

Community Investments



Community Investments Office

In December 2024, the Bay Area 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 will ensure that funds from enforcement actions directly benefit communities impacted by air pollution. This 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. Some funding sources have specific, pre-determined parameters while guidelines for others are in the process of development. The program governing the disposition of these funds will be developed with input from the community.

Air District's Community Benefits Penalty Funds Policy & Other Funds Overview

The 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. This policy sets up a formula that automatically allocates 80% of the funds to the Local Community Benefits Fund and 20% to the Regional Community Benefits Fund after meeting a pre-determined threshold and split for specific penalty amounts. For more details on the breakdown, see the Community Benefits Penalty Funds Policy.

Overview of Available Funds

AVAILABLE FUNDING SOURCE	AS OF DECEMBER 31, 2025	
Regional Community Benefits Fund	\$	20,596,445
Local Community Benefits Fund	\$	82,096,739
Other funds: Richmond Community Air Quality Fund ¹	\$	20,000,000
Total Project Funds	\$	122,693,184
9% Admin Funds	\$	10,156,469
Total Project & Admin Funding	\$	132,849,653

¹Funding availability is subject to initiation of projects.

What is the Regional Community Benefits Fund?

This fund is designated to:

- reduce air pollution or mitigate air pollution impacts in overburdened communities
- improve health outcomes in communities impacted by air pollution

What is the Local Community Benefits Fund?

This fund is designated to:

- reduce air pollution or mitigate air pollution
- improve health outcomes in the specific community affected by the air quality violations that led to the penalty

Local Community Benefits Fund as of December 31, 2025

ORIGINATING COMMUNITY*	PROJECT AMOUNT
Benicia	\$ 60,011,088
Berkeley	\$ 13,797
Byron	\$ 46,672
Cupertino	\$ 47,504
Martinez	\$ 3,730,751
Millbrae	\$ 36,816
Oakland	\$ 154,602
Petaluma	\$ 70,069
Pleasanton	\$ 58,868
Richmond	\$ 17,779,271
San Jose	\$ 113,699
South San Francisco	\$ 28,937
Suisun City	\$ 4,667
Total Funds	\$ 82,096,741

*An originating community does not indicate that funds will be limited to a jurisdictional boundary. The geographic boundaries for distribution of funds will be determined based on Board-approved criteria.



Community Spotlight:

Penalties to benefit Benicia and overburdened communities around the Bay Area

The Bay Area Air District and California Air Resources Board fined Valero Refining Co. nearly \$82 million for air quality violations at its refinery in Benicia. The Air District received \$80.8 million and based on the Community Benefits Penalty Funds Policy, \$58,631,131 are designated for the Local Community Benefits Fund to finance projects aimed at reducing air pollution exposure, mitigating air pollution impacts and improving public health in areas surrounding the refinery. The remainder of the penalty is designated for the Regional Community Benefit Fund to support clean air projects in overburdened communities and to offset costs associated with fund administration and investigation and prosecution of future cases.

The CIO will be developing a plan to distribute these funds to communities. Sign up on our website to stay informed.

MORE DETAILS ON COMMUNITY INVESTMENTS:
baaqmd.gov/community-investments

CONTACT US:
communityinvestments@baaqmd.gov



Community Benefits Penalty Fund Policy

Definitions:

Penalty Package: Civil penalties collected through an individual settlement agreement or court judgment that requires payment from a particular regulated entity. A package can address more than one violation but must be with an individual entity.

Fiscal Year Penalty Budget Assumption: The amount of assumed general fund revenue derived from penalties in a fiscal year's adopted budget.

Fiscal Year Penalty Budget Cap: The amount needed to meet the Fiscal Year Penalty Budget

Assumption for the current fiscal year, plus any shortfalls from the previous two years. A shortfall occurs when actual penalties collected in a fiscal year are less than the Fiscal Year Budget Assumption for that fiscal year. Once the Fiscal Year Penalty Budget Cap has been met, any additional penalties collected will be designated for regional community benefits.

Regional Community Benefits Fund: A fund that the Board of Directors has designated to reduce air pollution or mitigate the impacts of air pollution in overburdened communities or aimed at improving health outcomes in communities impacted by air pollution in the Bay Area.

Local Community Benefits Fund: Funds that the Board of Directors has designated to reduce air pollution or mitigate the impacts of air pollution or aimed at improving health outcomes in the particular community that was affected by the air quality violations leading to the Penalty Package in which the funds were collected.



Allocating Funds:

Beginning in the fiscal year ending June 30, 2024, and retroactive to the beginning of that fiscal year, net penalty funds collected² shall be allocated according to the method below.

First \$100,000: Funds will be placed in the general fund until the Fiscal Year Penalty Budget Cap for that year is met. Once the Fiscal Year Penalty Budget Cap for that year is met, the funds from these settlements shall be placed in the Regional Community Benefits fund.

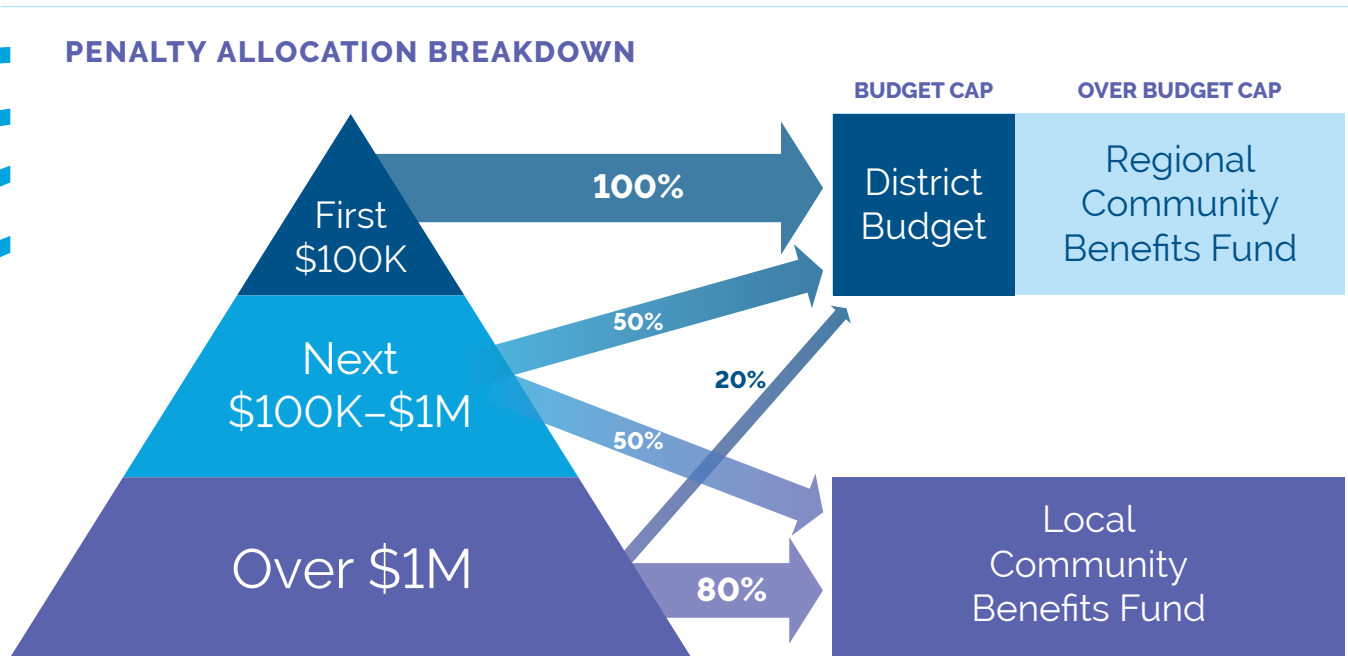
Amounts greater than \$100,000 and less than or equal to \$1,000,000: Fifty percent (50%) of the funds shall be placed in a Local Community Benefits Fund associated with the community impacted by the violations leading to the Penalty Package. Fifty percent (50%) shall be placed in the general fund or the Regional Community Benefits Fund depending on whether the Fiscal Year Penalty Budget Cap has been met.

Amounts exceeding \$1,000,000: Eighty percent (80%) of the funds shall be placed in a Local Community Benefits Fund associated with the community impacted by the violations leading to the Penalty Package. Twenty percent (20%) shall be placed in the general fund or the Regional Community Benefits Fund depending on whether the Fiscal Year Penalty Budget Cap has been met.

Annual Report:

In May of each year, staff will provide the Community Advisory Council and the Board of Directors a review of the results of this policy for the current fiscal year.

The infographic below shows the Penalty Allocation Breakdown:



²Net penalty funds collected are all penalties obtained by the Air District through settlements or court judgments, net of any external costs associated with obtaining the penalty, such as litigation costs, costs of expert witnesses or consultant, or outside attorney fees, that are not otherwise recovered.