



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
CAROL KLATT
NATE MILEY

MARY PIEPHO – VICE CHAIR
TOM BATES
DAVID HUDSON
LIZ KNISS

**THURSDAY
SEPTEMBER 26, 2013
9:30 A.M.**

**7TH FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

1. **CALL TO ORDER - ROLL CALL**

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF MAY 23, 2013**

4. **PROJECTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of Carl Moyer and Transportation Fund for Clean Air (TFCA) Regional Fund projects requesting grant funding in excess of \$100,000 and authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects.

5. **UPDATE ON CALIFORNIA GOODS MOVEMENT BOND AND SHOREPOWER PROGRAMS**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational report on the California Goods Movement Bond and Shorepower Programs including projects being completed at the Port of Oakland and current truck replacement efforts.

6. **UPDATE ON CALIFORNIA AIR RESOURCES BOARD TRUCK AND BUS REGULATIONS**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational report on the California Air Resources Board (ARB) On-road Truck and Bus and Drayage Truck regulations.

7. **FISCAL YEAR ENDING (FYE) 2014 TRANSPORTATION FUND FOR CLEAN AIR (TFCA) REGIONAL FUND POLICIES**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval for the FYE 2014 TFCA Regional Fund policies for shuttles and ridesharing projects, and bicycle lockers.

8. **COMMITTEE MEMBER COMMENTS**

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

9. **TIME AND PLACE OF NEXT MEETING**

Thursday, October 24, 2013, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

10. **ADJOURNMENT**

**CONTACT CLERK OF THE BOARDS
939 ELLIS STREET, SAN FRANCISCO, CA 94109**

**(415) 749-5073
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

SEPTEMBER 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> – CANCELLED AND RESCHEDULED TO MONDAY, SEPTEMBER 9, 2013 AT 11:00 A.M.	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room <u>And via videoconference at Santa Rosa Junior College Doyle Library, Room 4243 1501 Mendocino Avenue Santa Rosa, CA</u>
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	26	9:30 a.m.	Board Room

OCTOBER 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> – CANCELLED	Wednesday	2	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	21	10:30 a.m.	Board Room

OCTOBER 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	23	9:30 a.m.	4 th Floor Conf. Room
				<u>And via videoconference at Santa Rosa Junior College Doyle Library, Room 4243 1501 Mendocino Avenue Santa Rosa, CA</u>
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	24	9:30 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(At the Call of the Chair)</i>	Thursday	31	9:30 a.m.	4 th Floor Conf. Room

NOVEMBER 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	13	9:00 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of every other month)</i>	Thursday	21	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
				<u>And via videoconference at Santa Rosa Junior College Doyle Library, Room 4243 1501 Mendocino Avenue Santa Rosa, CA</u>
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: July 11, 2013

Re: Approval of the Minutes of May 23, 2013

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee meeting of May 23, 2013.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting on May 23, 2013.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Rex Sanders

Attachment

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, May 23, 2013

1. Call to Order – Roll Call

Chairperson Scott Haggerty called the meeting to order at 9:39 a.m.

Present: Chairperson Scott Haggerty; Vice Chairperson Mary Piepho; and Directors Tom Bates, David Hudson and Nate Miley.

Absent: Directors John Avalos, Carole Groom, Carol Klatt and Liz Kniss.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of April 25, 2013

Committee Comments: None.

Public Comments: None.

Committee Action: Director Hudson made a motion to approve the Minutes of April 25, 2013; Director Bates seconded; and the motion carried unanimously.

4. Selection of Vehicle Buy-Back Program and Direct Mail Service Contractors

Damian Breen, Director of Strategic Incentives, introduced Joseph Steinberger, Principal Environmental Planner of Strategic Incentives, who gave the staff presentation Selection of Vehicle Buy-Back Program and Direct Mail Service Contractors, including background, a comparison of State and Air District programs, an overview of the request for proposals process and results for both the vehicle retirement and direct mail contracts, and recommendations.

Committee Comments:

Director Piepho asked, regarding slide #8, Recommendations, for more information regarding contract extensions, which questions were answered by Mr. Breen.

Director Bates asked about the differences between the State and Air District programs and about the smog requirements of each, which questions were answered by Mr. Breen and Brian Bunger, District Counsel.

Public Comments: None.

Committee Action:

Director Bates made a motion, seconded by Director Hudson, to recommend the Board of Directors:

1. Approve Environmental Engineering Studies, Inc. (EES) and Pick-N-Pull Auto Dismantlers (Pick-N-Pull) as the vehicle retirement contractors and AdMail as the direct mail service contractor; for the fiscal year ending (FYE) 2014 Vehicle Buy Back (VBB) Program;
2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to execute contracts for:
 - a. Vehicle scrapping and related services with EES and Pick-N-Pull, for a combined amount up to \$7 million; and
 - b. Direct mail services for the VBB Program with AdMail for up to \$133,417.
3. Additionally, each contract shall grant the ability to extend these services for an additional three years, at the Air District discretion, based on contractor performance.

Chairperson Haggerty asked about the vehicle retirement sites and program requirements relative to vehicle functionality, which questions were answered by Messrs. Steinberger, Breen and Bunger, as well as Jean Roggenkamp, Deputy APCO.

Director Piepho said the State should adjust its fleet standards so the Air District is not left to deal with vehicles individually.

Director Bates asked about the funding source, which questions were answered by Mr. Breen.

Director Bates shared his understanding that the program is a popular and effective one but noted the funds could be applied elsewhere and asked for a report of programs that are eligible for the funding.

Chairperson Haggerty asked for clarification regarding the emissions reduction effectiveness of the program, which was provided by Mr. Breen.

The motion carried unanimously.

5. FYE 2014 Transportation Fund for Clean Air (TFCA) Funding Allocations

Mr. Breen introduced Karen Schkolnick, Air Quality Program Manager of Strategic Incentives, who gave the staff presentation FYE 2014 TFCA Funding Allocations, including background, a summary of the TFCA Renewal Project, and overview of FYE 2014 TFCA expenditure plan including proposed cost effectiveness for each project and program, and recommendations.

Committee Comments:

Chairperson Haggerty asked, regarding slide #7, Regional Bicycle Sharing Program \$5 million, whether the “five communities” are all located in the West Bay, which question was answered by Ms. Schkolnick.

Chairperson Haggerty asked, regarding slide #6, FYE 2014 TFCA Expenditure Plan Proposed Cost-Effectiveness (C/E), whether the C/E numbers are changing and, if so, in what ways, about the C/E of the Spare the Air Program, and whether the proposed C/E numbers are consistent with those provided in the past, which questions were answered by Ms. Schkolnick and Mr. Breen.

Chairperson Haggerty said, regarding slide #7, Regional Bicycle Sharing Program \$5 million, the lack of East Bay communities in the pilot project is problematic, suggested shuttle/feeder bus funding to be a wasteful expenditure that creates demand where no need exists simply because funding is available, and suggested the money saved from shuttle/feeder bus programs should be directed towards expanding the bicycle sharing program pilot to the East Bay.

Chairperson Haggerty said a functional charger is needed at the offices of the Metropolitan Transportation Commission and Association of Bay Area Governments and asked about the cost of Direct Current (DC) fast chargers in light of the matching funds offer, which questions were answered by Mr. Breen.

Chairperson Haggerty suggested money that could be saved by cutting the shuttle/feeder bus programs could be directed towards expanding the bicycle sharing program pilot to the East Bay or to further expanding the electric vehicle (EV) infrastructure.

Chairperson Haggerty asked for clarification on the types of chargers being offered and the corresponding funding allocations, which questions were answered by Mr. Breen and Ms. Roggenkamp.

The Committee and staff discussed where DC fast chargers are intended for installation and the existing incentives for the various charger types.

Director Hudson expressed his support for the options provided in Attachment A to the staff report and suggested the \$2 million strategic reserve instead be used to expand the pilot regional bicycle sharing program to the East Bay. Ms. Roggenkamp. Mr. Breen and the Committee discussed current and potential funding allocations.

Director Piepho urged for cautious use of grant funds that make clear the difference between one-time and cyclical funding.

Director Bates asked, regarding slide #12, Air District Programs/Projects \$7.5 million, about the limitations of funding for the Commuter Benefits Project and Shuttle/Feeder Bus & Regional Ridesharing Program, which questions were answered by Ms. Roggenkamp and Mr. Breen.

Director Bates asked, regarding slide #9, EV Project \$3.75 million, how the public agency portion will work, which question was answered by Mr. Breen.

Director Bates asked, regarding slide #10, EV Infrastructure Project \$2.5 million, if the home charger rebates apply to new construction, which question was answered by Mr. Breen. Director Bates asked for information on the State program for new construction installation.

Director Bates asked if rideshare programs will be eligible for the EV project and whether funds earmarked for hydrogen fuel cell technology would be put to better use funding research of another alternative fuel, which questions were answered by Ms. Schkolnick and Mr. Breen.

Director Haggerty asked for clarification regarding the staff recommendation and its effect on the shuttle/feeder bus program, which was provided by Mr. Breen, and asked staff to report back at the next Committee meeting about the result of staff's exploration into the current demand for shuttle/feeder buses.

Public Comments: None.

Committee Action:

Director Piepho made a motion, seconded by Director Hudson, to recommend the Board of Directors:

1. Allocate \$22.75 million in TFCA funding to the projects and programs listed in Table 1 of the staff report;
2. Authorize the Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000 for projects and programs listed in Table 1 of the staff report;
3. Authorize \$1.4 million in TFCA funding to match \$2.8 million from the Metropolitan Transportation Commission (MTC) for the Regional Bicycle Sharing Pilot Program to bring the system to 1,000 bicycles; and
4. Authorize the Executive Officer/APCO to execute all amendments necessary to contracts for the Regional Bicycle Sharing Pilot Program to accept and expend MTC and TFCA monies.

The motion carried unanimously.

6. Committee Member Comments/Other Business:

Director Piepho noted the request of staff by the Stationary Source Committee to explore the possibility of incentivizing a truck retrofit program at the Lehigh Cement facility, similar to Port of Oakland programs, to which Mr. Breen responded.

7. **Time and Place of Next Meeting:** At the call of the Chair.
8. **Adjournment:** The meeting adjourned at 10:47 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 16, 2013

Re: Approval of Carl Moyer Projects with Dollar Amounts in Excess of \$100,000

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended Carl Moyer Program projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (NOx), reactive organic gases (ROG) and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the San Francisco Bay Area as authorized by the California State Legislature. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors.

On February 4, 2013, the Board of Directors authorized Air District participation in Year 15 of the CMP, and authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with CMP funds or MSIF revenues, with individual grant award amounts up to \$100,000. On November 18, 2009, the Air District Board of Directors authorized the Executive Officer/APCO to execute Grant Agreements and amendments for projects funded with TFCA funds, with individual grant award amounts up to \$100,000.

CMP and TFCA Regional Fund projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based upon the respective governing policies and guidelines established by the ARB and/or the Air District's Board of Directors.

DISCUSSION

Carl Moyer Program:

The Air District started accepting applications for CMP Year 15 projects on July 23, 2013. The Air District has approximately \$15 million available for CMP projects from a combination of MSIF and CMP funds. Project applications are being accepted and evaluated on a first-come, first-served basis.

As of September 10, 2013, the Air District had received 29 project applications. Of the applications that have been evaluated between June 5, 2013 and September 10, 2013, four (4) eligible projects have proposed individual grant awards over \$100,000. These projects will replace the following diesel-powered, off-road equipment with newer, low-polluting equipment: three (3) forklifts, four (4) loaders, and three (3) tractors. These projects will reduce over 15.8 tons of NO_x, ROG and PM per year. Staff recommends allocating \$2,759,524 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1 to this staff report provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of September 10, 2013, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2). This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 13% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

TFCA:

No TFCA applications requesting individual grant awards over \$100,000 received as of September 10, 2013 are being forwarded for approval at this time.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the CMP, MSIF and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

Attachment 1: BAAQMD Carl Moyer Program/Mobile Source Incentive Fund projects with grant awards greater than \$100,000 (evaluated between 6/5/13 and 9/10/13)

Attachment 2: Summary of all CMP Year 14/MSIF and VIP approved and eligible projects (as of 9/10/13)

AGENDA 4 - ATTACHMENT 1

BAAQMD Carl Moyer Program/ Mobile Source Incentive Fund projects
with grant awards greater than \$100k (Evaluated between 6/5/13 and 9/10/13)

Project #	Applicant name	Equipment category	Project type	Proposed contract award	Emission Reductions (Tons per year)			County
					NOx	ROG	PM	
14MOY44	Economy Lumber Company of Oakland, Inc.	Off-road	Replacement of three (3) diesel powered forklifts.	\$ 106,010.00	0.481	0.086	0.036	Alameda
14MOY50	Fred Corda Farming & Ranching	Off-road	Replacement of one (1) diesel powered tractor.	\$ 180,570.00	0.742	0.048	0.017	Marin
15MOY5	McClelland's Dairy	Off-road	Replacement of one (1) diesel powered tractor.	\$ 182,804.00	0.665	0.074	0.030	Sonoma
15MOY20	Steven's Creek Quarry, Inc.	Off-road	Replacement of one (1) diesel powered tractor, and four (4) diesel-powered loaders.	\$ 2,290,140.00	11.747	1.388	0.526	Santa Clara
				\$ 2,759,524.00	13.635	1.596	0.608	

AGENDA 4 - ATTACHMENT 2

Summary of all CMP, MSIF and VIP approved/ eligible projects (As of 9/10/13)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
14MOY43	Agriculture	Irrigation pump engine replacement	1	\$ 45,548.00	Huneus Vintners, LLC	0.135	0.023	0.008	APCO	Napa
14MOY46	Off-road	Loader replacement	1	\$ 43,160.00	Gregory Lyons (Lyons Farms)	0.187	0.034	0.015	APCO	Solano
14MOY50	Off-road	Tractor replacement	1	\$ 180,570.00	Fred Corda Farming & Ranching	0.742	0.048	0.017	TBD	Marin
14MOY44	Off-road	Forklift replacement	3	\$ 106,010.00	Economy Lumber Company of Oakland, Inc.	0.481	0.086	0.036	TBD	Alameda
15MOY4	Off-road	Backhoe replacement	2	\$ 71,020.00	Doyle's Work Company, Inc. (Excavation & Trenching)	0.225	0.055	0.028	APCO	Santa Clara
15MOY5	Off-road	Tractor replacement	1	\$ 182,804.00	McClelland's Dairy	0.665	0.074	0.030	TBD	Sonoma
15MOY20	Off-road	Tractor and Loader replacement	5	\$ 2,290,140.00	Steven's Creek Quarry, Inc.	11.747	1.388	0.526	TBD	Santa Clara
VIP139	VIP	Truck Replacement	1	\$ 30,000.00	Donald Lee Holmes	0.608	0.009	0.000	APCO	San Benito
VIP140	VIP	Truck Replacement	1	\$ 30,000.00	Nikolas Carasis	0.606	0.020	0.000	APCO	Contra Costa
VIP142	VIP	Truck Replacement	1	\$ 45,000.00	Forward Intermodal Systems, Inc.	0.905	0.013	0.000	APCO	San Francisco
VIP143	VIP	Truck Replacement	1	\$ 30,000.00	Galante Brothers	0.606	0.020	0.000	APCO	Santa Clara
VIP144	VIP	Truck Replacement	1	\$ 45,000.00	Zeiher Trucking Service, Inc.	0.905	0.013	0.000	APCO	San Joaquin
VIP145	VIP	Truck Replacement	1	\$ 45,000.00	San Miguel Transportation, Inc.	0.905	0.013	0.000	APCO	Sonoma
VIP146	VIP	Truck Replacement	1	\$ 40,000.00	Jaspal Singh	0.802	0.027	0.000	APCO	Alameda
VIP147	VIP	Truck Replacement	1	\$ 45,000.00	Jose E. Mejia	0.905	0.013	0.000	APCO	Santa Clara
VIP148	VIP	Truck Replacement	1	\$ 35,000.00	Raphelle Gabriel	0.702	0.010	0.000	APCO	San Mateo
VIP149	VIP	Truck Replacement	1	\$ 45,000.00	Tuan Q. Luu	0.905	0.013	0.000	APCO	Santa Clara
VIP150	VIP	Truck Replacement	1	\$ 25,000.00	Gurdeep Singh DBA Arjan Transport	0.513	0.008	0.000	APCO	Solano
VIP151	VIP	Truck Replacement	1	\$ 45,000.00	Eugene R. Oliverio	0.905	0.013	0.000	APCO	Santa Clara
VIP152	VIP	Truck Replacement	1	\$ 35,000.00	Devinder Singh Nagra	0.702	0.010	0.000	APCO	Santa Clara
VIP153	VIP	Truck Replacement	1	\$ 40,000.00	Dong V. Le	0.811	0.012	0.000	APCO	Alameda
VIP154	VIP	Truck Replacement	1	\$ 35,000.00	Harjinder Singh Shergill	0.700	0.013	0.000	APCO	Sacramento
VIP155	VIP	Truck Replacement	1	\$ 45,000.00	Brian Scott Price	0.905	0.013	0.000	APCO	Salinas
VIP156	VIP	Truck Replacement	1	\$ 45,000.00	Dennis C. Leavitt Jr.	0.905	0.013	0.000	APCO	Alameda
VIP157	VIP	Truck Replacement	1	\$ 30,000.00	Calstone Co.	0.603	0.013	0.000	APCO	Santa Clara
VIP158	VIP	Truck Replacement	1	\$ 35,000.00	Manuel Gambao DBA MG Trucking	0.706	0.011	0.000	APCO	Riverside
VIP159	VIP	Truck Replacement	1	\$ 35,000.00	Lestor Jackson	0.706	0.011	0.000	APCO	Alameda
VIP160	VIP	Truck Replacement	1	\$ 45,000.00	Sanh Nguyen	0.905	0.013	0.000	APCO	Alameda
VIP161	VIP	Truck Replacement	1	\$ 35,000.00	Ruben Tinoco Rivera	0.706	0.011	0.000	APCO	Salinas
VIP162	VIP	Truck Replacement	1	\$ 25,000.00	Emilio Venegas	0.513	0.008	0.000	APCO	San Joaquin
VIP163	VIP	Truck Replacement	1	\$ 20,000.00	EXLS / Ultra Labs, Inc.	0.405	0.006	0.000	APCO	Alameda

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
VIP164	VIP	Truck Replacement	1	\$ 45,000.00	Ernesto Q. Tejada	0.905	0.013	0.000	APCO	Santa Clara
VIP165	VIP	Truck Replacement	1	\$ 20,000.00	Harkewal Singh Bhuller	0.402	0.006	0.000	APCO	Alameda
VIP166	VIP	Truck Replacement	1	\$ 45,000.00	M/M Feed	0.814	0.018	0.000	APCO	Mendocino
VIP167	VIP	Truck Replacement	1	\$ 35,000.00	Joseph Michael Velardi	0.702	0.010	0.000	APCO	Contra Costa
VIP168	VIP	Truck Replacement	1	\$ 40,000.00	Matthew P. Crowley	0.814	0.018	0.000	APCO	Monterey
VIP169	VIP	Truck Replacement	1	\$ 45,000.00	Matthew J. Domler	0.905	0.013	0.000	APCO	Solano
VIP170	VIP	Truck Replacement	1	\$ 15,000.00	Michael J. Haye	0.309	0.007	0.000	APCO	San Mateo
VIP171	VIP	Truck Replacement	1	\$ 35,000.00	Hydra Reload Inc. / Kellogg Distribution	0.702	0.010	0.000	APCO	Sacramento
VIP172	VIP	Truck Replacement	1	\$ 35,000.00	Kellogg Distribution Inc.	0.702	0.010	0.000	APCO	Sacramento
VIP173	VIP	Truck Replacement	1	\$ 45,000.00	Elliott Louis Nurse	0.905	0.013	0.000	APCO	Monterey
41 Projects			48	\$ 4,164,252.00		39.176	2.131	0.659		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 9/10/13

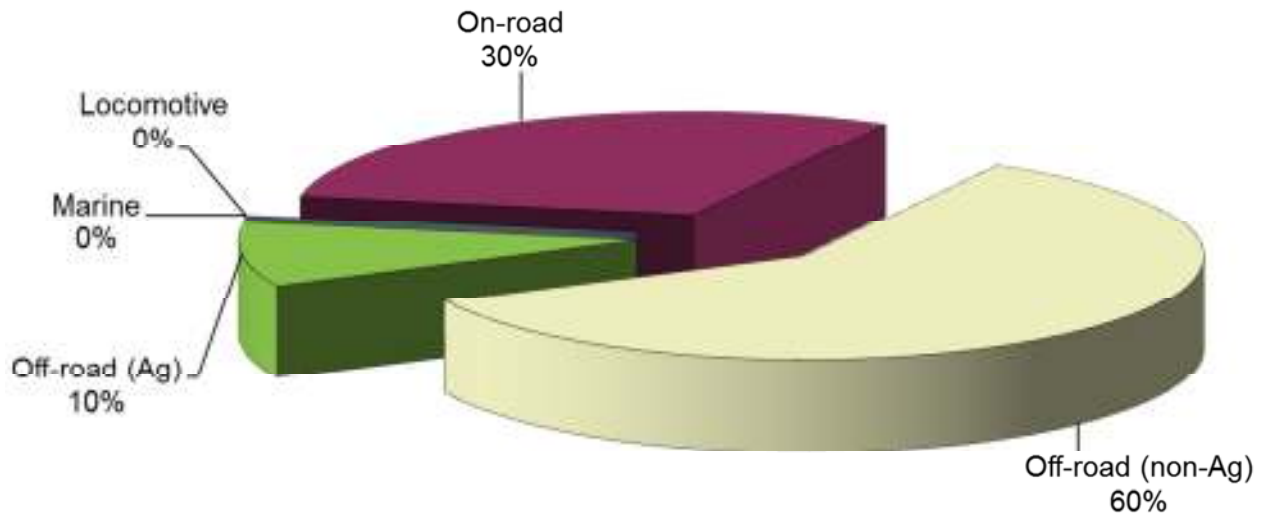
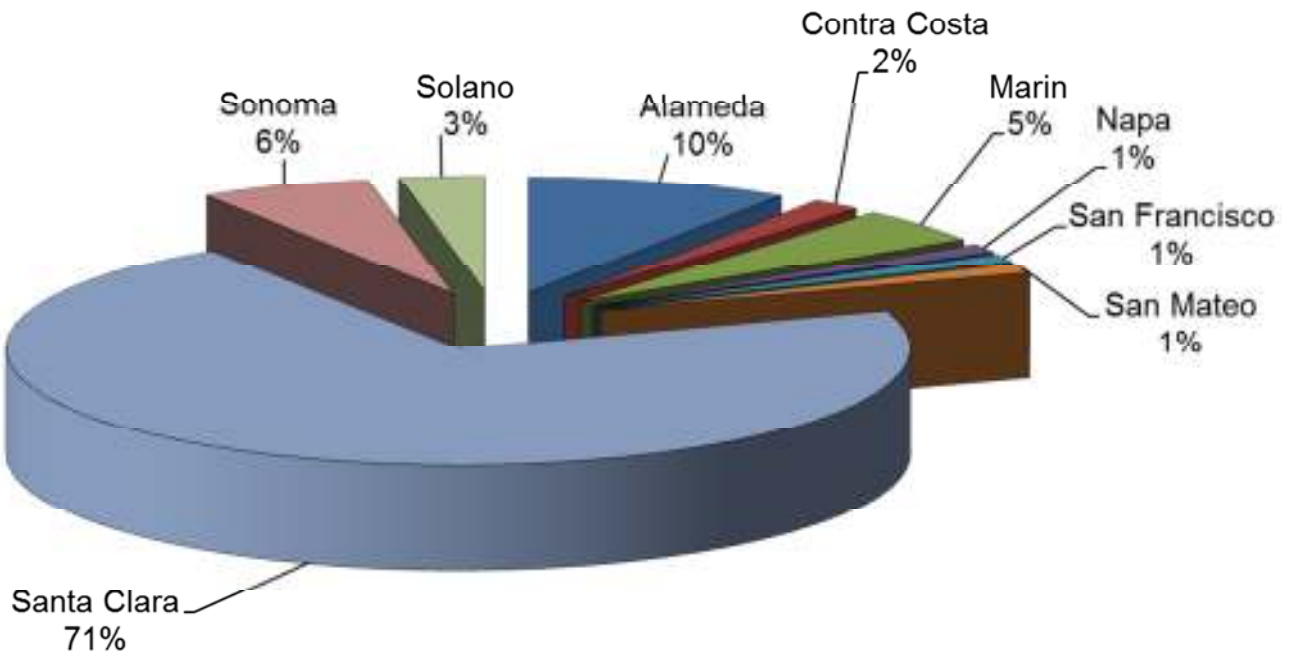


Figure 2: CMP/ MSIF Funding Distribution by County as of 9/10/13



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2013

Re: Update on California Goods Movement Bond and Shorepower Programs

RECOMMENDED ACTION

None. Informational item, receive and file.

BACKGROUND

In November 2006, California voters authorized the Legislature to appropriate \$1 billion in bond funding to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors. On February 28, 2008, the California Air Resources Board (ARB) approved an allocation of \$140 million from projected bond sales for emission reduction projects in the Bay Area trade corridor (approximately \$35 million per year over four years).

The Air District has administered the Goods Movement Bond Program (I-Bond) in the Bay Area for the first three funding cycles. To date the Air District has spent over \$72 million in I-Bond funding on the following projects:

- \$4.37 million to retrofit 889 port trucks
- \$19.28 million to replace 562 port trucks
- \$0.28 to retrofit 41 on-road trucks
- \$27.00 million to replace 546 on-road trucks
- \$21.79 million to electrify 12 berths at the Port of Oakland (shore power) – *in progress*

The numbers above represent I-Bond funded projects and do not include Air District, Port or Federal funding used to co-fund some of these programs. As part of this report, staff will update the Committee on the Air District's shore-power projects, and the Year 4 on-road truck replacement program.

DISCUSSION

Shore Power Projects

As part of its efforts to reduce emissions at California ports, the ARB enacted an Air Toxics Control Measure (ATCM) for "*Auxiliary Diesel Engines Operated on Oceangoing Vessels at Berth in a California Port*" in December, 2007. This regulation requires vessel owners, terminals and California ports work together to reduce the emissions caused when ships run/idle their engines to provide power for onboard activities while docked at port. One way to comply with the regulatory requirements is for fleet owners to connect their vessels to an electric shore-power system that allows the ships to receive power without the use of the diesel engines. Table 1 summarizes the requirements for fleets choosing this option.

Table 1 - Regulatory Requirements for Fleets Using Grid-Based Shore-power

Compliance date	Regulatory Requirement
January 1, 2014	Plug-in 50% of a fleet's vessel visits
January 1, 2017	Plug-in 70% of a fleet's vessel visits
January 1, 2020	Plug-in 80% of a fleet's vessel visits

In the Bay Area fleets with ocean-going vessels (container vessels, refrigerated-cargo vessels, and passenger vessels) visiting the Port of Oakland (Oakland) or the Port of San Francisco (San Francisco) will be subject to the ARB regulation. Both ports have been working to provide the infrastructure needed for ships to connect to the grid-based system while at berth.

San Francisco: In order to address the requirement to reduce 50% of the emissions from the vessels calling at San Francisco by 2014, that port applied for Carl Moyer funding in 2006 to install grid-based shore-power at its Pier 27 complex. The total cost of this installation was approximately \$5.2 million and was completed with Air District grant funding (\$1.9 million from the Mobile Sources Incentive Fund (MSIF)), \$1.3 million from the San Francisco Public Utilities Commission, \$1 million each from the Port of San Francisco and the United States Environmental Protection Agency. Currently, due to the America's Cup and the rebuild of the cruise ship terminal in San Francisco, the shore-power system is not capable of connecting ships to shore-power. With the compliance deadline approaching, Air District staff is working with San Francisco on how they will comply with the ARB's rule.

Oakland: While subject to the same requirements as San Francisco, the shore-power picture in Oakland is more complicated due to the larger number of berths needing electrification. The Air District has assisted in meeting this need by providing approximately \$30 million for the electrification of 15 berths via the following projects:

American Presidents Line (APL): In July 2008, APL shipping company through its terminal operator Eagle Marine Services received a \$2.8 million I-Bond grant from the Air District to electrify three berths at its terminal in Oakland. The Air District also provided approximately \$2 million to upgrade three vessels slated to utilize this shore-power installation via a Carl Moyer Program grant in mid-2009. Both projects have been completed and are being used to shore power vessels. Recently, due to the change in

terminal operator, the responsibilities for the I-Bond funded shore power system were transferred from APL to SSA Terminals, LLC.

SSA Terminals, LLC and Total Terminals International: On February 2, 2011, the Air District approved a \$5 million Mobile Source Incentive Fund (MSIF) grant for the electrification of three berths at the Port. This grant matched approximately \$12.8 million in Federal and Port funds to install infrastructure at three berths at the SSA Terminals, LLC and Total Terminals International, LLC facilities. The shore-power installation at these berths was completed in late 2012 and is currently awaiting a ship connection demonstration finalize the project.

Goods Movement Bond Projects: On December 16, 2010, the Air District executed an agreement with ARB to accept \$20 million in I-Bond funding for shore power projects at Bay Area ports. On May 4, 2011, the Air District's Board of Directors approved the allocation of \$19,417,476 in project funding (\$16.9 million to the Port of Oakland, and \$2.5 million to Ports America) to electrify nine (9) berths at the Port of Oakland. The equipment funded for these berths must be operational prior to December 31, 2013 and must demonstrate a successful ship connection by early 2014. At the time this report was drafted staff had witnessed the operational testing of seven (7) of the funded berths. The operational tests for the two (2) remaining berths and the ship connection demonstrations are expected to be completed on schedule. Once these projects have been completed, shore power will be available at 15 of the 18 berths at the Port of Oakland. This provides enough electricity supply for those vessels subject to the regulation.

Year 4 On-road Truck Projects

On March 12, 2013 the Air District submitted an application to ARB for participation in the Year 4 I-Bond cycle, requesting \$38 million in truck funding and \$17 million in locomotive funding. On April 17, 2013 the Air District's Board of Directors approved participation in the Year 4 I-Bond program, and authorized the Executive Officer to enter into agreements with the ARB and truck owners to implement the program.

On July 25, 2013 the ARB Board approved an allocation of \$9.9 million to the Air District for Year 4 I-Bond projects. This funding along with funds remaining from previous I-Bond awards will be used to replace on-road trucks operating in California trade corridors. The program will provide up to \$50,000 in grant funding to replace approximately 500 existing diesel trucks weighing greater than 19,501 lbs. with newer trucks certified to the 2010 emissions standards.

The Air District is accepting applications in two phases for the Year 4 on-road truck replacement program. As a part of Phase 1, applications will be accepted between August 26th and October 10th. Applications will be reviewed, ranked, and funded in rank order until all funds have been awarded. Phase 2 will accept applications for a backup project list that will be funded in the event funds remain after the Phase 1 projects have been funded. The backup project list will help staff quickly allocate funding in the event that projects on the first list are not completed, or in the event that additional funds are awarded by ARB. Phase 2 applications will be accepted between October 11th and November 8th. Contracting is expected to begin towards the end of 2013, and trucks will be on the road by the end of 2014. Staff will continue to update the Committee on the progress of these programs.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. Through the I-Bond program the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for the program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 10, 2013

Re: Update on California Air Resources Board Truck Regulations

RECOMMENDATION

None. Informational item, receive and file.

BACKGROUND

Port Drayage Truck Regulation:

In December of 2007, the California Air Resources Board (ARB) approved a regulation to reduce emissions from drayage trucks operating at California’s ports and intermodal rail yards. The first phase of the regulation went into effect on 12/31/09, and Phase 2 of the regulation goes into effect on 12/31/13. A summary of the regulation’s compliance schedule is shown in Table 1. The upcoming 12/31/13 requirement mandates all drayage trucks have 2007 model year engines. This is the last compliance requirement under the regulation. However, drayage trucks with 2007-2009 engines become subject to the requirements of the On-road Truck and Bus regulation and must be upgraded to a 2010+ model year engine by 1/1/23. Drayage trucks with 2010+ engines are fully compliant.

Table 1: ARB Drayage Truck Regulation Compliance Schedule

Phase	Date	Engine Model Years (MY)	Regulation requirement
Phase 1	12/31/09	1993 and older	Prohibited from operation as a drayage truck
		1994 – 2003	Install a Level 3 retrofit device
	12/31/11	2004	Install a Level 3 retrofit device
	12/31/12	2005 and 2006	Install a Level 3 retrofit device
Phase 2	12/31/13	1994 – 2006	Meet 2007 engine emissions standards
Truck & Bus Regulation	1/1/23	2007-2009	Meet 2010 engine emissions standards
	none	2010	Fully compliant

On-road Truck and Bus Regulation:

In December of 2008, ARB approved the Truck and Bus regulation to significantly reduce PM, and oxides of nitrogen (NOx) emissions from diesel vehicles operating in California. The regulation applies to nearly all diesel-fueled trucks and buses weighing

more than 14,000 pounds that are privately owned and includes privately and publicly owned school buses. The regulation has different compliance schedules for trucks depending on their Gross Vehicle Weight Rating. Lighter trucks and buses weighing 14,001 to 26,000 pounds do not have compliance requirements until 1/1/15. Heavier (26,001 + pounds) trucks and buses have been subject to compliance requirements since 1/1/12.

As part of this report, staff will discuss the Air District's efforts to assist Bay Area fleets in reducing emissions from trucks by coming into early compliance with these regulations.

DISCUSSION

Port Drayage Truck Efforts:

While all Bay Area ports are subject to this regulation, its major impact is at the Port of Oakland; the region's largest intermodal facility. Since 2009, the Air District has implemented several incentive programs to reduce emissions from port drayage trucks in the Bay Area. Over the past four years these programs have provided \$38 million to port truck owners in Northern California to install 1,300 retrofit devices and replace 625 trucks, reducing over ninety five tons of Particulate Matter (PM) emissions in West Oakland. An independent UC Berkley study has confirmed that these programs in combination with the ARB regulation have cut port truck pollution in West Oakland by approximately half.

As of August 2013, the ARB Drayage Truck Registry database showed a total of 5,950 drayage trucks in service in northern California. Of the total registered port trucks, over 4,200 currently meet the 12/31/13 compliance requirement. Additionally, ARB staff indicates that they have seen an average of 135 trucks upgraded each month during 2013, a trend that is expected to continue up to the regulatory deadline.

Currently, no grant funding is available for port truck projects, but truck owners can still participate in an ARB loan program to help secure financing for truck replacements. Staff has worked with the Port of Oakland and ARB to inform truckers of the upcoming Phase 2 requirement during the summer and will continue outreach efforts on the upcoming deadline and the ARB loan program until the end of the year.

On-road Truck and Bus Efforts:

Staff estimates that there are more than 34,000 trucks in the Bay Area weighing over 26,001 lbs. The regulation identifies two options (Phase-in option or the Model Year option) for compliance for these vehicles in fleets with 4 or more trucks. Under the phase-in option retrofits will be required on 90% of a fleet's trucks by 1/1/14. Under the model year schedule, trucks with 1996 to 2006 model year engines will have to have a retrofit device by 1/1/14.

For small fleets (1 to 3 trucks), retrofits are required on one truck by 1/1/14, the second truck (if applicable) by 1/1/15, and the third truck (if applicable) by 1/1/16. All trucks will be required to have engines meeting the 2010 emissions standard by 1/1/23. It is estimated that approximately 6,000 trucks owned by small fleet operators will need to come into compliance on 1/1/14.

School buses subject to the regulation must meet retrofit device requirements from 2012 to 2014. School bus fleets would need to demonstrate that 33 percent of their buses have retrofit devices by 2012, 66 percent by 2013 and 100 percent by 2014. If an engine cannot be equipped with a retrofit device it will need to be replaced by 1/1/18.

Historical Efforts: Since 2009, the Air District has implemented several incentive programs to reduce emissions from Bay Area trucks and buses. Over the past four years these programs have provided approximately \$31.7 million to on-road truck owners in Northern California reducing over ninety tons of PM emissions. Since 2000, the Air District has also awarded over \$48 million to retrofit, replace, or upgrade CNG tanks for Bay Area school buses.

Current Efforts: Currently, the Air District has over \$5 million in grant funds available for truck replacement projects through the Voucher Incentive Program (VIP). Funding is available for trucks in fleets of 10 or fewer trucks, and is awarded on a first-come, first-served basis until funds have been allocated. Under the current funding structure all new trucks funded must be on the road by the end of 2013. If program demand exceeds available funding staff will update the Committee and request the allocation of additional Mobile Source Incentive Funds (MSIF) to continue the program.

Grant funding for truck replacement projects is also available from the Proposition 1B, I-Bond program. The ARB Board approved an allocation of \$9.9 million to the Air District for Year 4 I-Bond projects which will be combined with funds remaining from previous I-Bond awards. The Air District began accepting applications on August 26, 2013. Applications will be reviewed, ranked, and funded in rank order until all funds have been awarded. Contracting is expected to begin towards the end of 2013, and trucks will be on the road by the end of 2014.

In order to inform affected truckers of these programs, staff is engaged in extensive outreach via the Air District website, trucking associations, in person meetings, presentations at dealerships and via informational postcard mail outs. This ongoing effort is being coordinated with the ARB and Staff will continue to update the Committee on the progress of these efforts and current incentive programs leading up to the regulatory deadline.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District receives funding for the administration of these programs as part of the I-Bond and MSIF programs.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2013

Re: Transportation Fund for Clean Air (TFCA) Regional Fund Policies and
Evaluation Criteria for Fiscal Year Ending (FYE) 2014

RECOMMENDED ACTION:

Recommend Board of Directors approve the proposed fiscal year ending (FYE) 2014 TFCA Regional Fund Policies and Evaluation Criteria (FYE 2014 Policies) presented in Attachment A.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District. Portions of this funding are allocated to Air District Board of Directors (Board) approved eligible programs or projects implemented directly by the Air District, such as the Smoking Vehicle and Spare the Air Programs and the Enhanced Enforcement Projects. The remainder of the funding is allocated to the TFCA Regional Fund Program, which is governed by Board-adopted policies and evaluation criteria. In this report, staff will propose policies for the TFCA Regional Fund Program for FYE 2014 for shuttle/feeder bus service, regional ridesharing, and electronic bicycle locker projects for the Committee's consideration.

Per Board direction on December 16, 2009, the Executive Officer/APCO will continue to execute Grant Agreements with individual grant award amounts up to \$100,000 for projects that meet the respective governing policies and guidelines. TFCA Regional Fund projects with grant award amounts over \$100,000 will continue to be brought to the Committee for consideration at least on a quarterly basis.

DISCUSSION

Proposed Policies

The proposed FYE 2014 TFCA Regional Fund Policies include project-specific policies that would apply to shuttle/feeder bus service, regional ridesharing, and electronic bicycle locker projects, as well as general policies that are applicable to all TFCA Regional Fund project types. Attachment A contains the proposed Policies for FYE 2014 and Attachment B shows the changes between the Board-adopted FYE 2013 Policies and the proposed FYE 2014 Policies.

The proposed revisions to the TFCA Regional Fund Policies and Evaluation Criteria for FYE 2014 are as follows:

- TFCA Regional Funds may only be used to cover shuttle/feeder bus service operations during established commute times;
- The cost-effectiveness threshold for pilot shuttle/feeder bus service projects located in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program has been increased to \$500,000/ton;
- Matching funds for shuttle/feeder bus service projects must include only direct operational costs of the service; and
- The requirement that shuttle/feeder bus service projects must not duplicate existing transit service has been clarified. Project applicants that were awarded FYE 2013 TFCA Regional Funds that propose an identical route(s) in FYE 2014 would have the option to request an exemption to this requirement. These applicants would have to demonstrate how they will come into compliance with this requirement within the next three years.

Outreach

On July 25, 2013, the Air District opened the public comment period for the proposed FYE 2014 Policies. The process was advertised via the Air District's TFCA grants email notification system and the proposed policies were posted on the Air District's website. The Air District received five sets of comments by the close of the comment period on August 14, 2013. Attachment C provides a listing of the public comments received on the proposed policies and staff's responses to these comments.

Future Potential TFCA Regional Fund Program Modifications

The Air District has also been working over the past several years to streamline TFCA Regional Fund Program funding to ensure that it most efficiently meets the growing demand for grant funding across the nine-county Bay Area. At the May 23, 2013 Committee meeting, staff shared a number of potential concepts to modify how TFCA dollars are allocated to shuttle/feeder bus service and regional ridesharing projects.

Since that meeting, staff has continued to investigate potential modifications to the TFCA Regional Fund Program, via discussions with shuttle stakeholders such as the Metropolitan Transportation Commission (MTC) and Congestion Management Agencies. An overview of the policy options that were previously shared with the Committee, as well as two additional options that staff has more recently developed, are included in Attachment D. Staff intends to workshop these concepts with shuttle and rideshare stakeholders and will return with recommendations for potential modifications for the Committee's consideration prior to the next round of TFCA funding.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District distributes "pass-through" funds to grantees on a reimbursement basis. Administrative costs for the TFCA Regional Fund program are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Avra Goldman
Reviewed by: Karen Schkolnick

- Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2014
- Attachment B: Redlined Version Showing Changes Between Board-adopted FYE 2013 and Proposed FYE 2014 TFCA Regional Fund Policies and Evaluation Criteria
- Attachment C: Comments Received and Staff Responses to Proposed FYE 2014 Policies
- Attachment D: Concepts to Modify the TFCA Regional Fund Shuttle Program

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2014

The following policies apply to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2014.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations both a) at the time the Air District Board of Directors approves a funding allocation and b) at the time the Air District executes the project’s funding agreement.

Under certain circumstances following approval of the project by the Board of Directors, the Air District may approve modifications of the approved project or of the terms of the grant agreement. The Air District will evaluate whether the proposed modification will reduce the amount of emissions the originally-approved project was designed to achieve, will negatively affect the cost-effectiveness of the project or will otherwise render the project ineligible (“major modification”). The Air District may approve the proposed major modification if the Air District determines that the project, as modified, will continue to achieve surplus emission reductions, based on the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed modification. The Air District may approve minor modifications, such as to correct mistakes in the grant agreement or to change the grantee, without a re-evaluation of the proposed modification in light of the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed minor modification.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must not exceed a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA-generated funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton).

Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Project Category	Policy #	C-E Level Maximum (\$/weighted ton)
Reserved	21	Reserved
Reserved	22	Reserved
Reserved	23	Reserved
Reserved	24	Reserved
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot (outside CARE areas)	28	\$125,000
Shuttle/Feeder Bus Service—Pilot (in CARE areas)	28	\$500,000
Regional Ridesharing	29	\$90,000
Electronic Bicycle Lockers	30	\$90,000
Reserved	31	Reserved

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919, and, when specified, with other adopted State, regional, and local plans and programs.

4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #11 and #12).
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.
 - ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b(7)).
 - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from the applicant's representative with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and authorizing the project to be carried out.
5. **Viable Project and Matching Funds:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), project applicants must include in the application evidence of available matching funds from a non-Air District source that equal or exceed at least 10% of the total eligible project costs.

The project must be financially viable, which means that the project sponsor has adequate funds to cover all stages of the project from its commencement through project completion. Applications must include evidence of financial resources sufficient to undertake and complete the project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Maximum award per calendar year:
 - a. **Each public agency** may be awarded up to \$1,500,000, and
 - b. **Each non-public entity** may be awarded up to \$500,000.
8. **Readiness:** Projects must commence by the end of calendar year 2014. "Commence" includes any preparatory actions in connection with the project's operation or implementation. For purposes of this policy, "commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
9. **Maximum Two Years Operating Costs:** Service-based projects such as shuttle/feeder bus and ridesharing programs, may receive TFCA Regional Funds for up to two (2) years of operation or implementation. Projects that request up to \$100,000 annually in TFCA Regional Funds are eligible to apply for two years of funding. Projects that request more than \$100,000 annually in TFCA Regional Funds are eligible for only one year of funding.
10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable to carry out the purposes of the project, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are within the eligible project category as the original project, meet the same cost-effectiveness as that of the original project application, comply with all TFCA Regional Fund Policies applicable for the original project, and are in compliance with all federal and State laws applicable to the revised project and District rules and regulations.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.

12. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for five (5) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Reimbursement is required where it has been determined that funds were expended in a manner contrary to the TFCA Regional Funds' requirements and requirements of HSC Code section 44220 et seq.; the project did not result in a reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund, or otherwise failed to comply with the approved project scope as set forth in the project funding agreement. An applicant who failed to reimburse such funds to the Air District from a prior Air District funded project will be excluded from future TFCA funding.

13. **Signed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA Regional Funds. The Air District may authorize an extension of up to a total period of 180 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

14. **Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements throughout the life of the project.

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies and other planning studies are not eligible for funding by the Air District. Funding may not be used for any planning activities that are not directly related to the implementation of a specific project or program. In addition, land use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare grant applications are not eligible for TFCA Regional Funds.
17. **Duplication:** Projects that have previously received TFCA-generated funds and therefore do not achieve additional emission reductions are not eligible.

Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds to fund a project that is eligible and meets the criteria for funding under both Funds. For the purpose of calculating the TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
19. **Administrative Costs:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are limited to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. Electronic bicycle locker projects are not eligible for administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.

20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

- 21. **Reserved.**
- 22. **Reserved.**
- 23. **Reserved.**
- 24. **Reserved.**
- 25. **Reserved.**
- 26. **Reserved.**

Shuttle/Feeder Bus Service Projects

27. **Shuttle/Feeder Bus Service:** These projects are intended to reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more commercial or employment centers. All of the following conditions must be met for a project to be eligible for TFCA Regional Funds:
- a. The project's route must provide connections only between mass transit hubs, e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal or airport, and distinct commercial or employment areas.
 - b. The project's schedule must coordinate with the transit schedules of the connecting mass transit services.
 - c. The project may not replace or duplicate existing local transit service or service that ceased to operate within the past five years. Any proposed service that would transport commuters along any segment of an existing or any such previous service is not eligible for funding.
 - d. The project must include only commuter peak-hour service, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM.

For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages, fuel, and vehicle maintenance) and the administrative costs paid for by TFCA Regional Funds. Matching funds must be provided to cover at least 10% of the total project cost, and must include only direct operational costs. Administrative costs are not eligible for use as matching funds.

Shuttle/feeder bus service applicants must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency.

Project applicants that were awarded FYE 2013 TFCA Regional Funds that propose identical routes in FYE 2014 may request an exemption from the requirements of Policy 27. c. These applicants would have to submit a plan demonstrating how they will come into compliance with this requirement within the next three years

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as new routes that are at least 70% unique and have not been in operation in the past five years. In addition to meeting the requirements listed in Policy #27 for shuttle/feeder bus service, pilot shuttle/feeder bus service project applicants must also comply with the following:
- a. Applicants must provide data supporting the demand for the service, including letters of support from potential users and providers;
 - b. Applicants must provide written documentation of plans for financing the service in the future;
 - c. Projects located in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program must not exceed a cost-effectiveness of \$500,000/ton during the first year of operation, \$125,000/ton for the second year of operation, and \$90,000 by the end of the third year of operation (see Policy #2); and
 - d. Projects located in CARE areas may receive a maximum of three years of TFCA Regional Funds under the Pilot designation; projects located outside of CARE areas may receive a maximum of two years of TFCA

Regional Funds under this designation. After these time periods, applicants must apply for subsequent funding under the shuttle/feeder bus service designation, described above.

Regional Ridesharing

29. **Regional Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool or other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five Bay Area counties, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

Bicycle Facility Projects

30. **Electronic Bicycle Lockers:** TFCA Regional Funds are available for project sponsors to purchase and install new electronic bicycle lockers. Projects must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan and serve a major activity center (e.g. transit station, office building, or school).

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds.

The maximum award amount is based on the number of bicycles, at the rate of \$2,500 per bicycle accommodated by the lockers.

REGIONAL FUND EVALUATION CRITERIA:

1. **Shuttle/Feeder Bus Service and Ridesharing Projects:** Complete applications received by the submittal deadline will be evaluated based on the TFCA Regional Fund policies. All eligible projects will be ranked for funding based on cost-effectiveness. At least sixty percent (60%) of the funds will be reserved for eligible projects that meet one or more of the following District priorities:
- Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program;
 - Priority Development Areas; and
 - Projects that significantly reduce greenhouse gasses (GHG).

The District will evaluate all shuttle/feeder bus service and ridesharing project applications received after the submittal deadline on a first-come-first-served basis, based on the TFCA Regional Fund policies .

2. **Electronic Bicycle Locker(s) Projects:** Applications will be evaluated on a first-come- first-served basis.

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 201~~4~~3

The following policies apply to the Transportation Fund for Clean Air (TFCA) Regional Fund.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District’s jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 201~~4~~3.

Projects must achieve surplus emission reductions, -i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations both a) at the time the Air District Board of Directors approves a funding allocation and b) at the time the Air District executes the project’s funding agreement.

Under certain circumstances following approval of the project by the Board of Directors, the Air District may approve modifications of the approved project or of the terms of the grant agreement. The Air District will evaluate whether the proposed modification will reduce the amount of emissions the originally-approved project was designed to achieve, will negatively affect the cost-effectiveness of the project or will otherwise render the project ineligible (“major modification”). The Air District may approve the proposed major modification if the Air District determines that the project, as modified, will continue to achieve surplus emission reductions, based on the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed modification. The Air District may approve minor modifications, such as to correct mistakes in the grant agreement or to change the grantee, without a re-evaluation of the proposed modification in light of the regulations, contracts, and other legally-binding obligations in effect at the time of the proposed minor modification.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must ~~not exceed~~ meet a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA-generated funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton).

Certain project categories further specify the eligible funding amount per item (for example, \$/vehicle) which is based on the cost-effectiveness levels below.

Project Category	Policy #	C-E Level Maximum (\$/weighted ton)
Reserved	21	Reserved
Reserved	22	Reserved
Reserved	23	Reserved
Reserved	24	Reserved
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot (<u>outside CARE areas</u>)	28	\$125,000
<u>Shuttle/Feeder Bus Service—Pilot (in CARE areas)</u>	<u>28</u>	<u>\$500,000</u>
Regional Ridesharing	29	\$90,000
Electronic Bicycle Lockers	30	\$90,000
Reserved	31	Reserved
<u>Drayage Truck Replacement Projects</u>	<u>32</u>	<u>\$90,000</u>

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies)

for achieving and maintaining State and national ozone standards, those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919, and, when ~~specified~~applicable, with other adopted State, regional, and local plans and programs.

4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #11 and #12).
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.
 - ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations that are permitted pursuant to -HSC section 44241(b(7)).
 - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from ~~an individual~~ the applicant's representative with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and ~~authorizing identifying the individual authorized to submit and carry out~~ the project to be carried out.
5. **Viable Project and Matching Funds:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), project applicants must include in the applications evidence of available matching funds from a non-Air District source that equal or exceed at least 10% of the total eligible project costs.

The project must be financially viable, which means that the project sponsor has adequate funds to cover all stages of the project from its commencement through project completion. Applications must include evidence of financial resources sufficient to undertake and complete the project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Maximum award per calendar year:
 - a. **Each public agency** may be awarded up to \$1,500,000, and
 - b. **Each non-public entity** may be awarded up to \$500,000.
8. **Readiness:** Projects must commence ~~in by the end of~~ calendar year ~~2013-2014 or sooner~~. "Commence" includes any preparatory actions in connection with the project's operation or implementation. For purposes of this policy, "commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
9. **Maximum Two Years Operating Costs:** Service-based projects such as shuttle/feeder bus and ridesharing programs, may receive TFCA Regional Funds funding for up to two (2) years of operation or implementation. Projects that request up to \$100,000 annually in TFCA Regional Funds are eligible to apply for two years of funding. Projects that request more than \$100,000 annually in TFCA Regional Funds are eligible for only one year of funding.
10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable to carry out the purposes of the project, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are within the eligible project category as the original project, meet the same cost-effectiveness as that of the original project application, comply with all TFCA Regional Fund Policies applicable for the original project, and are in compliance with all federal and State laws applicable to the revised project and District rules and regulations.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
12. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for five (5) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Reimbursement is required where it has been determined that funds were expended in a manner contrary to the TFCA Regional ~~FundsProgram's~~ requirements and requirements of HSC Code section 44220 et seq.; the project did not result in a reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for reduction of air pollution pursuant to a plan or program to be implemented by the TFCA ~~Regional FundProgram~~, or otherwise failed to comply with the approved project scope as set forth in the project funding agreement. An applicant who failed to reimburse such funds to the Air District from a prior Air District funded project will be excluded from future TFCA funding.

13. **Signed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA ~~Regional Funds~~. The Air District may authorize an extension of up to a total period of 180 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

14. **Insurance:** Each project sponsor must maintain general liability insurance and such additional insurance that is appropriate for specific projects, with coverage amounts specified in the respective funding agreements throughout the life of the project.

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies and other planning studies are not eligible for funding by the Air District. Funding may not be used for any planning activities that are not directly related to the implementation of a specific project or program. In addition, land use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare grant applications are not eligible for TFCA ~~Regional Funds~~ funding.
17. **Duplication:** Projects that have previously received TFCA-~~generated~~ funds and therefore do not achieve additional emission reductions are not eligible.

Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds to fund a project that is eligible and meets the criteria for funding under both Funds. For the purpose of calculating the TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
19. **Administrative Costs:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), Administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are limited to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. Electronic bicycle locker projects are not eligible for administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.
20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

21. **Reserved.**
22. **Reserved.**
23. **Reserved.**
24. **Reserved.**
25. **Reserved.**
26. **Reserved.**

Shuttle/Feeder Bus Service Projects

27. **Shuttle/Feeder Bus Service:** These projects are intended to reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection link between a mass transit hub (e.g., rail or Bus Rapid Transit (BRT) station, ferry or bus terminal or airport) to or from and a final destination one or more commercial or employment centers. These projects are intended to reduce single-occupancy, commonly made vehicular trips (e.g., commuting or shopping center trips) by enabling riders to travel the short distance between a mass transit hub and the nearby final destination. The final destination must be a distinct commercial, employment or residential area. The project's route must operate to or from a mass transit hub and must coordinate with the transit schedules of the connecting mass transit services. Project routes cannot replace or duplicate an existing local transit service link. These services are intended to support and complement use of existing major mass transit services. All of the following conditions must be met for a project to be eligible for TFCA Regional Funds:
 - a. The project's route must provide connections only between mass transit hubs, e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal or airport, and distinct commercial or employment areas.
 - b. The project's schedule must coordinate with the transit schedules of the connecting mass transit services.
 - c. The project may not replace or duplicate existing local transit service or service that ceased to operate within the past five years. Any proposed service that would transport commuters along any segment of an existing or any such previous service is not eligible for funding.
 - d. The project must include only commuter peak-hour service, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM.

For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages, fuel, and vehicle maintenance) and the administrative costs paid for by TFCA Regional Funds. Matching funds must be provided to cover at least 10% of the total project cost, and must include only direct operational costs. Administrative costs are not eligible for use as matching funds.

Shuttle/feeder bus service applicants must be either: (1)

~~A~~ public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) ;

~~A~~ city, county, or any other public agency.

Project applicants that were awarded FYE 2013 TFCRA Regional Funds that propose identical routes in FYE 2014 may request an exemption from the requirements of Policy 27. c. These applicants would have to submit a plan demonstrating how they will come into compliance with this requirement within the next three years

~~The project applicant must submit documentation from the General Manager of the transit district or transit agency that provides service in the area of the proposed route, which demonstrates that the proposed service does not duplicate or conflict with existing service.~~

~~Applicants are strongly encouraged to use the cleanest vehicle powered with the best available technology (e.g., electric, hydrogen) to provide the shuttle/feeder bus service.~~

~~Eligible vehicle types include:~~

~~a. A zero emission vehicle (e.g. electric, hydrogen)~~

~~b. An alternative fuel vehicle (e.g. compressed natural gas, liquefied natural gas, propane);~~

~~c. A hybrid electric vehicle;~~

~~d. A post 1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit); or~~

~~e. A post 1989 gasoline fueled vehicle.~~

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as new routes that are at least 70% unique and have not been in operation in the past five years. In addition to meeting the requirements listed in Policy #27 for ~~S~~shuttle/~~F~~feeder ~~B~~bus ~~S~~service, pilot shuttle/feeder bus service project applicants must also comply with the following:

a. Applicants must provide data supporting the demand for the service, including letters of support from potential users and providers;

b. Applicants must provide written documentation of and plans for financing the service in the future;

c. Projects located in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program ~~Pilot projects must meet and maintain not exceed~~ a ~~minimum~~ cost-effectiveness of \$500,000/ton during the first year of operation, \$125,000/ton during the first for the second year of operation, and a minimum cost effectiveness of \$90,000 by the end of the second-third year of operation (see Policy #2);

a.d. Projects located in CARE areas may only receive a maximum of ~~two~~ three years of ~~funding TFCRA Regional Funds~~ under the Pilot designation; ~~projects located outside of CARE areas may receive a maximum of two years of TFCRA Regional Funds under this designation. After these time periods,~~ ~~A~~ applicants must apply for subsequent funding under the ~~S~~shuttle/~~F~~feeder ~~B~~bus service designation, described above.

Regional Ridesharing

29. **Regional Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool or other rideshare services. For TFCRA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five Bay Area counties, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, only ride-matches that are not already included in the Ride-matching services must be coordinated with the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCRA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

Bicycle Facility Projects

30. **Electronic Bicycle Lockers:** TFCRA Regional Funds Funding is available for project sponsors to purchase and install new electronic bicycle lockers. Projects must be included in an adopted countywide bicycle plan,

Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan and serve a major activity center (e.g. transit station, office building, or school).

Costs for maintenance, repairs, upgrades, rehabilitation, operations, and project administration are not eligible for TFCA Regional Funds funding.

The maximum award amount is based on the number of bicycles, at the rate of \$2,500 per bicycle accommodated by the lockers.

Reserved.

Drayage Truck Replacement Projects

~~**Drayage Truck Replacement Projects:** Projects that replace Class 8 (33,001-lb GVWR or greater) drayage trucks with engine Model Years (MY) of 2004, 2005 or 2006 with trucks that have engines certified to 2007 California Air Resources Board (CARB) emissions standards or cleaner are eligible for funding. The existing trucks with the 2004, 2005, or 2006 engines must be registered with the California Department of Motor Vehicles (DMV) and with the CARB drayage truck registry to a Bay Area address, and must be taken out of service after replacement.~~

REGIONAL FUND EVALUATION CRITERIA:

1. Shuttle/Feeder Bus Services and Ridesharing Projects: Complete applications received by the submittal deadline ~~that meet the eligibility criteria,~~ will be evaluated based on the TFCA Regional Fund policies. All eligible projects will be ranked for funding based on cost-effectiveness. At least sixty percent (60%) of the funds will be reserved for eligible projects that meet one or more of the following District priorities:

- a. Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program;
- b. Priority Development Areas; and
- c. Projects that significantly reduce greenhouse gasses (GHG).

The District will evaluate all shuttle/feeder bus service and ~~r~~ridesharing project applications received after the submittal deadline on a first-come-first-served basis, based on the TFCA Regional Fund policies, ~~based on cost-effectiveness.~~

2. -Electronic Bicycle Locker(s) and Drayage Truck Replacement Projects: Applications will be evaluated on a first-come-- first--servedd basis.

Committer and Agency	Comment	Staff Response
<p>Zach Seal City of Oakland</p>	<p>Policy #27c- Shuttle/Feeder Bus Service: The City of Oakland agrees that the BAAQMD TFCA program should not fund shuttle routes that provide service along corridor or stretches of corridors where existing public bus service already provides reliable linkages between transit hubs and final destinations. However, the proposed language is too broad. It would exclude shuttles that are similar to existing bus service in some respects, but distinct enough to attract new passengers to abandon their cars for public transit.</p> <p>Therefore, the City of Oakland proposes the following language for Policy 27c (added language is underlined):</p> <p><i>The project may not replace or duplicate existing local transit service or service that ceased to operate within the past five years <u>if that service provides/provided frequent and reliable linkages between transit hubs and final destinations.</u> Any proposed service that would transport commuters along any segment of an existing or any such previous service is not eligible for funding <u>unless the applicant provides evidence and/or data that (a) the features of the proposed shuttle service are distinct enough from existing or such previous service to attract a significant new ridership base of people who would switch from single-occupancy vehicles if only the existing local transit service or any such previous service were available.</u></i></p> <p><u>Examples of shuttle features that would be considered distinct enough from existing or such previous service include:</u></p> <ul style="list-style-type: none"> • <u>Route and stops. The shuttle route and/or stop locations deviate from existing or previous service in such a way that attracts new transit passengers who would otherwise drive single-occupancy vehicles to their destinations if only the existing local transit service or any such previous service were available.</u> • <u>Service Plan. The service frequency and/or hours of service is distinct from existing or drive single-occupancy vehicles their destination if only the existing local transit service or any such previous service were available.</u> • <u>Fare Structure. The fare structure is distinct from existing or previous service in such a way that attracts new transit passengers who would otherwise drive single-occupancy vehicles to their destinations if only the existing local transit service or any such previous service were available.</u> 	<p>See proposed modification to Policy# 27.c.</p> <p>The Air District has been working over the past several years to streamline the TFCA program to ensure that it efficiently meets the growing demand for grant funding across the nine-county Bay Area. For shuttle projects, TFCA Regional Funds are generally directed to services that provide distinct links between transit hubs and employer sites where no other transit options are or have previously been available (Policy# 27 c).</p> <p>This requirement may have been unclear to a number of services that were previously funded under this program. In order to assist those services to comply with the requirements of Policy# 27 c, Staff is currently proposing a limited exemption for projects funded in FYE 2013 that will allow them to comply with all program requirements within three years.</p> <p>Staff also proposes to keep Policy #27 as shown in Attachment A in effect for all new projects to ensure that grant funding is focused on projects that provide first and last-mile connector shuttle/feeder bus service in areas where there are no, or only very limited, transit options.</p>

Committer and Agency	Comment	Staff Response
<p>Zach Seal City of Oakland</p>	<p>Policy #27d- Shuttle/Feeder Bus Service: People use public transit instead of single-occupancy vehicles for a variety of trips other than commute trips: doctor visits, errands, shopping, lunch, to visit social service agencies, etc.</p> <p>California Health and Safety Code Sections 44241 and 44242 (statutory authority for the TFCA program) do not require TFCA-funded projects to serve only commuters, or require projects funded by the program to operate only during commute hours. The goal of these statutes is to get people out of single-occupancy vehicles and onto public transit.</p> <p>In addition, according to the City's Broadway Shuttle survey data, many people who commute to downtown Oakland using transit would switch to driving single-occupancy vehicles to work if they could not depend on shuttle service during the middle of the day to get them to meetings, lunch, errands, etc.</p> <p>Given that shuttle service outside of commute hours also gets people out of cars and reduces greenhouse emissions, the City of Oakland proposes the revisions below (added language is underlined). This language enables the BAAQMD to prioritize commute shuttle service, but still supports off-peak shuttle service that reduces automobile miles traveled by providing linkages between transit hubs and final destinations.</p> <p><u>Policy 27d: The project must include only commuter Projects shall receive a maximum of \$90,000 in funding per ton of emissions (as defined in Policy 2) during peak-hour service, i.e., 6:00-9:00 AM and/or 3:30-6:30 PM. Projects shall receive a maximum of \$45,000 in funding per ton of emissions during off-peak hours. In order for applicants to receive off-peak funding for shuttle service, evidence and/or data must be provided demonstrating that people utilize the shuttle service in lieu of single-occupancy vehicles during off-peak hours. Cost-effectiveness for peak-hour service shall be calculated separately from cost-effectiveness for non-peak-hour service.</u></p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>As noted in the previous response, the Air District has been working over the past several years to streamline TFCA funding to ensure that it most efficiently meets the growing demand for grant funding across the nine-county Bay Area. To this end, TFCA dollars spent on shuttle projects are being focused on projects that have the greatest potential to prevent long-distance commute trips.</p> <p>Staff does acknowledge that there are several ways to achieve reductions in single-occupancy vehicle (SOV) trips. Moreover, staff agrees that at least some portion of the riders of shuttle services outside of peak hours likely represents a reduction in SOV trips. However, given that TFCA funding for shuttle projects is limited, staff believes that focusing these funds to provide shuttle services during AM and PM commute hours is the most direct and efficient way to reduce long-distance commute trips. Funding shuttle service during AM and PM commute-hours is the best way to ensure that grant dollars are spent on projects that have the greatest potential to eliminate vehicle trips and support the existing Bay Area public transportation system.</p> <p>As such, for FYE 2014 staff has modified Policy #27 as shown in Attachment A to expand the definition of commute hours while still ensuring that grant funding is available to projects that provide commute -hour service.</p>
<p>Susan Wheeler, Community Development Department City of Redwood City</p>	<p>Policy #27d- Shuttle/Feeder Bus Service: I noticed that on p. 4 of 6, item 27.d. the draft proposes restricting shuttle projects to commuter peak-hour service, defined as 6:00-9:00 AM and/or 3:30-6:30 PM. Several Bay Area commute shuttles currently run a bit outside those times. For example, Redwood City's Mid Point Caltrain Shuttle (TFCA-funded) operates after 6:30 pm; the last shuttle arrives at the Caltrain station at 6:47 PM to meet the 6:52 (NB and 7:06 (SB) trains.</p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>Staff has modified Policy 27d to extend the AM and PM commute hours to 5-10 AM and 3-7 PM in line with Bay Area High Occupancy Vehicle (HOV) lane times. These times encompass all Bay Area HOV lane parameters and reflect peak congestions hours on highways. Staff believes that these time periods appropriately represent regional commute patterns across the nine-county Bay Area. See: http://rideshare.511.org/511maps/hov_lanes.aspx.</p>

Committer and Agency	Comment	Staff Response
<p>Mark Helmbrecht, Transportation Programs Manager The Presidio Trust</p>	<p>1. We are concerned that the new criteria will only fund services during commuter peak hours. It was explained to us that this new criteria was added to fund services that eliminate regular commute trips. Our service is offered throughout the day, at reduced headways, and serves to eliminate vehicle trips between the Presidio, downtown San Francisco, and major transit hubs (i.e., Embarcadero BART, Transbay Terminal, Ferry Building) for the park's visitors, residents, tenants, and Presidio Trust employees. Please consider changing the criteria to include all operations on existing shuttle/feeder bus services.</p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>Please see the second and third responses that address limiting funding to AM and PM hour-commute trips and the hours considered as AM and PM commute hours.</p>
	<p>2. In the Basic Eligibility Section 27.d.the commuter peak-hour service hours listed are 6:00 a.m. to 9:00 a.m. in the morning and 3:30 p.m. to 6:30 p.m. We got clarification that these time periods are examples and would not be restricted to these exact times. We request clarified language that states a submitted project can designate the commuter peak-hour service times that work best for that project. If that is not acceptable, then please expand the hours to 5:00 a.m. to 10:00 a.m. and 3:00 p.m. to 8:00 p.m. to better cover the extended commute times experienced in San Francisco.</p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>Please see the third response that addresses the hours considered as AM and PM commute hours.</p>
	<p>3. Our operations costs include all headways we offer, including those during the middle of the day. While we could break these costs down in order to meet the new criteria for commuter peak-hour service, it is not a full representation of the cost to operate our shuttle system. Since these costs will be used to determine the amount of funding we receive, we would like it clarified on how the funding criteria will be weighted, how the amounts of funding will be determined, and what organizations are obligated to contribute towards matching funds.</p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>Since the Policy limits TFCA funding to the AM and PM peak-hour, applicants will have to indicate the <i>total</i> costs of operation <i>during</i> those time periods in the grant application budget. Applicants will continue to be required to contribute a minimum of 10% of these peak-hour operational costs as matching funds.</p> <p>As in previous years, funding for projects will be determined principally by the project's cost-effectiveness. In turn, cost-effectiveness is determined by the emission reductions achieved by the project and the TFCA funds requested. For FYE 2014, only the emissions reduced <i>during</i> peak-hours will be considered, which will be governed by project-specific variables (e.g., peak-hour ridership, peak-hour mileage of shuttle vehicles, etc.). Likewise, only the TFCA dollars requested to operate <i>during</i> those peak hours will be used to calculate the cost-effectiveness of the project. Any costs to operate the service outside of the peak-hour period are not relevant to the TFCA cost-effectiveness.</p> <p>Please note that Policy #27 does not limit an applicant from providing shuttle/feeder bus service during off-peak hours. Rather, the proposed policy limits TFCA Regional Fund Program funds to operational costs during peak-hour service.</p>

Committer and Agency	Comment	Staff Response
<p>Marcella Rensi Manager, Program and Grants Santa Clara Valley Transportation Authority</p>	<p>VTA objects to the proposed policy 27-d, which states “The project must include only commuter peak-hour service, i.e., 6:00-9:00 AM and/or 3:30-6:30 PM.” VTA has been an annual TFCA Regional Fund recipient for the ACE Shuttle program for the last 15 years and feels this policy is unnecessary.</p> <p>Although the ACE shuttles would not be affected by policy 27-d, VTA feels that the TFCA Cost-Effectiveness policy #2 effectively screens out low-performing routes. A hypothetical shuttle serving an “off-peak” trip generator would have to meet cost effectiveness criteria regardless the hours of operation. If such a route were cost effective according to policy #2, it should not matter when it operates, making policy 27-d unnecessary.</p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>Please see the first two responses that address maximizing regional benefit of available funds and limiting funding to AM and PM peak-hour commute trips.</p>
<p>Steve McClain ACE Shuttle Program VTA</p>	<p>Policy #27- Shuttle/Feeder Bus Service: ... I have a comment on the proposed policy 27-d, which states “the project must include only commuter peak-hour service, i.e., 6:00-9:00 AM and/or 3:30-6:30 PM.”</p> <p>If the Air District does implement that restriction, I recommend that the eligible commute peak-hour service hours be expanded to 6-10 and 3-7, which reflect a truer pattern of commute hours in the Bay Area Region today.</p>	<p>See proposed modification to policy 27.d to expand the definition of commute hours.</p> <p>Please see the third response that addresses the hours considered as AM and PM peak hours.</p>

The following concepts for modification of the TFCA Regional Fund Program have been developed for discussion with the Bay Area Air Quality Management District's shuttle and rideshare partners.

- ***Concept 1: Discontinue Use of TFCA Regional Funding for Shuttles and Ridesharing:***

Under this scenario, the TFCA Regional Fund Program would no longer provide funding to shuttle and rideshare projects. The funds that have been set aside for these project types (\$4 million annually in the last several years) would be made available to other eligible project categories. Cost-effective shuttle and ridesharing projects would still be eligible to apply for TFCA funds from the CMA administered TFCA CPM Program. This may help the TFCA program better aligned with the regional transportation planning perform by the Metropolitan Transportation Commission and provide funding for other priorities such as bicycle sharing.

- ***Concept 2: Limit Funding to New, Pilot Shuttle Projects (no change to Ridesharing):***

This scenario seeks to expand the number of shuttle services by providing new services access to start-up funding. Funding would only be available for startup costs for new shuttle projects for a period of up to five years allowing new projects adequate time to develop and secure non-TFCA sources of funding. Under this scenario a phase-out period would be provided to projects that have historically received TFCA Regional Funds in previous funding cycles allowing them a two to three-year period to secure non-TFCA funds. Cost-effective non-pilot projects would still be eligible to apply for TFCA funds from the CMA administered TFCA County Program Manager (CPM) Program.

- ***Concept 3: Standardize Shuttle Project Funding Amounts (no change to Ridesharing):***

Under this scenario, staff would develop a standardized formula based on key criteria (i.e., usage and ridership data, or vehicle emissions data, etc. to determine a pre-set award amount that would ensure projects are cost-effective (for example, in the Bicycle Facility Program it has been pre-determined that \$60/capacity is the "right" award amount). The formula could be applied to existing and /or pilot projects. Also, the award amount could be differentiated depending on whether the project was new or existing or located in a CARE area. This option would simplify the application process and provide applicants a better understand of the amount of funding their project is eligible to receive.

- ***Concept 4: Limit Funding to Existing Projects (Shuttles and Ridesharing):***

Under this scenario, Regional Funds would be limited to projects that are currently in operation and that have ridership and usage data. However, funding for pilot projects would still be available via the Congestion Management Agencies (CMA). This option addresses the challenge posed by projects that have no usage data by allowing CMAs to fund locally-prioritized pilot projects until they have developed their services and the ridership data necessary to become eligible and able to compete for Regional Funding.

- ***Concept 5: Limit Applicants to Transit Agencies:***

Under this scenario, transit agencies would be eligible to apply for funds for local projects. Staff believes that transit agencies are most knowledgeable on what gaps need to be filled in their transit networks, and this scenario would provide the opportunity to directly focus funds on those gaps. This option would eliminate the inefficiency of involving a third party applying for funding and streamline funding. Staff believes this concept would also serve to eliminate or minimize the duplication of service.

- ***Concept 6: TFCA Regional Shuttle & Ridesharing Funds to be Administered by CMAs:***

This scenario would remove both shuttle and rideshare projects from the TFCA Regional Fund portfolio and consolidate these project categories under the CPM program. Given that many CMAs currently fund local shuttle and ridesharing programs they may be more in tune with their local community's needs and priorities facilitate the strategic deployment of funds to best fill any gaps in ridesharing and shuttle services. Under this scenario, on an annual basis, CMAs would be informed of their counties' proportional share of the TFCA Regional Fund allocation that could be used to fund eligible projects in their county. For counties that do not have these projects types, the CMA could "Opt-Out" and the Air District would apply their share of Regional Funds to other District-funded programs (e.g., EV, bikesharing projects) in the respective County.