding to the Program allocated to CalCAP as part of ARB’s AQIP funding plan for Fiscal Year 2014-2015.

Other changes to one exhibit of the IA include additional reporting requirements for the borrowers in this program, which have been added to the Borrower Eligibility Criteria and Self-Certification Form. These requirements include a certification by the borrower if he/she received a voucher under ARB’s Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP), the Gross Vehicle Weight Rating (GVWR), and horse power of the purchased truck.

Staff Recommendation. Staff recommends approval of the attached Resolution to authorize the Executive Director or Deputy Executive Director to execute the amended IA ARB13-606 through March 31, 2016 with the revised modifications as described above.
WHEREAS, the California Pollution Control Financing Authority ("Authority") was created under the provisions of Section 44500 of the Health and Safety Code; and

WHEREAS, Section 44522(c) of the Health and Safety Code provides that the Authority is authorized to “do all things generally necessary or convenient to carry out its powers”; and

WHEREAS, pursuant to Interagency Agreement ARB13-606 ("Agreement"), the California Air Resources Board ("ARB") is an approved Independent Contributor under the Authority’s California Capital Access Program ("CalCAP"); and

WHEREAS, pursuant to the Agreement, the Authority provides ARB all the services it normally provides to Independent Contributors in the role as administrator of CalCAP, and other services specified in the Agreement in support of the On-Road Heavy-Duty Vehicle Air Quality Loan Program; and

WHEREAS, ARB desires to increase the maximum amount of the Agreement from $10 million to $20 million, to extend the expiration date of the Agreement from December 31, 2015 to March 31, 2016 to provide the Authority additional time to use the entire allocation of funds as amended under the Agreement, and to add reporting criteria.

NOW THEREFORE BE IT RESOLVED, that the Executive Director or Deputy Executive Director of the Authority is hereby authorized to execute Amendment 1 to Interagency Agreement ARB13-606 with the California Air Resources Board, the total amount of which will not exceed $20,000,000.00.