



Local Community Benefits Fund Grant Guidelines: Round 1

Board of Directors Special / Retreat Meeting

January 28, 2026

Emi Wang
Community Investments Officer
Community Investments Office

Recommended Action

Adopt the Round 1 Grant Guidelines for the Local Community Benefits Fund, the Call for Projects for Benicia and Surrounding Communities, and the Call for Projects for Richmond and Surrounding Communities

Background

- In May 2024, the Bay Area Air District adopted the **Community Benefits Penalty Funds Policy** to direct penalty funds back to the communities where violations occurred
- Some facilities also commit to providing mitigation funds to improve air quality in the communities affected by their violations
- The Air District has generated over **\$124 million (M)** to date in penalty and mitigation funds to be reinvested into affected communities

Overview: Local Community Benefits Fund

- Penalty funds and other funds from enforcement actions are administered through the **Bay Reinvesting Penalties for Air Improvement and Resilience (REPAIR)** program
- Funds are then allocated according to a funding formula. After meeting a predetermined threshold and split for specific penalty amounts:
 - 80% of funds are allocated to the Local Community Benefits Fund
 - 20% of funds are allocated to the Regional Community Benefits Fund

Public Comments on Draft Grant Guidelines

- Public comments on the Draft Local Community Benefits Fund Guidelines was open for thirty days from October 27 – November 25, 2025
- **57 total public comments were received.** Most of the comments came from Benicia stakeholders

Public Comments on Draft Grant Guidelines (cont.)

- Key public comments recommended the following:
 - Recognize Benicia's unique circumstances of refinery closure
 - Expand grant goals to encompass broader definitions of community health and resilience
 - Align grant requirements with ecosystem capacity
 - Provide definitions and standards for "Build Economic Resilience for a Just Transition" section
 - Lessen measurable outcomes requirements
 - Increase indirect costs to 15%
 - Reduce readiness requirements for permits, approvals, and site control

Program Goals

- The Local Community Benefits Fund reinvests penalties and mitigation funds in the specific communities affected by the air quality violations
- Goals:
 - **Reduce air pollution or mitigate air pollution impacts, improve public health outcomes, and build economic resilience for a just transition away from the harmful effects of a fossil-fuel-based economy**
 - **Advance integrated projects to holistically meet community needs**
 - **Strengthen community-led and collaborative solutions**

Community Needs

- Projects must be driven by **community-identified needs, priorities, and solutions**, and should address an environmental justice, public health and/or just transition challenge(s)
- Applications must include **ongoing community engagement** to ensure that grant implementation continues to be informed by community feedback and expertise, particularly feedback from residents, community-based organizations, and other key stakeholders

Core Strategies

Reduce Air
Pollution and
Improve
Health
Outcomes

Build
Economic
Resilience for
a Just
Transition

Strategy: Reduce Air Pollution and Improve Health Outcomes

- **Mitigate air pollution harm, address health impacts exacerbated by air pollution, and identify opportunities for air pollution reduction**
- Eligible projects may:
 - Reduce air pollution emissions
 - Reduce human exposure to air pollution emissions
 - Improve understanding of local air quality impacts
 - Tangibly improve community health and wellbeing

Strategy: Build Economic Resilience for a Just Transition

- Build economic resilience that supports the **transition away from fossil fuels and delivers critical benefits, such as benefits in air quality, public health or a clean economy**
- Eligible projects may:
 - Promote high road economic development that ensures that high-quality local jobs benefitting the environment and public health are created
 - Build economic resilience through planning and projects that deliver air quality and related health benefits and create clean economy pathways

Measurable Outcomes

- Each project must include a **Measurable Outcomes Plan** that links outcomes, milestones, activities, indicator tracking, and the budget
- **Measurable outcomes** are the specific result or change that occurs as a consequence of a project
- Both quantitative and qualitative outcomes may be submitted; tracking of quantitative outcomes is recommended where applicable
- Projects should then identify **indicators** that will be used to track progress. Indicators (e.g., number of respiratory health services offered) track progress towards achieving measurable outcomes (e.g., improved respiratory health by 15%)

Seed Grant

- **Funds smaller-scale projects led by non-profit organizations.** Each application should center on one project
- Open to 501(c)(3) non-profit organizations only
- Co-Applicants are not allowed
- Grant size ranges between **\$100,000 - \$200,000**
- Grant terms up to two years

Opportunity Grant

- **Funds multi-stakeholder collaboration over one project or multiple projects** to ensure robust and community-driven implementation outcomes
- Lead Applicant must partner with at least one Co-Applicant(s)
- Grant size ranges between **\$500,000 - \$5 M**
- Grant terms up to three years

Opportunity Grant: Re-Granting

- Opportunity Grant applications **may propose re-granting funds to other entities, particularly smaller entities with lower capacity**
- Such re-granting proposals are exempt from the Co-Applicant requirement
- **Re-granting must adhere to and be carried out in accordance with the Grant Guidelines**, and the applicant must demonstrate overall management capacity sufficient to administer a regranteeing process

Catalyst Grant

- **Funds multi-stakeholder collaboration over multiple projects** that address diverse community needs
- Lead Applicant must partner with multiple Co-Applicants
- Grant size ranges between **\$10 - \$40 M**
- Grant terms up to five years

Partnerships

- Opportunity and Catalyst Grant applicants should **collaborate across multiple sectors, as relevant, to systematically address multiple community needs**
- All applicants should have clearly defined scopes of work, make substantive contributions to project implementation and outcomes, and receive budget allocations that align commensurately with their scope of work

Eligible Applicants

| Lead Applicants | Co-Applicants |
|--|--|
| <ul style="list-style-type: none">• Non-profit organizations, local government agencies, cities, counties, schools, unions and California Native American Tribes• <i>May submit one application each for a Catalyst, Opportunity, and Seed Grant (if a non-profit organization)</i> | <ul style="list-style-type: none">• Entities that are eligible to be Lead Applicants, plus for-profit entities• <i>No limit on the number of applications a Co-Applicant may join</i> |

Benicia and Surrounding Communities: Available Funding

- In October 2024, the Air District, in conjunction with the California Air Resources Board, fined Valero Refining Company for air quality violations
- The Local Community Benefits Fund for Benicia and Surrounding Communities has **\$60,011,061** in available funding

Eligible Communities

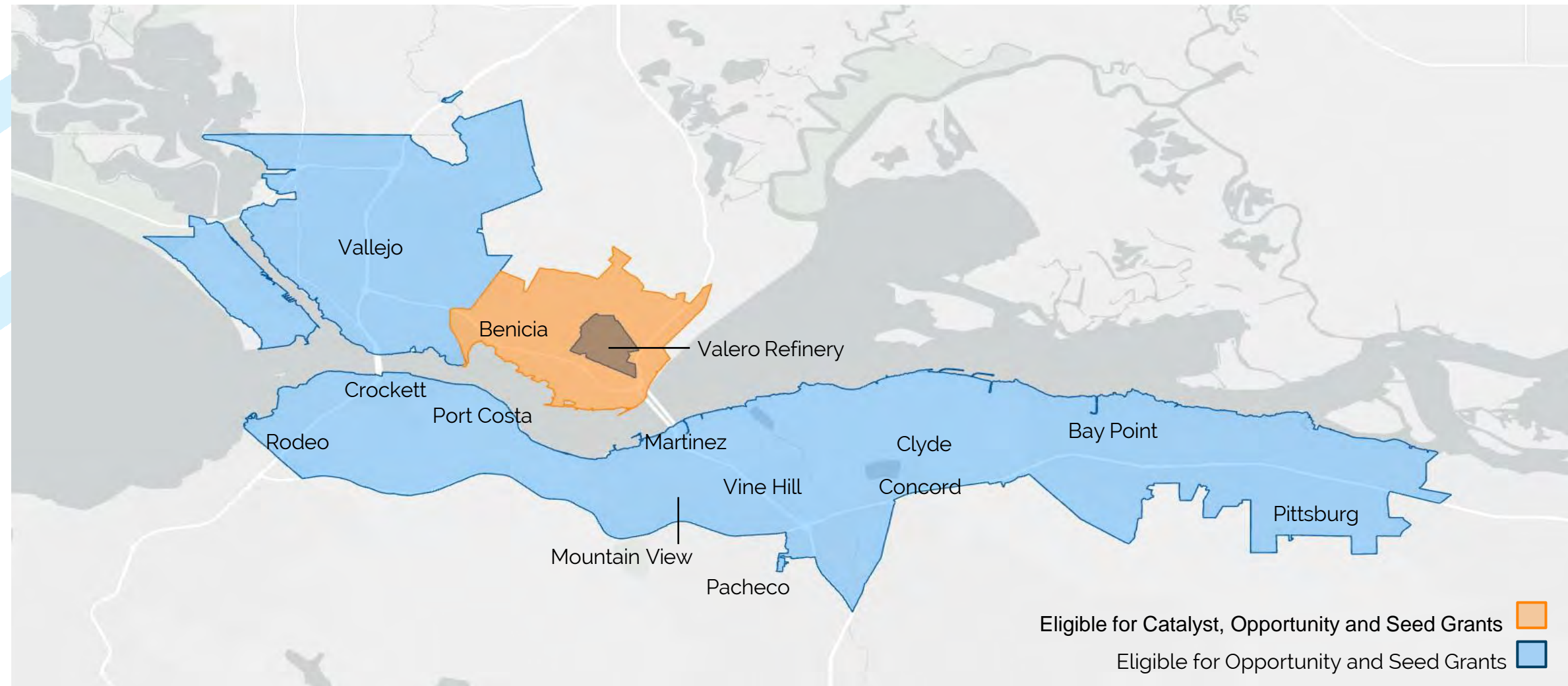


Figure 1: Communities eligible for funding from the Local Community Benefits Fund.

Valero Refinery Closure

- Valero Refining Co. announced that it would close its Benicia refinery in 2026
- Due to the ongoing strain on the Benicia community's civic and organizational capacity resulting from the impending closure, the Air District is making the following exceptions for the Catalyst Grant in Benicia:
 - **Partnerships:** While Co-Applicants will not be a required element for the Catalyst Grant in Benicia, applications demonstrating diverse community support will be prioritized
 - **Application Review and Award Timeline:** Should there be a small number of applications for the Catalyst Grant in Benicia, the Air District may expedite the review of the applications within this grant category

Grant Awards

| | Seed | Opportunity | Catalyst |
|-----------------------------|--|---|-------------------------------------|
| Total Funding | \$60,011,061 | | |
| Anticipated Awards | 1 - 5 grant awards anticipated | 1 - 5 grant awards anticipated | 1 – 3 grant awards anticipated |
| Grant Size | \$100,000 - \$200,000 | \$500,000 - \$5 M | \$10 M - \$40 M |
| Grant Term | Up to 2 years | Up to 3 years | Up to 5 years |
| Eligible Applicants | Open to 501(c)(3) non-profit organizations, no Co-Applicants | Lead Applicant must partner with at least 1 Co-Applicant(s) | Exemption: no Co-Applicant required |
| Eligible Communities | Benicia and surrounding communities | Benicia and surrounding communities | Benicia |

Richmond and Surrounding Communities: Available Funding

| Background | Funding Purpose | Funding Availability |
|--|---|----------------------|
| The Air District fined Chevron and several other entities for air quality violations | Penalty funds can be used for any projects eligible for funding under these Guidelines | \$15,744,460 |
| Chevron committed to pay into a Richmond Community Air Quality Fund to mitigate the effects of potential particulate matter emissions in violation of Air District Rule 6-5 (Particulate Emissions from Refinery Fluidized Catalytic Cracking Units) | The Richmond Community Air Quality Fund is designated for projects to reduce particulate matter emissions in the vicinity of the Richmond refinery and reduce particulate matter exposures for members of the community | \$20,000,000 |
| | | \$35,744,460 |

Eligible Communities

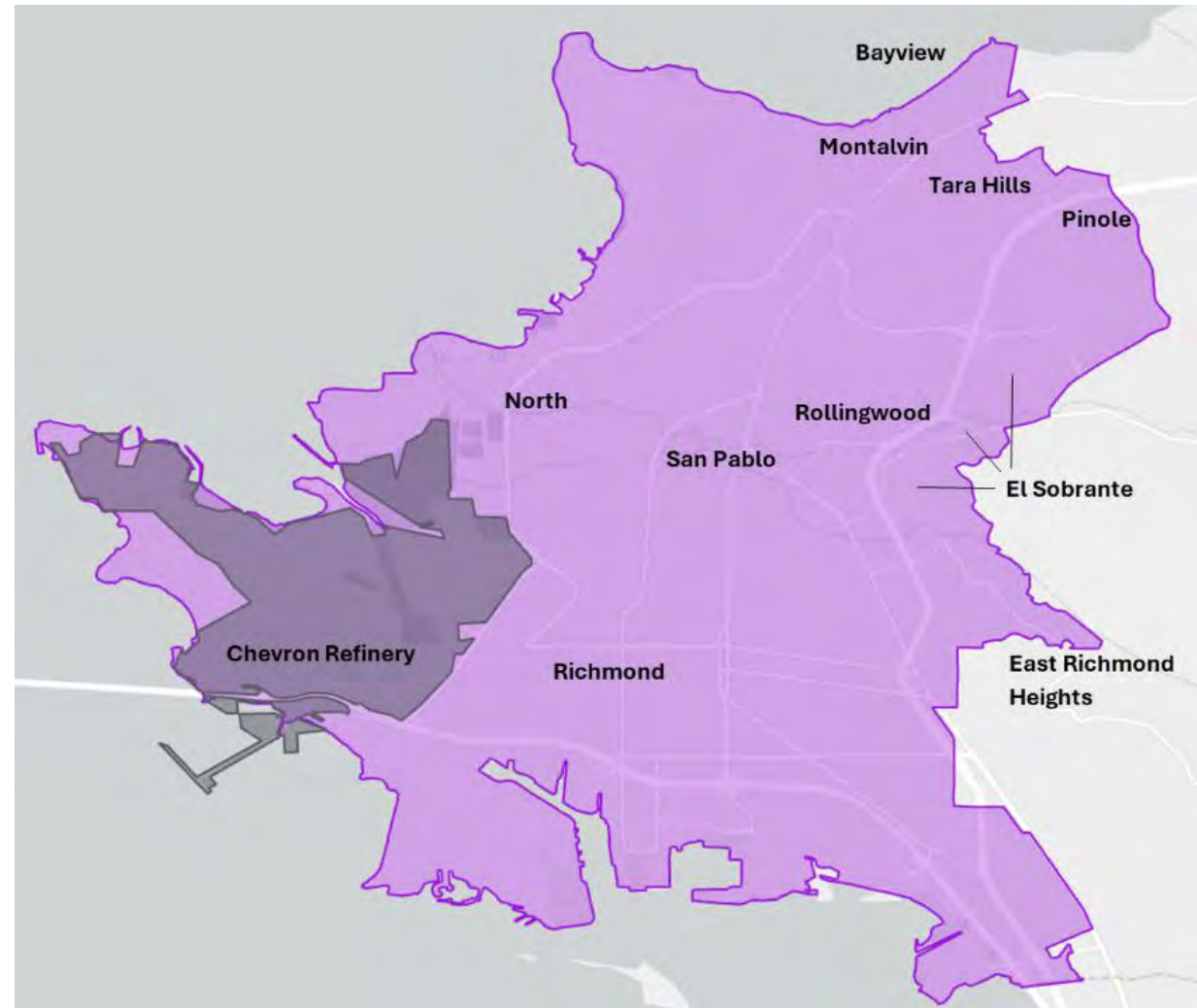


Figure 2: Communities eligible for funding from the Local Community Benefits Fund.

Grant Awards

| | Seed | Opportunity | Catalyst |
|-----------------------------|--|---|---|
| Total Funding | \$35,744,460 | | |
| Anticipated Awards | 1 - 5 grant awards anticipated | 1 - 5 grant awards anticipated | 1 - 3 grant awards anticipated |
| Grant Size | \$100,000 - \$200,000 | \$500,000 - \$5 M | \$10 - \$15 M |
| Grant Term | Up to 2 years | Up to 3 years | Up to 5 years |
| Eligible Applicants | Open to 501(c)(3) non-profit organizations, no Co-Applicants | Lead Applicant must partner with at least 1 Co-Applicant(s) | Lead Applicant must partner with multiple Co-Applicants |
| Eligible Communities | Path to Clean Air Community Emissions Reduction Plan area | | |

Application Review

1. **Eligibility Review:** Air District staff review applications to ensure that all applications are fully complete and eligible
2. **Application Scoring:** Eligible applications are scored by technical and community reviewers. Technical reviewers consist of stakeholders such as Air District staff, outside technical experts and local government officials. Community reviewers consist of community stakeholders who hold strong community knowledge and expertise
3. **Funding Recommendations:** Air District staff review the highest scoring applications and consider overall portfolio balance (available funding for each grant type, geographical distribution, project diversity and overlap). Staff will finalize a recommended portfolio of projects for funding
4. **Grant Selection and Award:** The Air District's Board of Directors consider the funding recommendations and make the final selection of projects

Anticipated Timeline

| Date | Activity |
|-------------------------------|----------------------------|
| As early as January 29, 2026* | Grant Application opens |
| May 1, 2026 | Grant Application deadline |
| Summer - Fall 2026 | Grant Awards approved |
| Late 2026 - 2027 | Grant Agreements finalized |

*This schedule is tentative and contingent upon the Board of Directors' adoption of final Guidelines

Recommended Action

Adopt the Round 1 Grant Guidelines for the Local Community Benefits Fund, the Call for Projects for Benicia and Surrounding Communities, and the Call for Projects for Richmond and Surrounding Communities

Questions & Discussion

For more information:

Emi Wang | Community Investments Officer | ewang@baaqmd.gov



Board of Directors and Community Advisory Council Discussion

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Board of Directors and Community Advisory Council Introductions

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Board and CAC Member Introductions

Please share:

- Name
- Geographic area you represent in the Bay Area
- A key, local air pollution or environmental justice issue in the area you represent

CAC: Community Advisory Council



Collaboration of the Board of Directors and the Community Advisory Council

William Goodwin
Community Advisory Councilmember

Latasha Washington
Community Advisory Councilmember



Purpose of Increasing Board and CAC Communications & Collaboration

- Create opportunities for relationship building
- Increase regular communication and information sharing
- Collaborate on policy and program decision-making related to environmental justice

CAC Recommendations to the Board

The CAC adopted the following recommendations on November 20, 2025, to increase communication and collaboration between the Council and the Board:

1. Council member liaisons participate in Board and/or Standing Committee meetings as non-voting guests in the discussions
2. Board member liaisons participate in CAC meetings as non-voting guests in the discussions

CAC Recommendations to the Board (cont.)

3. Annual joint retreats are held between the Council and Board
4. Opportunities are provided for Council members to present informational items at Board and Standing Committee meetings
5. Informal meetings occur every 6 months between Council Co-Chairs, Board Leadership, and Air District staff leadership
6. New Council members have a meet and greet with the Board member(s) representing their geographical area
7. Board members go on a toxic tour of the jurisdiction they represent along with Council members from that area, whenever possible

Questions & Discussion

For more information:

communityadvisorycouncil@baaqmd.gov



Community Priorities for Rule Development

Board of Directors Special / Retreat Meeting

January 28, 2026

Bradley Cole

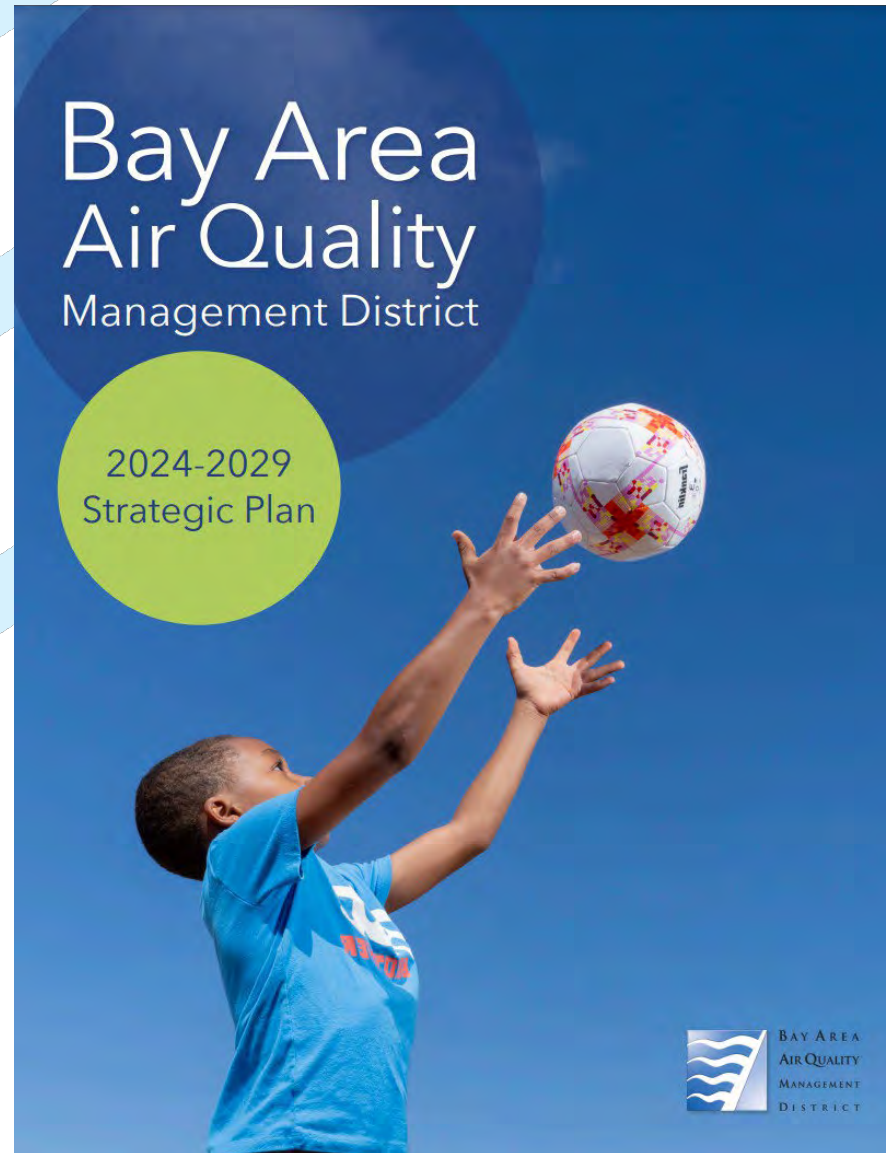
Manager

Regulatory Development Division

Overview

- Rules as a powerful tool
- Community-focused rule development
- Ensuring community experiences and priorities are considered moving forward

Strategic Plan Goals



Four Primary Goals:

- Achieve Impact
- Advance Environmental Justice
- Foster Cohesion and Inclusion
- Maintain an Effective, Accountable, and Customer-Oriented Organization

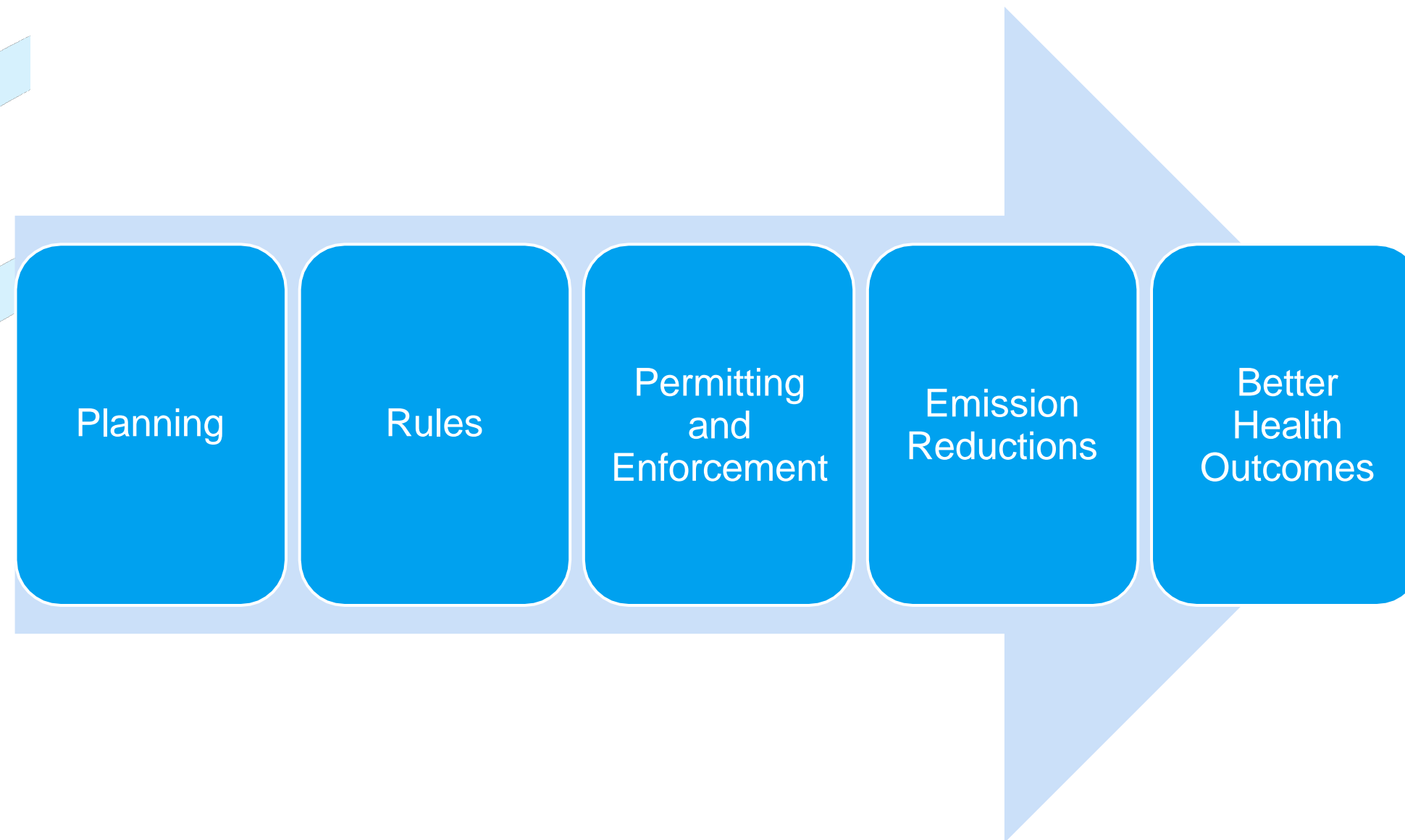
Strategic Plan Goals and Strategies

Effective rules are critical to achieving Goals 1, 2, and 3

Our rules and regulatory development efforts are powerful tools that will help achieve beneficial impacts and further address environmental justice concerns.



How Rules Fit In



Prioritization Criteria

- Board Direction
- Air Quality Benefits & Impacts
- Air Quality Mandates (e.g., SIP, legislation)
- **Community Concerns / Stakeholder Input**
- Community Emissions Reduction Plans
- Strategic Plan Alignment
- Air District Resource Constraints

Note:

- **SIP:** State Implementation Plan



Community-Focused Rule Development

| Project | Community Impetus |
|--|--|
| Minimize Flaring (Rules 12-11 & 12-12) | AB 617 CERP / Community Concerns / CBOs |
| Fugitive Dust (Rules 6-1 & 6-6) | AB 617 CERPs / Community Concerns |
| Toxic Risk at Existing Facilities Phase I (Rule 11-18) | Community Concerns / CBOs / CAC Priority |
| Metal Recycling and Shredding Operations (Rule 6-4) | Community Concerns / CBOs |
| Refinery Fenceline Monitoring (Rule 12-15) | Community Concerns / CBOs |
| Indirect Source Rule (new) | Community Concerns / CBOs |

Note:

- **CERPs:** Community Emission Reduction Plan
- **CBO:** Community Based Organization
- **CAC:** Community Advisory Council
- **AB:** Assembly Bill

Planned Community-Focused Rule Development

| Project | Community Impetus |
|---|--|
| Toxic Risk at Existing Facilities Phase II (Rule 11-18) | Community Concerns / CBOs / CAC Priority |
| Backup Generators / Data Centers (new) | Community Concerns / CBOs / CAC Priority |
| Toxic New Source Review / Cumulative Impacts (Rule 2-5) | Community Concerns |
| Health-Based Particulate Matter (PM) Rules (new) | Community Concerns / CBOs / CAC Priority |
| Permitting in Overburdened Communities (Rule 2-1 & 2-5) | Community Concerns / CBOs |

Minimize Flaring (Rules 12-11 & 12-12)

Originally adopted in 2003 and 2004 respectively

- Refinery Community concerns about excessive flaring
- Formed Refinery Technical Working Group (RTWG)
- Workshops and meetings
- Community concerns remain [two decades later]
 - Path to Clean Air – Richmond-North Richmond-San Pablo
 - Strategic Plan Rule Development Schedule
 - CAC Priority

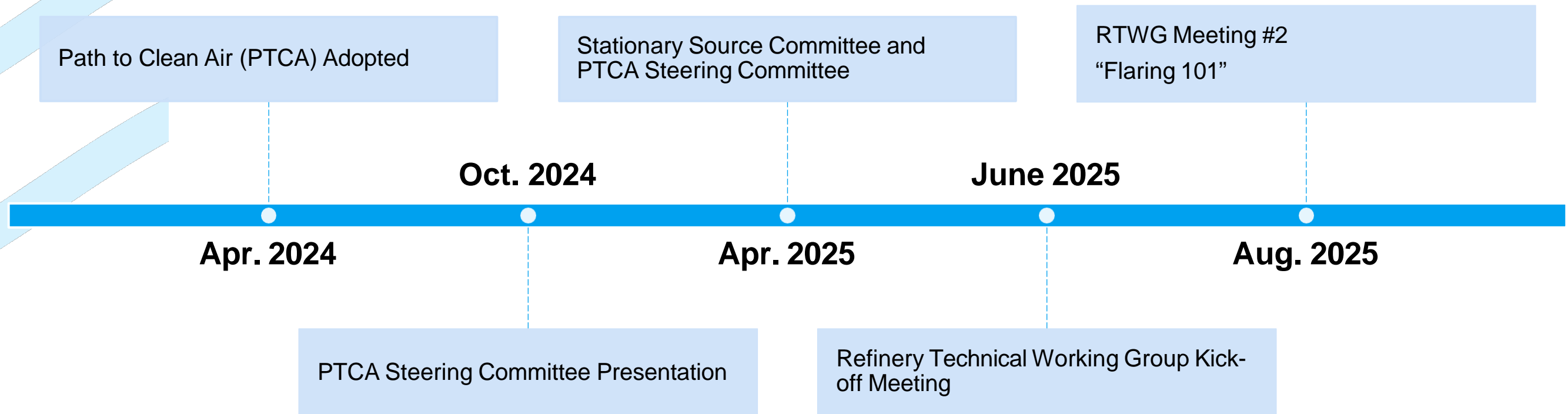
Rule Development initiated with RTWG formation

Potential Flaring Amendment Concepts

Goal: Reduce Flaring Emissions and Frequency

- Potential rule concepts include:
 - Sulfur dioxide limits for non-hydrogen flares
 - Nitrogen oxide limits for hydrogen flares
 - Incorporate key requirements from Federal Regulations
 - Improved monitoring of flare emissions
 - Streamlined process for reporting

Current Flaring Public Engagement



Note:

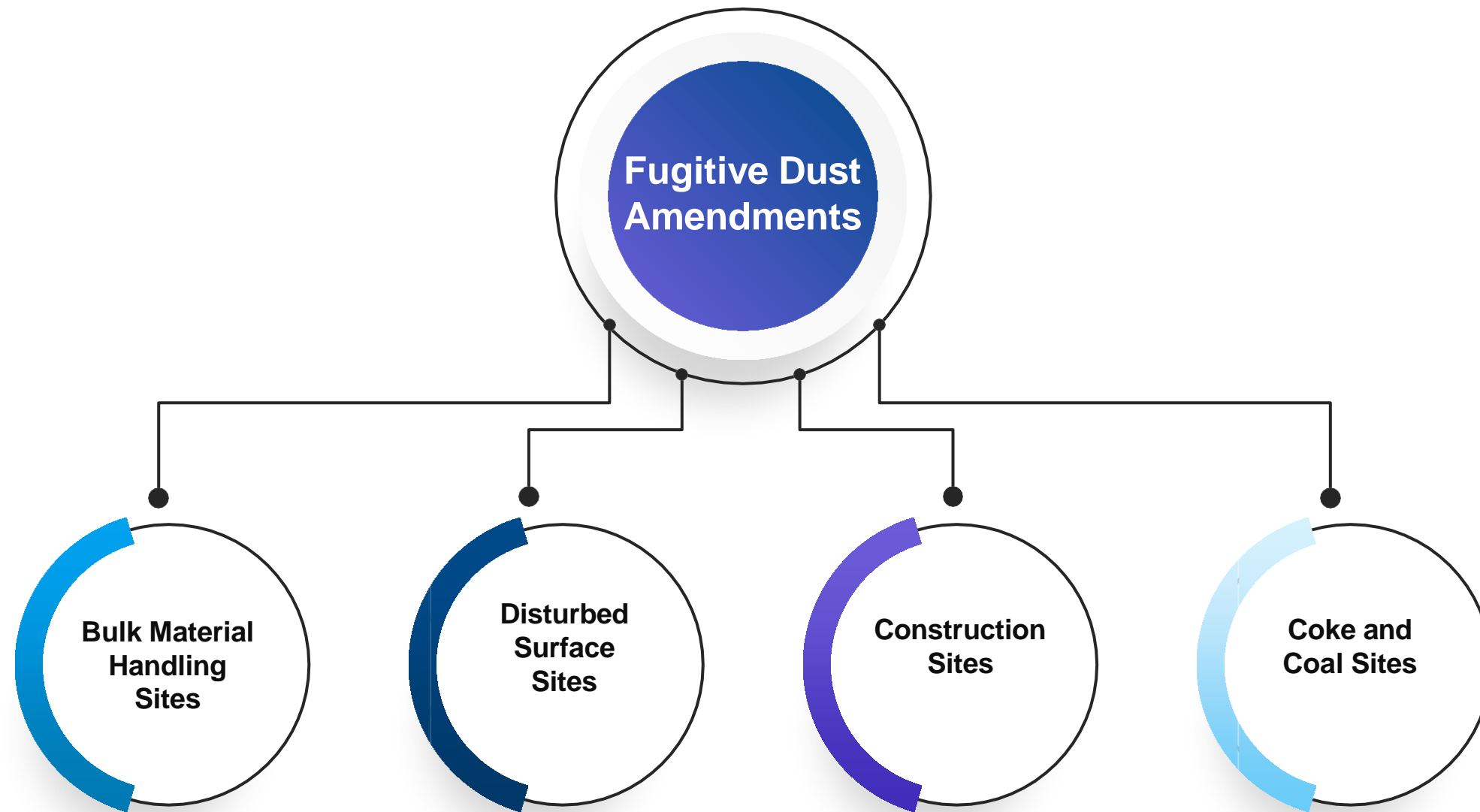
- **PTCA:** Richmond-North Richmond-San Pablo Path to Clean Air

Fugitive Dust (Rules 6-1 & 6-6)

Current Rules were amended in 2018

- Bay Area Communities concerned with fugitive dust from many sources
- 2010 and 2017 Clean Air Plan commitments
- Workshops and meetings toward 2018 adoption
- Community Concerns remain
 - Owning Our Air – West Oakland Community Action Plan
 - Path to Clean Air – Richmond-North Richmond-San Pablo
 - Draft Right to Breathe: East Oakland Community Air Quality Justice Plan
 - Bayview Hunters Point/Southeast San Francisco CERP (under development)
 - Community Meetings – Crownhill Community and Vallejo
 - CAC Priority

Fugitive Dust Targeted Sites



Current Dust Effort Public Engagement



Ensuring Rule Development Reflects Community Concerns and Input

Soliciting input from:

- AB 617 Communities
- Targeted groups like the RTWG
- Community Based Organizations
- Responding to Community complaints and concerns

Utilizing CAC connections across the communities within the Air District as a pipeline for community concerns and priorities.

Questions & Discussion

For more information:

Bradley Cole | Regulatory Development Division| bcole@baaqmd.gov