

Local Community Investment Fund

DRAFT Proposed Guidelines

Bay Area Air District
October 2025

The official version of this document is the English version.

Please read this document completely before filling out an application. Incomplete applications will not be accepted. The Air District reserves the right to modify this solicitation at its sole discretion.

If you have questions about the grant program or application process, please contact the Air District's Community Investments Office at communityinvestments@baaqmd.gov

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SECTION 1: GRANT SUMMARY

The Local Community Benefits Fund distributes funding from the Air District's Community Benefits Penalty Funds Policy and other funds from enforcement actions.

Local Community Benefits Fund	
Goals	The Local Community Benefits Fund reinvests back in the specific community affected by the air quality violations that led to the penalty. The Local Community Benefits Fund goals are to: • Reduce air pollution or mitigate air pollution impacts, improve public health outcomes and build economic resilience for a just transition. • Advance integrated projects to holistically meet community needs. • Strengthen community-led and collaborative solutions.
Grant Types	The Local Community Benefits Fund prioritizes funding consolidated, larger grants with multiple projects that result in more immediate benefits within the community. Three grant types are available: a large Catalyst Grant, a medium-sized Opportunity Grant, and a smaller Seed Grant reserved for non-profits. Catalyst Grants are the primary focus, and it is expected that a majority of the available funding will be awarded to Catalyst Grants.
Eligibility	For Catalyst and Opportunity Grants, Lead Applicants must partner with Co-Applicant(s) and develop a Partnership Structure to implement grant projects. Eligible Lead Applicants include nonprofit organizations, local government agencies, cities, counties, schools and California Native American Tribes.
Projects	Eligible projects include but are not limited to indoor air quality improvements, energy efficiency, air pollution monitoring, emissions reduction and exposure strategies, public health strategies, and just transition strategies.
Anticipated Timeline	• October 27, 2025: Draft Guidelines released • November 25, 2025 – 5pm PST: Public comment deadline • February 2026: Grant Application opens • May 2026: Grant Application deadline • September 2026: Grant Awards approved • Q4 2026 and beyond: Grant Agreements finalized • 2027: Grantees commence work Any updates to this timeline will be updated on the Community Investments Office website.

SECTION 2: PROGRAM VISION

2.1 Background

Community Benefits Penalty Funds Policy

In May 2024, the Bay Area Air District established the Community Benefits Penalty Funds Policy to directly support communities disproportionately impacted by air pollution. When penalties are assessed against entities violating air quality regulations, this policy enables penalty funds to be reinvested directly back to communities through impactful projects.

The Community Benefits Penalty Funds Policy includes 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, and 20% to the Regional Community Benefits Fund.

- The Local Community Benefits Fund is designated to reduce air pollution, mitigate air pollution impacts, and improve health outcomes in the specific communities affected by the air quality violations that led to the penalty.
 - This Guidelines document focuses on the Local Community Benefits Fund.
- The Regional Community Benefits Fund is designated to reduce air pollution, mitigate air pollution impacts, and improve health outcomes across the communities within the Air District's jurisdiction. Future grant programs will disburse funding from the Regional Community Benefits Fund.

Community Investments Office

In December 2024, the Air District established the Community Investments Office (CIO) to develop and manage tailored programs for funding streams generated by penalties and other funds. The CIO administers the Community Benefits Penalty Funds Policy and other funds from enforcement actions to direct resources back into the communities where violations occurred to improve community health and air quality.

The CIO has identified the following goals to guide its overall operations and ensure that funds from enforcement actions directly benefit communities impacted by air pollution:

- Direct funding to projects that improve air quality and public health in areas disproportionately impacted by air pollution.
- Increase equitable access to resources, projects, and programs.
- Collaborate with impacted communities to identify and prioritize air quality related needs and solutions.

- Ensure investments are aligned with community needs by engaging local leaders, non-profits, businesses, and community members.
- Provide timely, clear, and accessible public information regarding penalty assessments and fund availability.

2.2 Local Community Benefits Fund

The Local Community Benefits Fund reinvests back in the specific community affected by the air quality violations that led to the penalty. The Local Community Benefits Fund may also invest mitigation funds that are more limited in their scope (e.g., Richmond Community Air Quality Fund).

The Local Community Benefits Fund goals are to:

- Reduce air pollution or mitigate air pollution impacts, improve public health outcomes and build economic resilience for a just transition.
- Advance integrated projects to holistically meet community needs.
- Strengthen community-driven, collaborative, place-based solutions.

The Local Community Benefits Fund is focused on funding consolidated, larger grants with multiple projects that result in more immediate benefits within the community. The Community Investments Office is building its internal operations and is currently limited in its ability to administer many small grants.

Awards from the Local Community Benefits Fund are split into three grant types outlined in the table below. When sufficient funding is available, Catalyst Grants are the primary focus of the Local Community Benefits Fund.

Calls for Projects for specific communities will be released as funding is made available. Please refer to the Calls for Projects documents for specific details.

Grant	Overview <i>Details vary; see Call for Projects documents</i>
Catalyst Grant	• Grant size ranges between \$10 - \$40 million; see Call for Projects documents • Lead Applicant must partner with multiple Co-Applicants • Up to 5-year grant term • Eligible communities vary; see Call for Projects documents
Opportunity Grant	• Grant size ranges between \$500,000 - \$5 million • Lead Applicant must partner with at least one Co-Applicant(s) • Up to 3-year grant term

	• Eligible communities vary; see Call for Projects documents
Seed Grant	• Grant size ranges between \$100,000 - \$200,000 • Open to 501(c)(3) non-profit organizations only, no Co-Applicant requirement • Up to 2-year grant term • Eligible communities vary; see Call for Projects documents

SECTION 3: ELIGIBLE APPLICANTS

3.1 Partnership Structure

The Local Community Benefits Fund seeks to strengthen community-led and collaborative solutions. For Catalyst and Opportunity Grants, Lead Applicants must partner with Co-Applicant(s) to carry out their grant activities and deliverables. Successful implementation of complex projects that meet multiple community needs requires strong partnerships. Priority in scoring will be awarded to applications that demonstrate strong multi-stakeholder partnerships rooted in community priorities and leadership.

- Catalyst Grants: Lead Applicant must partner with multiple Co-Applicants.
- Opportunity Grants: Lead Applicant must partner with at least one Co-Applicant.
- Seed Grants: No Co-Applicant is required.

For Catalyst and Opportunity Grants, Applicants must develop a Partnership Structure to govern grant implementation. Applications with clearly defined and meaningful co-management structures will be prioritized over projects lacking such clarity or omitting meaningful co-management. The Partnership Structure should outline co-management structures, including, at minimum, the following:

- Roles and responsibilities of the Lead Applicant and Co-Applicant(s).
- Transparent decision-making processes.
- The process the Lead Applicant will use to reimburse Co-Applicant(s).

The Lead Applicant will administer sub-awards to Co-Applicant(s) to implement project activities and must have the capacity to build collaboration across multiple entities. The Lead Applicant will be responsible for overall project deliverables and for the financial management of the grant.

If Tribes are included as Lead Applicants or Co-Applicant(s), Tribes' sovereign status should be respected and upheld through the development of the Partnership Structure. The Partnership Structure should additionally outline measures that will be taken to

protect the confidentiality of Tribal data and Traditional Ecological Knowledge collected or shared as part of grant activities.

3.2 Eligible Lead Applicants

Entities eligible to apply as Lead Applicants include:

- Nonprofit organizations holding a current tax-exempt status under Section 501(c)(3) of the federal Internal Revenue Code, including community-based organizations, philanthropic organizations and foundations, faith-based organizations, and community development finance institutions.
- Local government agencies, including cities, counties, joint powers authority, special districts, councils of governments, and other public agencies.
- Local schools and school districts.
- California Native American Tribes. For the purposes of this grant, this includes all Federally Recognized Tribes on the most recent notice of the Federal register, or a non-federally recognized California Tribal government on the California Tribal Consultation List maintained by the California Native American Heritage Commission.

Organizations and entities previously or currently awarded funding by the Air District through other programs are eligible to apply.

Lead Applicants may submit up to one application each for a Catalyst, Opportunity and Seed Grant.

3.3 Eligible Co-Applicants

Eligible Co-Applicant entities include the organizations listed above in the Eligible Lead Applicants section. Eligible Co-Applicants also additionally include for-profit businesses such as contractors, consultants, and vendors. There is no limit on the number of applications a Co-Applicant may join.

3.4 Ineligible Applicants

Entities not eligible to apply include but are not limited to:

- Individuals.
- Current Air District employees or immediate family who would benefit financially from a contract with the Air District.
- Air District Board members representing themselves as individuals, and any entity in which a Board member has a financial interest that would disqualify the

Air District from contracting with the entity. Members of the Board of Directors who represent eligible local government agencies will be asked to submit a recusal testifying that they will not benefit financially from a grant award.

SECTION 4: CORE ELEMENTS

4.1 Strategies

The Local Community Benefits Fund supports projects that creatively meet community needs and deliver more immediate benefits. Applications must advance at least one of the strategies below.

Reduce or Mitigate Air Pollution, Improve Understanding of Local Air Pollution Impacts, and Improve Health Outcomes

The purpose of this strategy is to mitigate air pollution harm caused in the past, address health impacts exacerbated by air pollution experienced in the present and prevent and identify new opportunities to avoid potential air pollution harm in the future. This can be done through actions that directly reduce air pollution emissions, directly reduce human exposure to air pollution emissions, enable exposure reductions through increased understanding of how air pollution emissions impact air quality at the community scale, or demonstrably and tangibly provide a positive impact to health and wellbeing.

Health impacts resulting from air pollution include, but are not limited to, acute respiratory issues such as asthma, chronic conditions such as cardiovascular disease, and severe illnesses such as cancer. Chronic air pollution exposure increases these risks and contributes to compounding negative effects on overall health. This air pollution reduction and mitigation strategy complements the Air District's statutory mandate to regulate stationary sources of air pollution.

This strategy aims to reduce and mitigate health harming pollutants to improve health outcomes. Some potential projects include:

- Indoor air quality improvements
- Green and healthy residential, multi-family and public buildings
- Air pollution monitoring
- Emissions reduction and exposure reduction strategies
- Urban greening

Please see Appendix B for a list of illustrative eligible project types.

Build Economic Resilience for a Just Transition

The purpose of this strategy is to build economic resilience that also delivers critical benefits related to air quality and public health. This strategy provides targeted economic support to communities experiencing the transition away from fossil fuels and other environment-related disruptions. While these transitions are necessary to address the climate crisis, they risk causing extreme economic disruption in communities—particularly for those who have borne the brunt of pollution from industrial facilities.

This strategy aims to make responsive and community-directed economic support that helps residents and workers weather the transition away from fossil fuels. Economic resilience projects must deliver benefits that support the transition from fossil fuels, such as benefits in air quality, public health or a clean economy. Some potential projects include:

- Wage support or labor transition support for workers to transition away from the fossil fuel industry
- Community stabilization and health initiatives
- Initiatives to advance economic diversification that support the transition away from fossil fuels and deliver air quality or public health benefits
- Community planning to re-envision land use
- Economic recovery and development planning that prioritizes healthy communities and economic resilience
- Redevelopment planning for industrial and polluted properties

Please see Appendix B for a list of illustrative eligible project types.

4.2 Community Needs

Projects must be driven by community-identified needs, priorities, and solutions. Applicants will be required to demonstrate how community-based organizations, residents and other key stakeholders were meaningfully involved in community visioning, planning, project prioritization, and decision-making processes. Applicants will be required to demonstrate what the priority community needs are, how those priorities were determined, and how project types were then prioritized for the application.

Methods to demonstrate prior community engagement and identification of community priorities include but are not limited to:

- Community engagement activities such as forums, focus groups, surveys, design charettes etc.
- Community plans
- Participatory action research

- Participatory budgeting processes
- Community advisory boards

4.3 Community Engagement

To ensure meaningful community leadership through the life cycle of the project, applications must include ongoing community engagement. This will ensure that grant implementation and oversight continue to be informed by community feedback and expertise, particularly feedback from residents, community-based organizations, and other key stakeholders.

Meaningful community engagement should include two-way communication and mechanisms for incorporating community feedback throughout the life cycle of the project. Applications will be asked to identify how the applicant will engage, partner and be responsive to diverse community members through grant implementation:

- Methods that will be used to inform community members on implementation progress, project benefits available to community members, and key indicator tracking.
- Methods that will be used to solicit and incorporate community feedback during grant implementation.

SECTION 5: PROJECTS

Applications, particularly for the Catalyst and Opportunity Grants, are encouraged to integrate multiple projects that holistically address multiple community needs and deliver tangible benefits.

For each project, applications must develop a Measurable Outcomes Plan. The Measurable Outcomes Plan ties measurable outcomes to milestones, activities, indicator tracking and the requested budget.

5.1 Measurable Outcomes

All projects must provide meaningful and measurable outcomes and benefits. Applicants will be asked to identify specific outcomes that will be achieved through the project. Tracking of quantitative outcomes is recommended. Where applicable, projects should achieve the following:

Minimize harm caused by air pollution:

- Calculable emission reductions from stationary or mobile sources of air pollution

- Quantifiable reduction in exposure to air pollution, through strategies such as air filtration and clean air centers
- Demonstration of how air monitoring data collected meets a community need unmet by existing data, increases the understanding of local impacts of air pollution emissions, and provides information needed for specific actions that reduce emissions or exposure
- Response or treatment for medical conditions that have been associated with air pollution exposures
- Demonstration of positive impact on health and wellbeing, with a relationship to health impacts that have been associated with air pollution exposure

Maximize economic benefits, such as financial savings and high-quality job creation:

- Direct financial savings for residents, such as through energy bill savings.
- Development of workforce development and training programs with career pathways for residents, in partnership with local workforce development boards and other key stakeholders
- Creation of local, high-quality jobs that offer prevailing wages, benefits and opportunities for advancement
- Opportunities for small local businesses and contractors

5.2 Milestones

Applicants will be required to identify key project milestones and activities. Milestones are defined as significant markers in a project, such as deliverables, events or completed phases of work. Activities are the specific steps taken to reach each milestone.

Task 1:			
Milestone	Activities	Project Lead	Completion Date
Task 2:			
Milestone	Activities	Project Lead	Completion Date

5.3 Indicator Tracking

Applications must identify an overall evaluation approach to measuring project progress, outcomes and impact. Applications should identify quantitative and qualitative indicators

that will be used to track project progress. Indicators (e.g., number of health services offered) track progress towards achieving measurable outcomes (e.g., improved respiratory health).

SECTION 6: ELIGIBLE COSTS

6.1 Eligible Costs

Eligible direct costs are direct costs for goods or services that are incurred during the grant term, and that are directly tied to project implementation. Costs should not exceed those which a prudent person would incur and should be consistent with market prices for comparable goods and services.

Indirect costs refer to the general costs of operations such as rent, utilities, administrative staff, insurance, and legal services, and are allowable up to 12%.

Eligible costs include but are not limited to:

- Direct staff costs for the Lead and Co-Applicant(s), including salaries at an hourly rate, benefits, and leave
- Subcontractors. Applicants will be asked to specify the purpose and estimated cost for typical contractual services.
- Consultants. Applications should keep consultant costs below 50% of the budget.
- Materials, supplies and equipment. Purchases over \$5,000 must be itemized.
- Pre-development costs
- Construction costs
- Site acquisition costs
- Community engagement costs, including but not limited to:
 - Outreach and engagement materials
 - Translation and interpretation
 - Facilitation for community meetings
 - Participant compensation for engagement in activities such as meetings, design charettes or surveys. These events should be documented with deliverables such as sign-in sheets or survey data.
 - Transportation stipends
 - Rental costs of equipment or facilities
 - Food and refreshments, such as during an evening community meeting that takes place during typical dinner hours
- Travel costs directly tied to grant implementation
- Fiscal sponsorship costs
- Evaluation and reporting activities

- Indirect costs up to 12%
- Other costs. For other direct costs that do not fit into any of the above budget categories, please list each item in sufficient detail so that Air District staff may determine the reasonableness and allowability of the cost.
- Contingency costs up to 10% of the application's total direct costs. Contingency costs may be set aside to cover unforeseen expenses or unexpected costs that may arise during the grant term.

6.2 Ineligible Costs

Ineligible costs include but are not limited to:

- Cost of preparing or submitting the grant application
- Operations and maintenance costs outside of the grant term
- Direct lobbying that seeks to influence an elected or public official on an issue, such as passage of a legislative bill
- Public lobbying that seeks to build political support among the general public for an issue or candidate
- Out-of-state travel and incidental costs associated with travel
- Alcohol, cannabis, or other intoxicants
- Luxury or gourmet food, refreshment, or travel upgrades
- Endowment campaigns
- Fundraising activities
- Marketing of products or technologies for profit
- Costs that occur outside of the grant agreement term

If an application recommended for an award includes ineligible costs, those costs will be excluded, and the project's recommended total award will be adjusted accordingly.

SECTION 7: READINESS REQUIREMENTS

7.1 Management Capacity

The Lead Applicant and Co-Applicant(s) must demonstrate the ability to manage and implement complex projects. The Lead Applicant and Co-Applicant(s) must also demonstrate the capacity to manage other grant components such as partner coordination, community engagement, evaluation and reporting. To demonstrate management capacity, applications must:

- Describe past organizational experience and examples of successful completion of projects of similar scope and size.

- Identify the Lead Applicant or Co-Applicant responsible for leading each project.

7.2 Financial Capacity

The Lead Applicant and Co-Applicant(s) must demonstrate sufficient financial capacity to manage the grant, including evidence of sufficient cash flow to manage reimbursement-based grant funding.

- The Lead Applicant and Co-Applicant(s) must provide their annual organizational budget and recent financial statements.
- Non-profit organizations must submit a copy of their most recent Federal Form 990 and a copy of the organization's IRS 501(c)(3) Tax Determination Letter.
 - If a non-profit is partnering with a fiscal sponsor, they must provide the fiscal sponsor's most recent Federal Form 990 and a copy of the organization's IRS 501(c)(3) Tax Determination Letter. They must also provide a letter of fiscal sponsorship.
- Any Applicant that has had an audit finding in the last five years is required to enclose it in the application in an official letter.

7.3 Approvals & Alignment

Applications must demonstrate that they are able to begin grant performance upon award, and complete project deliverables within the grant term:

- Site control: Applicants must demonstrate that they own or control the site where a project will be located or that they have legally binding access or permission to the site.
- Permits and approvals: Applications must demonstrate that they have already obtained any necessary permits or approvals to implement projects.
- Alignment with existing plans: Applications must demonstrate that projects are consistent with any land use plans, such as General Plans, Climate Action Plans or similar government policy documents.
- Operations and maintenance: Applications must demonstrate how operations and maintenance of any physical infrastructure will be assured during and after the grant term. Applications must describe their operations and maintenance plan and financing approach for physical infrastructure projects.

SECTION 8: APPLICATION SUBMISSION

8.1 Application Process

Application materials will be available on the [Community Investments Office website](#), and Air District staff will offer grant information sessions during the application solicitation window.

8.2 Technical Assistance

Application technical assistance will be offered. More information will be provided in the final solicitation.

SECTION 9: APPLICATION REVIEW

9.1 Threshold Eligibility Review

To be eligible for consideration, applications must be fully complete and submitted before the due date. A complete application includes the following components:

General Completeness

- ☐ Application materials are complete and sufficient to assess the feasibility of the proposed project(s) and its compliance with the application requirements.
- ☐ Application materials meet the program's core strategies.

Applicant Eligibility

- ☐ Lead Applicant is an eligible organization.
- ☐ Co-Applicant(s) is an eligible organization(s).
- ☐ Application geography is within the eligible community's criteria. See specific Call for Projects document for more information.

Documents

- ☐ Application Content
 - Overall Narrative
 - Project Narrative(s)
 - Budget
 - Project Area Map
 - References
- ☐ Additional Documentation:
 - Copies of annual organizational budgets and a copy of recent financial statements
 - Non-profit documentation

- Audit findings over the last five years
- Additional documentation to verify that the applicant has met any necessary approvals, permits or other requirements to begin grant implementation.

9.2 Application Review & Scoring

Eligible applications will be scored by an Agency Review Panel and a Community Review Panel and will receive a total combined score. The scoring criteria will be released with the application solicitation.

Review Panel members cannot be associated with a grant application and will be subject to applicable conflict-of-interest limitations on participating in Air District decision-making.

Agency Review Panel

The Agency Review Panel will consist of stakeholders such as Air District Staff, Air District Board Members, local government officials and outside technical experts.

Community Review Panel

The Community Review Panel will consist of community stakeholders who hold strong community knowledge and expertise. Community Review Panel members will be selected by the Air District through a process designed to reflect diversity, lived experience and expertise.

Community Review Panel members will receive a stipend for their time and expertise. More information on the Community Review Panel selection process, expected time commitment and other details will be communicated after the grant solicitation opens.

9.3 Grant Selection & Award

The highest scoring applications will be reviewed by Air District staff, considering the breadth and scope of projects, impact and geographical diversity and representation, project overlap, as well as other criteria. Staff may check references listed in the application as well as additional references, including local government entities in the project area.

Staff will share the highest-ranking applications, and a recommended portfolio of projects for funding, to the Board of Directors for consideration and approval.

The Air District's Board of Directors will make the final selection of projects to fund with consideration of the Agency and Community Review Panel's recommendations, as well as staff recommendations, and may elect not to fund projects or select different projects from within the applicant pool for funding. The Air District reserves the right not to award a grant, or award only a portion of a grant, as subject to available funding. If the Air District awards an amount that differs from the amount requested, Air District staff will work with the grantee to align deliverables, outcomes, and timelines appropriately.

At its sole discretion, the Air District Board of Directors reserves the right, but has no obligation, to do any of the following at any time:

- Partially fund applications by funding discrete portions or phases of applications.
- Cancel, modify, extend, or amend a grant solicitation.
- Revise the amount of funds available or the terms specified in this Guidelines document or subsequent Call for Projects
- Adjust evaluation criteria, as outlined.
- Change the evaluation process as described in these Guidelines.
- Reject any or all applications received in response to this Request for Applications for any or no reason, to the extent permitted by law.

SECTION 10: GRANT AWARDS

10.1 Grant Agreement & Administration

The Grantee and the Air District will work together to develop a Grant Agreement that sets the terms and conditions of the grant, including reporting requirements. The process to arrive at a Grant Agreement requires ensuring detailed compliance with the Air District's policies.

Final approval for funding occurs when a Grant Agreement has been signed by both the Grantee and the Air District. Upon execution of the Grant Agreement, the Grantee may commence work on funded activities. Grantees cannot be paid for activities that occur prior to execution of the Grant Agreement.

10.2 Disbursement & Reporting

Advance Payment

The Air District may provide advance payment to reduce barriers and to ensure that grant activities are initiated in a timely manner. Grantees that receive advance payment

must develop and provide a process for all project partners to request and receive advance payment and require all project partners to comply with the reporting terms.

- Advance payment shall not exceed 25% of the full grant award.
- Advance payment will be prioritized for Grantees with low cash reserves.
- To receive advance payment, Grantees must:
 - Compile and provide spending plans for each Partner receiving advance payment
 - Complete an advance payment request form with supporting documentation
- Advance payment funds must be disbursed into a federally insured and interest-bearing account, and accumulated interest will be considered as part of project funding.
- The complete schedule, process and reporting requirements for advance pay will be determined in the Grant Agreement.
- Advance payment is solely at the discretion of the Air District, and eligibility and advance payment processes may be subject to change.

Grant Payment

The payment of funds will be established in the Grant Agreement for each project and will be considered as often as quarterly. No funds will be released until the Grant Agreement has been fully executed by the Grantee and the Air District.

With each reimbursement request, grantees must submit itemized invoices accompanied by descriptions of deliverables and proof of fund expenditures including, but not limited to, payroll records, subcontractor invoices, and copies of receipts. Payments of eligible costs will be considered as often as quarterly.

Upon execution of their grant agreements, Grantees are legally bound to meet certain requirements including, but not limited to:

- Submitting periodic progress reports.
- Submitting a final report.
- Notifying the Air District in advance of any change in project implementation.

Should a Grantee encounter the need to make any change to the originally agreed upon scope of work, Grantee must contact the Air District in writing, in advance, to amend the Work Plan of the Grant Agreement. Any work completed before the execution of the Grant Agreement, or any work outside of the original scope completed before amendment of the Work Plan, will not be eligible for funding.

If a Grantee does not comply with all the terms and conditions of a Grant Agreement or fails to complete the project deliverables, the Grantee may be required to repay a portion or all the funds granted, and the Grantee may be ineligible to participate in future Air District grant programs.

Reporting Progress & Results

At a minimum, Grantees will submit semi-annual progress reports and one final project summary report. Reports must include:

- Accounting statements documenting the lead agency's grant revenue.
- Expenditures.
- Demographics of end-recipients.
- A narrative demonstrating progress toward project goals and objectives.

Reports are used to analyze the impact of the Air District's investments and assist in shaping future grant programs. All reports will be used to share information and promote successes among grantees and with the greater Bay Area community. Report formats, templates, and requirements will be provided to grantees with their award materials.

Grantees may be asked to participate in additional evaluation activities, such as peer-to-peer learning sessions and convenings, to assess project and program progress, challenges, successes and lessons learned.

APPENDIX A: ABOUT THE AIR DISTRICT

The Air District improves air quality to protect public health, reduces historical and current environmental inequities, and mitigate climate change and its impacts.

Formed in 1955, the Air District is responsible for regulating stationary sources of pollution in nine counties in the San Francisco Bay Area, including permanent facilities found at ports, oil refineries, and large industrial complexes. The Air District adopts regulations to improve air quality, funds cleaner cars and trucks, and partners with local governments to lower emissions. These efforts, along with those of our partners at the California Air Resources Board, have made significant improvements in air quality over the years. However, communities located near freeways, busy roadways, distribution centers, and large industrial facilities are exposed to higher levels of air pollution than other parts of the Bay Area. These communities are also most often lower-income communities of color and have not always shared equally in air quality improvements.

In 2024, the Air District adopted a 2024-2029 Strategic Plan detailing how the Air District will transform our work to address air quality issues more effectively, with a focus on the local communities most overburdened by air pollution. The 2024-2029 Strategic Plan is centered on four primary goals: achieving impact, advancing environmental justice, foster cohesion and inclusion, and maintaining an effective, accountable, and customer-oriented organization.

The Community Benefits Fund Policy is an important step toward creating a process that incorporates community priorities into how penalty funds are reinvested. The program supports projects that respond to community needs, build partnership, and reduce disparities in air pollution. The Community Benefits Fund Policy is also anchored in three of the Air District's core values:

- Environmental Justice – We will integrate environmental justice principles within all aspects of this program as we seek enhanced environmental justice outcomes for communities identified as part of this program.
- Partnership – We value our partners and will continue to work to foster meaningful collaboration with grantees as they complete their projects.
- Trust – We are dedicated gaining public trust by grounding this program and our policies in law, science and the lived experience of our communities.

In addition to supporting the Air District's core values, this program also directly advances two of the strategies outlined in the 2024-2029 Strategic Plan to Advance Environmental Justice including:

- Strategy 2.1 Community Partnership: We will develop partnerships with communities so they can directly participate in the solutions to the air quality problems that impact them.
- Strategy 2.8 Community-Directed Funds: We will manage funds to benefit communities in partnership with those communities, including the money that the Air District collects in penalties from air pollution violations that affect communities.

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APPENDIX B: EXAMPLES OF ELIGIBLE PROJECTS

Project benefits should be prioritized to meet community needs and address equity challenges, as identified by the community and verified by quantitative and qualitative data.

The list of example eligible project types is intended to be illustrative and not exhaustive. Examples of projects eligible for funding include but are not limited to:

Address Indoor Air Pollution:

Reduce exposure to indoor air pollution by increasing filtration and ventilation, or by reducing emissions.

Examples:

- Free residential high-efficiency air cleaners.
- Rebates for new/repairs residential ventilation systems (kitchens & bathrooms).
- Facilitate high-efficiency air filtration upgrades in schools, libraries, daycares, senior centers, or other buildings frequented by the public.
- Provide rebates or incentives for residential zero NOx appliances (heat pumps, heat pump water heaters, induction stoves, and heat pump clothes dryers).
- Incentivize landlords to provide upgrades described above in multi-family housing.
- Provide additional funding to existing local programs that do the above work.

Air Quality Improvement Readiness Projects:

Actions that enable, support, and enhance the efficacy of the projects in the “Address Indoor Air Pollution” category above.

Examples:

- Residential energy efficiency and/or weatherization retrofits (e.g., envelope air sealing and duct sealing and/or replacement).
- Fund service providers who can deliver culturally competent technical assistance for any of the above technologies or programs for overburdened households.
- Fund community-based organizations to develop and deliver effective outreach and education regarding any of the above technologies to overburdened and hard-to-reach households.

Air Pollution Monitoring:

Establish, expand and/or maintain new or existing community air quality monitoring or exposure assessment efforts.

Examples:

- Deploy and/or maintain long-term real-time air sensor networks, shorter-duration targeted air monitoring projects, or air monitoring networks to improve understanding of air quality.
- Other projects to collect information or document local air quality issues.
- Projects analyzing, visualizing or communicating insights from existing air pollution monitoring data to provide information about levels of air pollution, exposure or health risks
- Exposure assessment using personal air monitors and/or biomonitoring methods

Clean Air Technologies:

Promote local clean energy technologies such as solar, wind, and geothermal with an emphasis on local job creation and training.

Examples:

- Seed worker-to-owner conversions of maintenance or installation businesses for solar
- Utilize local solar providers to install solar on public buildings
- Innovation centers and training programs at community colleges

Ambient Emissions Reduction:

Improve air quality and health by reducing the emissions of criteria pollutants or air toxics from stationary or mobile sources of air pollution.

Examples:

- Purchase or installation of new, cleaner equipment
- Installation of electric vehicle charging infrastructure
- Vehicle replacement and clean vehicle programs
- Creation of a bike share program
- Paving program to reduce road dust
- Development of Truck Management Plans to reduce truck emissions and calm traffic
- Installation of energy storage systems (batteries, fuel-cells)

Green Infrastructure and Urban Greening:

Expand green spaces by planting trees, creating community gardens, new parks, land use conversion, and multi-benefit use projects. Projects should be designed according to applicable standards for air quality benefits.

Examples:

- Plant trees and shrubs as part of targeted vegetative buffers (e.g., along heavily trafficked roadways or along industrial/residential boundaries)
- Establish community gardens or plant nurseries on public or underutilized land

- Convert asphalt schoolyards into green schoolyards
- Retrofit existing public facilities with vegetated or permeable features
- Establish living/green walls and co-beneficial stormwater infrastructure that supports greening initiatives

Climate Resilience:

Prepare for the impacts of climate change, and support the ability of communities to withstand, recover, and learn from past disasters to strengthen future response and recovery.

Examples:

- Workforce development for trail maintenance programs
- Workforce development programs to employ first responders in local hazard mitigation efforts
- Programs to help community members build supplementary air filtered exchange (SAFE) boxes
- Planning, development, launch or administration of cooling centers or resilience hubs to increase a community's ability to withstand extreme heat impacts

Public Health:

Promote health equity, advance prevention efforts, and expand healthcare access for vulnerable populations impacted by air pollution.

Examples:

- Provide mental health vouchers redeemable at local clinics for counseling and stress management
- Mobile asthma clinics
- Community health workers or promotores for asthma prevention initiatives and health education and to low-income communities or vulnerable populations
- Support home health adaptation services, such as asthma home visits, mold remediation and pest control

Transitional Economic Support / Resilience:

Planning for community stabilization and worker support in response to energy market transitions.

Examples:

- Provide employer wage parity bonuses to firms that hire eligible workers at or above prevailing wage for ≥ 12 months and support the transition away from fossil fuels
- Fund bridge-to-retirement stipends for workers within five years of pension eligibility

- Integrate paid apprenticeships for laid-off refinery workers, ensuring a direct job bridge
- Offer stipends for contractors to attend HVAC, solar, or EV charger installation training at union-affiliated programs, community colleges or other similar opportunities.
- Capitalize zero-interest loan programs for residents to do any of the above projects.
- Use funds as a credit enhancement to incentivize existing lenders to lower interest rates and consumer borrowing costs for any of the above projects.

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APPENDIX C: SAMPLE GRANT AGREEMENT

A sample Grant Agreement will be included in the final Guidelines.

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