



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
OCTOBER 24, 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 SEPTEMBER 26, 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 THE REGIONAL PLUG-IN ELECTRIC VEHICLE (PEV) READINESS PLAN**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will receive an informational report on the Regional PEV Readiness Plan funded by the California Energy Commission.

6. **UPDATE ON REGIONAL BICYCLE SHARING PILOT PROJECT**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will receive an informational update on the Regional Bicycle Sharing Pilot program and will consider a request from San Francisco Transportation Authority to utilize TFCA County Program Manager funds to support this project.

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 minor changes to the general FYE 2014 TFCA Regional Fund policies as well as specific 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, December 5, 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

OCTOBER 2013

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	21	9:30 a.m.	4th 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
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month) - CANCELLED</i>	Wednesday	23	9:30 a.m.	4th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other month)</i>	Wednesday	23	9:30 a.m.	4th Floor Conf. Room
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.	4th 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.	4th 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

November 2013 Calendar Continues on Next Page

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	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</u> Santa Rosa Junior College Doyle Library, Room 4243 1501 Mendocino Avenue Santa Rosa, CA
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month) –</i> CANCELLED AND RESCHEDULED TO DECEMBER 5, 2013 AT 9:30 AM	Thursday	28	9:30 a.m.	Board Room

DECEMBER 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	4	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	5	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	16	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	16	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	18	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	25	9:30 a.m.	4 th Floor Conf. Room
				<u>And via videoconference at</u> Santa Rosa Junior College Doyle Library, Room 4243 1501 Mendocino Avenue Santa Rosa, CA
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	26	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: September 30, 2013

Re: Approval of the Minutes of September 26, 2013

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee meeting of September 26, 2013.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting on September 26, 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, September 26, 2013

1. Call to Order – Roll Call

Chairperson Scott Haggerty called the meeting to order at 9:40 a.m.

Present: Chairperson Scott Haggerty; Vice Chairperson Mary Piepho; and Directors John Avalos, Tom Bates, Carole Groom, David Hudson, Carol Klatt and Nate Miley.

Absent: Director Liz Kniss.

Also Present: None.

2. Public Comment Period: None.

3. Approval of Minutes of May 23, 2013

Committee Comments: None.

Public Comments: None.

Committee Action: Director Piepho made a motion to approve the Minutes of May 23, 2013; Director Hudson seconded; and the motion carried unanimously.

4. Fiscal Year Ending (FYE) 2014 Transportation Fund for Clean Air (TFCA) Regional Fund Policies [OUT OF ORDER]

This matter was continued to allow time for further analysis.

5. Projects with Proposed Grant Awards Over \$100,000

Damian Breen, Director of Strategic Incentives, introduced Judy Williams, Administrative Analyst of Strategic Incentives, who gave the staff presentation Carl Moyer Program (CMP) Projects with Proposed Grant Awards over \$100,000, including a brief overview of the CMP and Mobile Source Incentive Fund (MSIF) to date, a detail of the CMP/MSIF and Voucher Incentive Program (VIP) funds awarded as of September 10, 2013, and recommendations.

Committee Comments:

Director Piepho asked, regarding Attachment 2 to the staff report, why project # 15MOY20 Steven’s Creek Quarry, Inc., reflects a disparity in proposed contract award when compared against other projects on the list, which question was answered by Mr. Breen.

Director Avalos asked about the compliance levels and eligibility of fleets associated with the City and County of San Francisco public works projects, which questions were answered by Mr. Breen.

Director Hudson asked for more specific information about where awards are going within Alameda County.

Committee Action:

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

1. Approve CMP projects with proposed grant awards over \$100,000; and
2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for the recommended CMP projects.

Committee Comments (continued):

Chairperson Haggerty asked, regarding slide 5, Total CMP/MSIF and VIP Funds Awarded as of 9/10/13, what generated the skewed chart on the right that reflects such a sizable allocation to Santa Clara County, which question was answered by Mr. Breen. Chairperson Haggerty asked that a chart be included that shows the allocations at the close of the fiscal year.

Director Piepho asked that a chart which reflects allocations over a longer term be included in all future presentations on this topic.

Chairperson Haggerty asked staff to provide a couple of bullet points to Committee members that can be inserted in social media outreach messages.

Public Comments: None.

Committee Action (continued):

The motion carried unanimously.

6. Update on California Goods Movement Bond and Shorepower Programs

Mr. Breen introduced Anthony Fournier, Grants Manager of Strategic Incentives, who gave the initial staff presentation California Goods Movement Bond and Shorepower Programs Update, through slide 9, Shore Power – Incentives, including a summary of Air District current solicitation for on-road trucks and an overview of shorepower, incentives committed to Bay Area projects and the status of shorepower installation at the Port of Oakland. Mr. Fournier then

introduced Delphine Prevost, Shore Power Program Manager, Port of Oakland, who concluded the staff presentation at slide 10, Port of Oakland – Shore Power.

Committee Comments:

Director Hudson asked about the source of the significant electrical power that shorepower will require, which question was answered by Ms. Prevost. Director Hudson suggested the development of solar power at the Port of Oakland.

Director Miley asked if the Port of Oakland is expected to meet the January 1, 2014, compliance levels, which question was answered by Ms. Prevost. Director Miley requested a report to the Committee that details the challenges mentioned today, how they were met and the final state of affairs after the compliance deadline. Mr. Breen said that report was intended for delivery to the Committee as an agenda item around February.

Chairperson Haggerty encouraged staff to be understanding during the launch as all those involved are going through a learning process and suggested that Air District and Port of Oakland staffs discuss the inclusion of a demonstration fuel cell project.

Richard Sinkoff, Director of Environmental Programs and Planning, Port of Oakland, addressed the Board regarding the organization's consciousness of the issue of energy sourcing and the work currently being done in preparation of an energy plan, to explain the focus to date having been on the minimization of particulate matter emissions, and to thank the Air District for its work on the joint program.

Director Hudson echoed Chairperson Haggerty in regards to a hydrogen fuel cell project.

Director Bates congratulated the Port of Oakland on its progress, encouraged consideration of implementing alternative energy options with each new development at the Port of Oakland and asked about the intended use of the land sale being developed regarding the army base as it relates to energy production, which question was answered by Mr. Sinkoff.

Director Avalos asked if the Port of San Francisco is expected to meet the compliance requirements for January 1, 2014, whether cruise ships in port use their own power, and if there are other locations in San Francisco that will require the installation of shorepower technology, which questions were answered by Mr. Breen.

Director Bates mentioned an issue relative to cruise ships at San Francisco Piers 30 and 32.

Public Comments: None.

Committee Action: None; informational only.

7. Update on California Air Resources Board Truck Regulations

Mr. Breen gave the staff presentation Truck and Bus Regulations Update, including summaries of regulations, upcoming deadlines, and Air District actions relative to port trucks and on-road trucks.

Committee Comments:

Director Hudson asked, regarding the staff report, page 3, section entitled “Current Efforts,” when staff expects to know if program demand will exceed available funding and a request for the allocation of additional MSIF would be put to the Committee and Board, which question was answered by Mr. Breen.

Director Miley asked about the outreach efforts relative to these projects, which questions were answered by Mr. Breen.

Director Piepho asked for more information relative to outreach efforts to school districts, which Mr. Breen provided, and Director Piepho recommended that staff issue letters to the sixty school district superintendents in the Bay Area and consider the implementation of billboard advertising.

Chairperson Haggerty asked about the status of the compressed natural gas retrofit project, which was by provided by Mr. Breen. Chairperson Haggerty mentioned receiving complaints about forced shut downs and asked if this issue has been addressed, which question was answered by Karen Schkolnick, Air Quality Program Manager of Strategic Incentives. Chairperson Haggerty asked that an update be presented at the next Committee meeting. Chairperson Haggerty mentioned that the Port of Oakland has a new executive director and encouraged staff to discuss with him the possibility of alternative solutions and to present an update on the same at the next Committee meeting.

Public Comments: None.

Committee Action: None; informational only.

8. Committee Member Comments:

Director Hudson asked about the status of the lawn mower replacement program, which was provided by Mr. Breen.

Chairperson Haggerty suggested that staff contact Stihl regarding their level of interest in the contract and directed staff to present an update at the next Committee meeting.

9. Time and Place of Next Meeting: Thursday, October 24, 2013, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

10. Adjournment: The meeting adjourned at 10:58 a.m.

Sean Gallagher
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 16, 2013

Re: Projects with Proposed Grant Awards over \$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 October 9, 2013, the Air District had received 41 project applications. Of the applications that have been evaluated between September 10, 2013 and October 9, 2013, six (6) 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: two (2) tractors, and six (6) loaders. These projects will reduce over 5.6 tons of NOx, ROG and PM per year. Staff recommends allocating \$935,422 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 October 9, 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. Attachment 3 summarizes the cumulative allocation of CMP, MSIF, and VIP funding since the Year 11 funding cycle. Since Year 11, more than \$57 million has been awarded to 469 projects.

TFCA:

No TFCA applications requesting individual grant awards over \$100,000 received as of October 9, 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 9/10/13 and 10/9/13)
- Attachment 2: Summary of all CMP Year 15/MSIF and VIP approved and eligible projects (as of 10/9/13)
- Attachment 3: Summary of program distribution by county and equipment category for CMP Years 11-15

AGENDA 4 - ATTACHMENT 1

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

Project #	Applicant name	Equipment category	Project type	Proposed contract award	Emission Reductions (Tons per year)			County
					NOx	ROG	PM	
15MOY32	Gerald & Kristy Spaletta (Dairy)	Ag/ off-road	Replacement of one (1) diesel-powered loader.	\$ 147,220.00	0.613	0.107	0.038	Sonoma
15MOY31	Andrew Poncia dba Poncia Fertilizer Spreading	Ag/ off-road	Replacement of one (1) diesel-powered tractor.	\$ 111,490.00	0.629	0.090	0.032	Sonoma
15MOY29	Drew Dairy	Ag/ off-road	Replacement of one (1) diesel-powered tractor.	\$ 159,821.00	1.075	0.123	0.043	Sonoma
15MOY36	Jack Dei Dairy	Ag/ off-road	Replacement of one (1) diesel-powered loader.	\$ 147,521.00	0.557	0.097	0.035	Sonoma
15MOY40	Napa Recycling & Waste Services LLC	Off-road	Replacement of three (3) diesel-powered loaders.	\$ 237,960.00	1.778	0.024	0.050	Napa
15MOY41	Neil McIsaac & Son	Ag/ off-road	Replacement of one (1) diesel-powered loader.	\$ 131,410.00	0.328	0.059	0.021	Sonoma
				\$ 935,422.00	4.980	0.499	0.219	

AGENDA 4 - ATTACHMENT 2

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

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
14MOY45	Marine	Engine replacement	1	\$ 90,311.00	Jim Rando - Misty Dawn (Commercial fisherman)	0.589	0.013	0.021	APCO	Santa Clara
14MOY46	Ag/ off-road	Loader replacement	1	\$ 43,160.00	Gregory Lyons (Lyons Farms)	0.187	0.034	0.015	APCO	Solano
14MOY50	Ag/ 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	Ag/ 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
15MOY32	Ag/ off-road	Loader replacement	1	\$ 147,220.00	Gerald & Kristy Spaletta (Dairy)	0.613	0.107	0.038	TBD	Sonoma
15MOY14	Off-road	Tractor replacement	2	\$ 66,928.00	Wolfskill Family Trust of 1990 (Vineyard Maintenance)	0.230	0.046	0.016	APCO	Solano
15MOY15	Ag/ off-road	Tractor replacement	1	\$ 30,952.00	Nichelini Vineyards, LLC	0.101	0.017	0.005	APCO	Napa
15MOY31	Ag/ off-road	Tractor replacement	1	\$ 111,490.00	Andrew Poncia dba Poncia Fertilizer Spreading	0.629	0.090	0.032	TBD	Sonoma
15MOY33	Off-road	Tractor replacement	1	\$ 96,092.00	Daniel Evans (Farmer)	0.514	0.064	0.022	APCO	Marin
15MOY37	Off-road	Loader replacement	1	\$ 99,810.00	W.R. Forde Associates	0.582	0.076	0.026	APCO	Contra Costa
15MOY29	Ag/ off-road	Tractor replacement	1	\$ 159,821.00	Drew Dairy	1.075	0.123	0.043	TBD	Sonoma
15MOY36	Ag/ off-road	Loader replacement	1	\$ 147,521.00	Jack Dei Dairy	0.557	0.097	0.035	TBD	Sonoma
15MOY40	Off-road	Loader replacement	3	\$ 237,960.00	Napa Recycling & Waste Services LLC	1.778	0.024	0.050	TBD	Napa
15MOY41	Ag/ off-road	Loader replacement	1	\$ 131,410.00	Neil McIsaac & Son	0.328	0.059	0.021	TBD	Sonoma
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	Zeiber 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

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
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
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
VIP174	VIP	Truck Replacement	1	\$ 30,000.00	Gary Lee Schultz	0.606	0.020	0.000	APCO	Santa Clara
VIP175	VIP	Truck Replacement	1	\$ 45,000.00	Abdul Naik	0.905	0.013	0.000	APCO	Alameda
VIP176	VIP	Truck Replacement	1	\$ 45,000.00	Rene Alphonse LaChance	0.905	0.013	0.000	APCO	Tehama
VIP177	VIP	Truck Replacement	1	\$ 35,000.00	Luis R. Gomez	0.692	0.025	0.000	APCO	Solano
VIP178	VIP	Truck Replacement	1	\$ 45,000.00	Carl Joseph Johnson DBA Viking Transport	0.905	0.013	0.000	APCO	Santa Cruz
VIP179	VIP	Truck Replacement	1	\$ 45,000.00	Tim Amaro	0.900	0.030	0.000	APCO	Santa Clara
VIP181	VIP	Truck Replacement	1	\$ 10,000.00	Saraoni Food Service	0.143	0.002	0.003	APCO	Contra Costa
VIP182	VIP	Truck Replacement	1	\$ 35,000.00	Jaime Rameriz	0.702	0.01	0.000	APCO	Santa Clara
VIP183	VIP	Truck Replacement	1	\$ 45,000.00	Pleasanton Trucking, Inc.	0.905	0.013	0.000	APCO	Contra Costa
VIP184	VIP	Truck Replacement	1	\$ 15,000.00	Michael L. Nelson	0.311	0.011	0.000	APCO	Solano
VIP185	VIP	Truck Replacement	1	\$ 35,000.00	Manuel Curiel	0.700	0.013	0.000	APCO	Yuba
63 Projects			73	\$ 5,868,767.00		53.144	2.999	0.971		

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

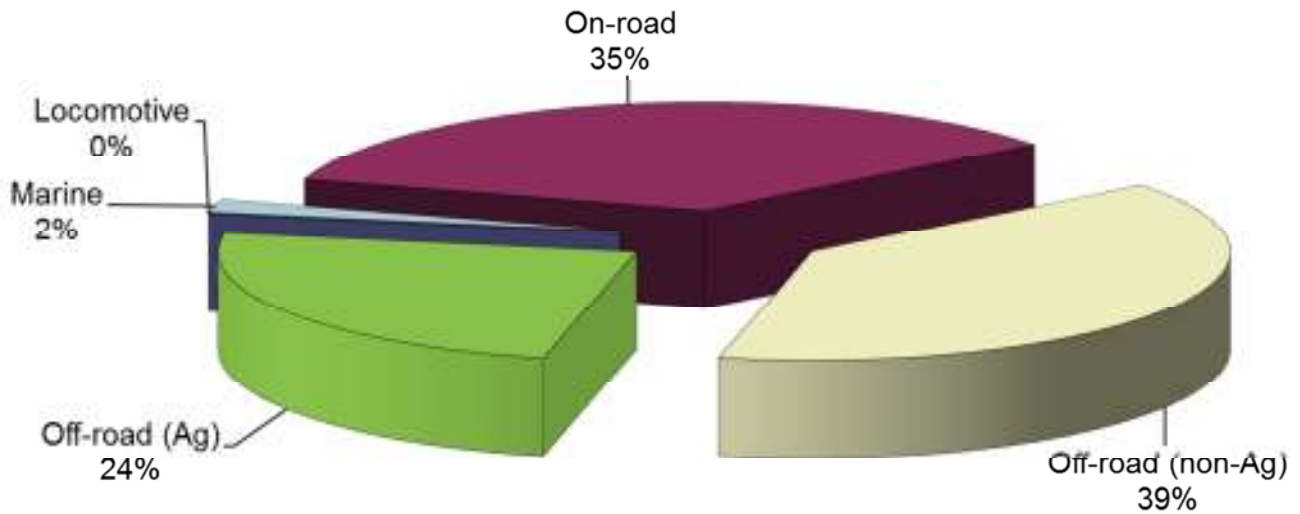
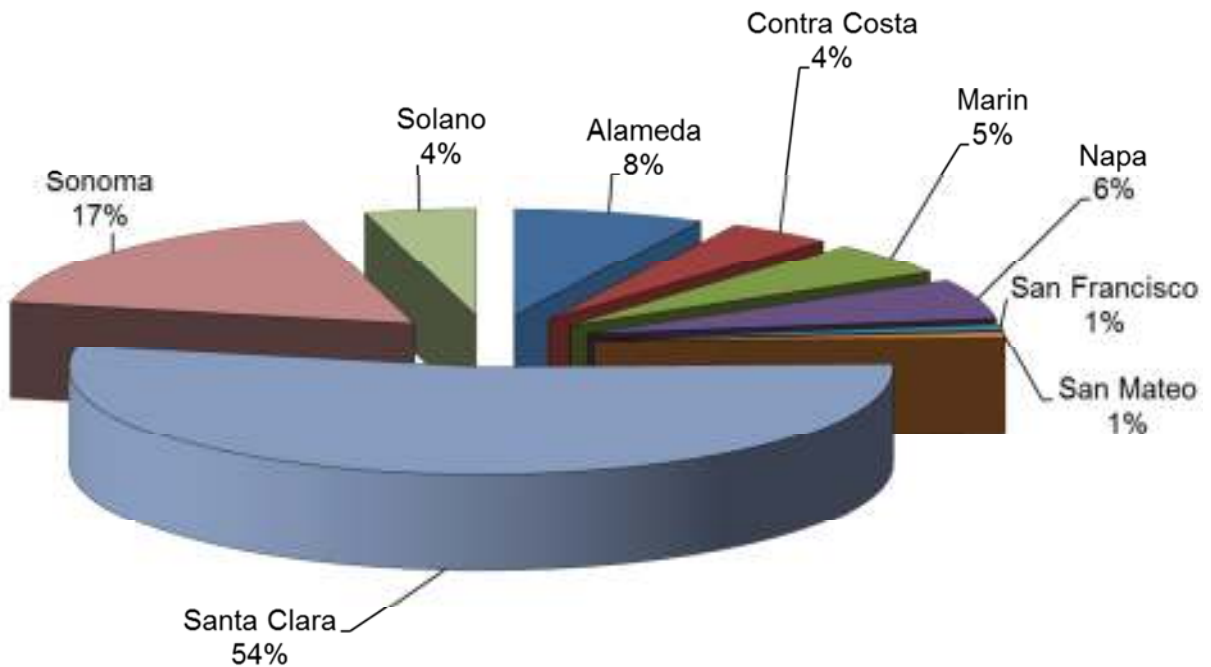


Figure 2: CMP/ MSIF Funding Distribution by County as of 10/9/13



AGENDA 4 - ATTACHMENT 3

Figure 3: CMP, MSIF, and VIP funding for Years 11-15 by equipment category

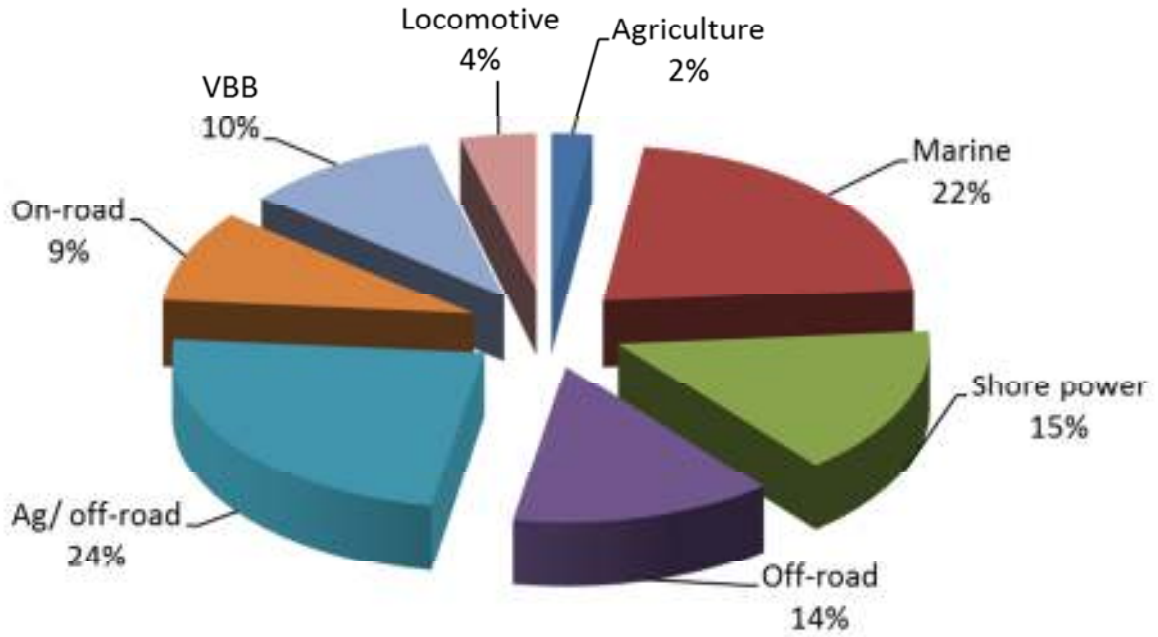
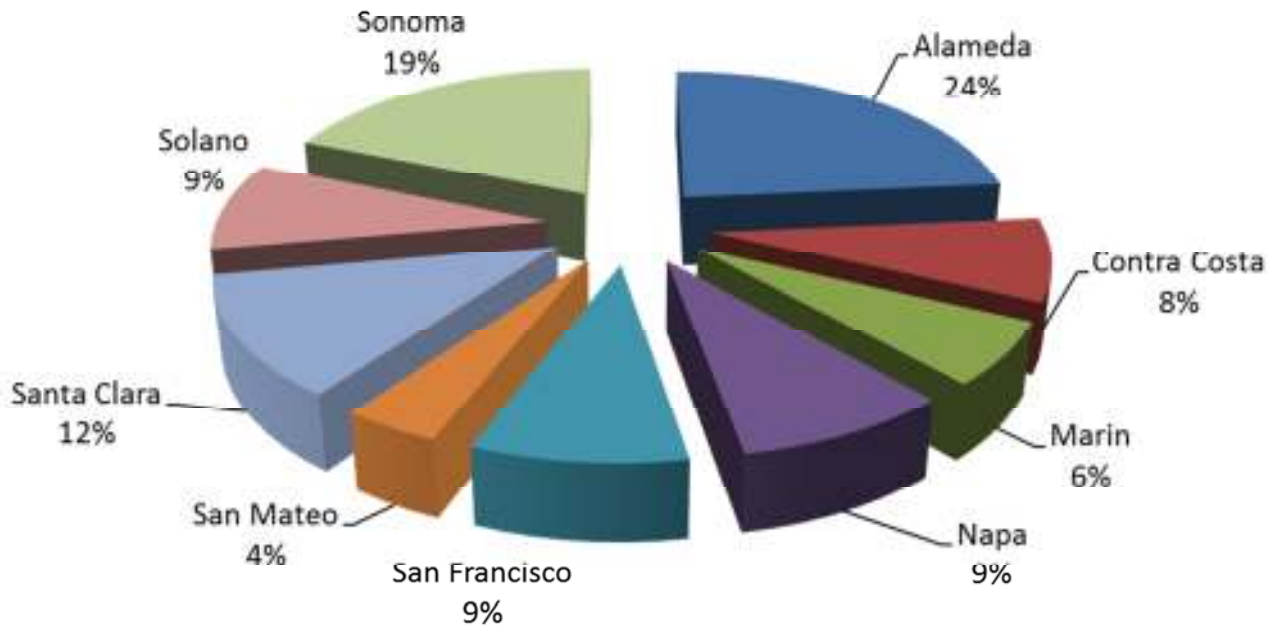


Figure 4: CMP, MSIF, and VIP funding for Years 11-15 by county



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Scott Haggerty and
Members of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 15, 2013

Re: Update on the Regional Plug-In Electric Vehicle (PEV) Readiness Plan

RECOMMENDATION:

None. Informational item, receive and file.

BACKGROUND

Recognizing the potential of Plug-in Electric Vehicles (PEV) to be an important technology in reducing emissions, the Bay Area Air Quality Management District (Air District) has allocated more than \$8 million in Transportation Fund for Clean Air (TFCA) funding to deploy PEV infrastructure and vehicles over the past four fiscal years (fiscal years ending (FYE) 2010, 2011, 2012 and 2013). To ensure that these investments are well coordinated with the Bay Area's needs, the Air District applied for, and was successfully awarded, a number of state and federal grants to undertake regional PEV readiness planning for both the Bay Area and Monterey Bay regions.

Using funding from the United States Department of Energy (DOE), the Air District completed the first portion of a regional PEV readiness planning process in December 2012. Two additional grants from the California Energy Commission (CEC) have allowed for more planning work to be undertaken separately in the Bay Area and Monterey. This additional funding has allowed for the development of a final draft Bay Area Regional Plug-In Electric Vehicle Readiness Plan (the Plan) and as part of this report the Committee will receive an overview of that document (the compilation work under both the DOE and CEC grants), an update on its findings, recommended implementation actions and next steps.

DISCUSSION

United States Department of Energy (DOE) Grant

The Air District is one of six awardees that received funding from the DOE to collaborate on a California PEV readiness plan. In order to complete this effort locally, the Air District partnered with the Association of Bay Area Governments (ABAG), Metropolitan Transportation Commission (MTC), Bay Area Clean Cities Coalitions (East Bay, San Francisco and Silicon Valley), Bay Area EV Strategic Council, Monterey Bay Unified

Air Pollution Control District (MBUAPCD), and Monterey Bay Electric Vehicle Association (MBEVA). Under this grant, the Air District worked to produce a document based on the following:

- Projections for PEV ownership and deployment; barriers to PEV ownership, deployment, and steps to eliminate barriers identified.
- Key strategic zones/areas for deployment and types of charging stations for regional PEV charging infrastructure.
- An assessment of local government's PEV readiness with respect to permitting and inspection practices; zoning and parking rules, local ordinances; and building codes.
- A review and discussion of opportunities for industry stakeholder training and consumer education; and strategies for minimizing grid and utility impacts.

California Energy Commission (CEC) PEV Planning Grant

While the process undertaken for the DOE grant addressed a number of significant PEV readiness areas for the Region, there are a number of additionally important topics that lie outside of the scope of that effort. In order to address these, the Air District expanded its planning efforts in 2013 seeking to analyze the following areas under two separate CEC grants for the Bay Area and Monterey Bay regions:

- Development of strategies that support accelerated PEV adoption in private and public fleets.
- Identification of strategies to attract PEV manufacturing, production, infrastructure and services to the Bay Area and California.
- Integration of the Regional PEV Plan into the Bay Area's Sustainable Communities Strategy (SCS) plan.

Work on these elements for the Bay Area's CEC grant has been completed and it is expected that the Monterey effort will be completed in February 2014.

Key Findings for the Bay Area

The results of the DOE and CEC processes highlighted the following potential gaps and barriers to PEV readiness in the Bay Area:

- The relatively higher cost of the vehicle and associated infrastructure are still a barrier for most consumers.
- 50% of cities and counties in the region indicated that they may need additional resources such as training and additional time to attain PEV readiness in the areas of zoning ordinances, building codes and permitting practices.
- To date, the majority of charging infrastructure has been installed in single-family homes. Additional effort and resources will be required to meet the existing and future demand for charging at Multi-unit family dwellings, workplaces, and away from home destinations (e.g. entertainment and recreational centers).

Maps from the Plan showing the "readiness" of local governments in the Bay Area and of proposed strategic and priority locations for future public charging infrastructure will be provided to the Committee for discussion as part of the presentation for this agenda item.

Implementation Actions

In order to address these findings, the Plan proposes a series of short- (1 to 2 years), medium- (3 to 5 year) and long-term (6 to 10 year) PEV readiness actions for the Bay Area as described in Attachment 1. The actions represented in the attachment comprise strategies that: 1) accelerate PEV deployment in the region, 2) integrate PEV deployment into Sustainable Communities Strategy 3) prepare utilities for mass PEV deployment, and 4) lays out roles and responsibilities for both local and regional governments with regard to PEV readiness.

Additionally, the Plan makes a number of recommendations regarding attracting and retaining PEV manufacturing and service companies for the region that are summarized as follows:

- The Bay Area should focus on business retention and expansion versus on trying to attract new PEV manufacturing and services.
- Analyses of the competitive position and local opportunities of different areas within the region should be completed in order to lay out an economic development strategy for PEVs.
- The Bay Area region should focus on prototyping, testing and demonstrating PEV technologies.
- Local officials should seek to convene forums that allow local PEV firms in both the technology and vehicle industries to collaborate.
- The Bay Area region might consider offering targeted incentives to retain and expand current PEV companies.

Next Steps

In order to finalize the Plan, staff is currently conducting the following public workshops and webinar:

Table 1- Public Workshops and Webinar on the Plan

San Francisco BAAQMD - 7th Floor Board Room, 939 Ellis Street, San Francisco, CA 94109	October 10, 2013 (Thursday); 7 PM-8:30 PM;
Oakland Oakland City Hall - Hearing Room 4, 1 Frank H. Ogawa Plaza, Oakland, CA 94612	October 15, 2013 (Tuesday); 7 PM-8:30 PM;
Online Webinar Pre-register at https://attendee.gotowebinar.com/register/669021293019727873	October 16, 2013 (Wednesday); 9:30 AM-11 AM;
San Jose	October 16, 2013

San Jose City Hall - Meeting Room W-120, 200 E. Santa Clara Street, San José, CA 95113	(Wednesday); 7 PM-8:30 PM;
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Additionally, staff is seeking input from its regional partners, the Bay Area Electric Vehicle Strategic Council and local governments (cities and counties). The closing date for comments on the Plan is October 18, 2013, at which time the Air District will review and incorporate input received into a final document that will be presented to the Air District's Board of Directors (Board) in November 2013. Following the Plan's receipt by the Board, staff will forward it to the California Energy Commission and will also present its recommendations to the Metropolitan Transportation Commission and Association of Bay Area Governments in December and January of 2013.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

None. The Air District match and administrative funding for these projects comes from the TFCA program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Schkolnick
Reviewed by: Damian Breen

Attachment 1: Recommended Key Short-, Medium-, and Long-Term PEV Readiness Actions

ATTACHMENT 1 - Timeline of draft recommended key short-, medium-, and long-term PEV readiness actions, by implementing stakeholder

Regional Agencies

- Prioritize grant funding for quick charge network; incentives for PEV purchases; and EVSE in MDUs, workplaces
- Develop incentive programs and systems to monitor PEV deployment, local PEV readiness, and uptake of medium- and heavy-duty PEVs in fleets
- Convene EV readiness summit of local elected officials
- Implement Go EV campaign
- Develop schedule for stakeholder training and outreach
- Monitor uptake of PEVs in Impacted/ Environmental Justice Communities
- Coordinate on statewide efforts: develop statewide readiness guidelines, MDU charging guidelines, and workplace charging guidelines; convene roundtable of CEOs; develop cost of ownership business calculator and report on incentives for employees

Local Governments

- Adopt building code standards for EVSE
- Develop process to expedite EVSE permitting in single-family residences
- Create a residential EVSE permitting checklist
- Train permitting and inspection officials in basic EVSE installation
- Share best practices

Regional Agencies

- Provide PEV incentives through vehicle buybacks & feebates
- Monitor PEV deployment and local government PEV readiness

Local Governments

- Adopt EVSE requirements into building/zoning code
- Allow PEV parking to count toward minimum requirements
- Incorporate PEV readiness policies into general plans, climate action plans, or adopt as stand-alone plans

Utilities

- Evaluate smart grid opportunities for PEVs
- Provide renewable energy options for PEV drivers



Utilities

- Evaluate impact of rate structures on PEVs
- Create notification protocol for PEVs and EVSE

Regional Agencies

- Update EVSE design guidelines
- Develop Regional Public Charger Network
- Monitor PEV deployment, local government PEV readiness, and uptake of PEVs in Impacted/Environmental Justice Communities

Local Governments

- Adopt PEV parking design guidelines
- Adopt PEV parking regulations and enforcement policies
- Ensure that permitting staff at counter are knowledgeable on EVSE installation

Utilities

- Evaluate and upgrade distribution infrastructure
- Implement consumer outreach programs

Definition of Terms

PEV - Plug-In Electric Vehicle

EVSE – Electrical Vehicle Supply Equipment

MDU – Multi-dwelling Unit

EV – Electric Vehicle

CEO - Chief Executive Officer

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 16, 2013

Re: Update on the Regional Bicycle Share Pilot Project

RECOMMENDED ACTION:

Recommend Board of Directors:

- Approve San Francisco County Transportation Authority's (SFCTA) request to use fiscal year ending (FYE) 2014 Transportation Fund for Clean Air (TFCA) County Program Manager funds to purchase and operate additional bicycle share equipment.

BACKGROUND

In the Bay Area, on-road vehicles account for more than 25% of criteria pollutants and 28% of greenhouse gas (GHG) emissions. Therefore, significant emission reductions from this transportation category are key to the Bay Area's attainment of air quality standards and to protecting global climate. The Bay Area Bike Share program (pilot project) was developed as a pilot project to assess how bicycle sharing could reduce these pollutants by eliminating vehicle miles traveled (VMT) in single occupancy vehicles. The pilot project will collect information on vehicle emissions reduced by the system over a period of 12 to 24 months and will assess the viability of expanding bike sharing in the Bay Area, both within the pilot communities and in the larger region.

The Bay Area Air Quality Management District (Air District) is the lead administrator for the pilot project, which is being conducted in partnership with the City and County of San Francisco, the San Mateo County Transit District, the City of Redwood City, the County of San Mateo, and the Santa Clara Valley Transportation Authority.

To initiate the pilot project, approximately \$11.2 million in public funding has been awarded by the Metropolitan Transportation Commission's (MTC) Congestion Mitigation and Air Quality Improvement Program (CMAQ) fund (\$7.1 million), the Air District's Transportation Fund for Clean Air (TFCA) (\$2.8 million), and local match funds from the partners (\$1.3 million). During the pilot project, the Air District is working with its partners and contractor, Alta Bicycle Share, Inc. (Alta), to secure additional funding from user fees and private sponsorships to successfully transition the program over to a self-sustaining system.

Since 1991, the 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 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 to eligible District led programs and projects and Regional Fund programs. By law, forty percent (40%) of TFCA revenues are also distributed to designated County Program Managers in each of the nine counties within the Air District's jurisdiction who in turn award funding to eligible projects and programs within their county.

As part of this report, Air District staff will present an overview of Bay Area Bike Share milestones accomplished to date, next steps, and a request from SFCTA to use FYE 2014 TFCA County Program Manager funds to purchase and operate additional equipment.

DISCUSSION

Bay Area Bike Share launched on August 29, 2013, as the first public bike share service in California and the first regional, multi-city bike share program in the country. The first phase of the pilot includes more than 600 bicycles that are available for check-out from 64 kiosk stations located with the participating pilot communities of San Jose, Paolo Alto, Mountain View, Redwood City and San Francisco. Within the next few months, the first-phase fleet size will expand to 700 bicycles and 70 kiosk stations. A second phase of the pilot, due to be completed in early 2014, will expand the total pilot project fleet to 1,000 bicycles and 100 kiosk stations.

Next Steps

Based on the size of other North American bicycle share systems and preliminary assessments of each of the pilot communities, it is anticipated that the Bay Area's program has the potential to grow to a fleet size of between 6,000 to 10,000 bicycles. As program administrator, the Air District will be working to assess the viability of private sponsorships to help fund the cost of increasing the fleet size within the initial participating service areas and exploring options for expanding the service area to include additional Bay Area communities.

The first step towards securing such sponsorship is to evaluate the branding potential of an expanded system to determine its worth in terms of media impressions in the current pilot communities and other communities throughout the Bay Area. The Air District will open a request for proposals (RFP) to seek a firm qualified to perform this assessment.

Additionally, staff will continue to evaluate the costs of the pilot project to determine what makeup of private and public funding will be necessary to sustain a larger system and to determine the optimal operation of such a system based on ridership data, system membership, system costs and service levels.

Additional Funding for San Francisco Project Component

Given that bike sharing is currently being tested as a pilot, it is not included as an eligible project type in the TFCA Policies. TFCA County Program Manager Policy #3 allows County Program Managers to seek Air District Board of Director's approval on a case-by-case basis for projects that are not included in the list of eligible project types that otherwise conform to the provisions of the California Health and Safety Code (HSC) section 44241 and other TFCA policies. Per this Policy, on October 5, 2011, the Board granted an exemption to San Francisco County Transportation Authority (SFCTA), San Francisco County's County Program Manager, to allocate \$401,250 in FY 2011/12 TFCA County Program Manager funds as a local match to the Regional Bike Share Pilot Project.

For the FYE 2014 cycle, SFCTA has requested Air District approval of an additional allocation of \$388,208 in TFCA County Program Manager funds to purchase and operate additional bike share equipment (Project 14SF04). In addition, SFCTA has requested an exemption from the Board-approved TFCA cost-effectiveness requirement of \$90,000/ton. Staff has reviewed SFMTA's request and determined that the project conforms to the provisions of HSC section 44241, other TFCA policies, and meets a \$500,000/ton cost effectiveness, the same threshold approved by the Board of Directors for the Regional Bicycle Share Pilot on June 5, 2013. Therefore, staff is requesting that the Board approve SFMTA's request for a case-by-case exemption as allowed by Policy #3 to provide FYE 2014 TFCA County Program Manager funds to this Project as well as a waiver of the cost-effectiveness threshold of \$90,000/ton.

BUDGET CONSIDERATION / FINANCIAL IMPACT:

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Schkolnick and Patrick Wenzinger
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 16, 2013

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

RECOMMENDED ACTIONS:

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 allocates these funds to its Transportation Fund for Clean Air (TFCA) Program 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 and projects implemented directly by the Air District, such as the Smoking Vehicle and Spare the Air Programs and the Enhanced Enforcement Project. 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 minor changes to the general policies for the TFCA Regional Fund Program for FYE 2014 as well as policies 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:

- Minor changes to the general policies intended to increase their clarity.
- Increases 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 to \$500,000/ton;
- Clarifies the requirement that matching funds for shuttle/feeder bus service projects must be for direct operational costs of the service; and
- Limits TFCA Regional Funds to cover shuttle/feeder bus service costs incurred during commute times;
- Clarifies the requirement that shuttle/feeder bus service projects must not duplicate existing transit service and provides an opportunity for FYE 2013 TFCA Regional Funds awardees that propose currently funded route(s) in FYE 2014 to request an exemption to this requirement. In order to qualify for the exemption, applicants have to demonstrate how they will come into compliance with the non-duplication 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. In addition, the Air District held a stakeholder workshop meeting on October 8, 2013, that was attended by 23 individuals (15 in-person and 8 via webinar). Attachment C provides a listing of the 5 sets of public comments received by August 15, 2013, two additional sets of written comments received on October 8, 2013, and staff's responses.

Future Potential TFCA Regional Fund Program Modifications

The Air District has been working over the past several years to streamline TFCA Regional Fund Program funding to ensure that it effectively 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

concepts for improving the way that Regional Fund funding is allocated to shuttle/feeder bus service and regional ridesharing.

Since that meeting, staff has continued to explore options for improving 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 developed more recently, are included in Attachment D. During this next year, staff will continue to explore and develop options for improving the program with shuttle and rideshare stakeholders. Staff will update the Committee in the coming months on the process to streamline the program.

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 (Informational Item)
- Attachment C: Comments Received and Staff Responses to Proposed FYE 2014 Policies (Informational Item)
- Attachment D: Concepts for Future Consideration for Improving the TFCA Regional Fund Shuttle and Ridesharing Program (Informational Item)

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 (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
Drayage Truck Replacement Projects	32	\$90,000

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 s 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-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,~~ ~~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:** TFCA 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.

Comments received between 7/25 - 8/15/2013

Commenter 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"> • <i><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></i> • <i><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></i> • <i><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></i> 	<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 effectively 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 project sponsors 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 other or only very limited transit options.</p>

Commenter 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 final 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 effectively meets the growing demand for grant funding across the nine-county Bay Area. To this end, TFCA shuttle funding is being focused on projects that have the greatest potential to prevent long-distance commute trips.</p> <p>This policy also helps to minimize the potential for "double counting" riders who may use the services outside of commute hours who have already been accounted for in the cost-effectiveness evaluation.</p> <p>As such, for FYE 2014 staff has modified the final proposed Policy #27 as shown in Attachment A to expand the definition of commute hours.</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 prevent shuttle operators from providing shuttle/feeder bus service during off-peak hours. Rather, the proposed policy only limits the use of TFCA Regional Funds to cover operational costs that are incurred during commute-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>

Additional comments received on 10/8/2013

Commenter and Agency	Comment	Staff Response
Zach Seal City of Oakland	<p>Funding for shuttles during off-peak hours reduces green house gases and vehicle miles driven for the following three reasons.</p> <ul style="list-style-type: none"> • People use public transit instead of cars during non-commute hours for a variety of trips: doctor visits, errands, shopping, lunch, social services agencies, etc. • Many people –especially service industry workers (restaurant, retail workers, etc.) –work during non-commute hours. • According to our surveys, many people who commute using transit would switch to driving if they could not depend on the B during the middle of the day to get to meetings, lunch, errands, etc. 	<p>The Air District has been working over the past several years to streamline TFCA funding to ensure that it most effectively meets the growing demand for grant funding across the nine-county Bay Area. To this end, TFCA shuttle funding is being focused on projects that have the greatest potential to prevent long-distance commute trips.</p> <p>This policy also helps to minimize the potential for "double counting" riders who may use the services outside of commute hours who have already been accounted for in the cost-effectiveness evaluation.</p> <p>The final proposed FYE 2014 Policy #27 as shown in Attachment A expands the definition of commute hours while still ensuring that grant funding is available to projects that provide commute-hour service.</p>
	<p>Whether or not a shuttle duplicates existing public transit service must take into account more than just the route.</p> <ul style="list-style-type: none"> • Frequency is very important. Waiting 10-minutes verses 15, 20 or 30-minutes for a last-mile connection is a game changer. "Choice riders" who have already traveled on BART, Amtrak and the Ferry do not want to wait around more than a few minutes for their connecting shuttle. Many of these choice commuters would choose to drive instead. • Fare differential is also critical. For example, in the case of the B Shuttle, many "choice riders" would choose to drive instead of paying \$4.20 roundtrip to ride the bus each day (\$84 each week) ON TOP of their BART, Amtrak or Ferry fares. • Data that shows whether or not a shuttle is duplicative needs to be considered. For example, only 143 passengers each day transfer from AC Transit lines to the B – only 5% of the B's ridership of 2,700. This is clear evidence that the B is not duplicative, and data like this should be considered, not ignored. 	<p>The Air District has been working over the past several years to streamline the TFCA program to ensure that it effectively 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 project sponsors were previously funded under this program. In order to assist those applicants with meeting 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 other or only very limited transit options.</p>

Committer and Agency	Comment	Staff Response
<p>Angie Perkins Haslam LAVTA</p>	<p>Our primary concerns with the proposed changes are:</p> <ul style="list-style-type: none"> a. The proposal to restrict funding to new projects only. b. The proposal to restrict funded operations to peak hours only. c. The proposed definition of peak hours. d. The potential effect upon local ACTC TFCA projects and funds. e. Any or all of these changes could result in reduced or eliminated service on currently funded routes, and an increase of single occupancy vehicles use along the affected routing. An increase in vehicle emissions and poor air quality, similar to levels prior to the funded routes' advent, would be likely. 	<ul style="list-style-type: none"> a. The proposed policies do not restrict funding to new projects. Rather, both new and existing projects are eligible to apply for funding. b. The Air District has been working over the past several years to streamline TFCA funding to ensure that it most effectively meets the growing demand for grant funding across the nine-county Bay Area. To this end, TFCA shuttle funding is being focused on projects that have the greatest potential to prevent long-distance commute trips. This policy also helps to minimize the potential for "double counting" riders who may use the services outside of commute hours who have already been accounted for in the cost-effectiveness evaluation. c. As noted above, staff has incorporated the feedback received from stakeholders and modified the final proposed policies as shown in Attachment A to expand and align the definition of commute hours. d. Noted. Staff will continue to work with existing project sponsors and other stakeholders to ensure that they have complete access to information about any potential impact to funding from the Regional Fund and local TFCA sources. e. Noted. See previous response.

The following concepts have been developed for discussion purposes with the Bay Area Air Quality Management District’s shuttle and rideshare stakeholders and are **included as an informational item only.**

- ***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

Agenda Item 7 – Attachment D:
Concepts for Future Consideration for Improving the TFCA Regional Fund Shuttle and Ridesharing Program
(Informational Item)

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.