



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
JOHN AVALOS
CAROLE GROOM
CAROL KLATT
ROGER KIM

MARY PIEPHO – VICE CHAIR
TOM BATES
DAVID HUDSON
LIZ KNISS

THURSDAY
NOVEMBER 13, 2014
9:30 A.M.

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

AGENDA

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

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members.

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 THE MINUTES OF SEPTEMBER 25, 2014**

The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of September 25, 2014.

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

A. Fournier/4961
afournier@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of Carl Moyer Program and Transportation Fund for Clean Air projects requesting grant funding in excess of \$100,000, and authorizing the Executive Officer/APCO to execute grant agreements for the recommended projects.

5. **UPDATE ON THE REGIONAL BICYCLE SHARE PILOT PROJECT**

A. Fournier/4961
afournier@baaqmd.gov

The Committee will receive an informational update on the regional bicycle share pilot project.

6. **TRANSPORTATION FUND FOR CLEAN AIR (TFCA) COUNTY PROGRAM MANAGER
FUND POLICIES FOR FISCAL YEAR ENDING (FYE) 2016** **A. Fournier/4961**
afournier@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of the proposed fiscal year ending (FYE) 2016 Transportation Fund for Clean Air (TFCA) County Program Manager Fund policies.

7. **CONSIDERATION OF FISCAL YEAR ENDING (FYE) 2015 TRANSPORTATION FUND
FOR CLEAN AIR (TFCA) REGIONAL FUND SHUTTLE AND RIDERSHARE PROJECTS** **A. Fournier/4961**
afournier@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of FYE 2015 TFCA Regional Funds for shuttle and rideshare projects and authorizing the Executive Officer/APCO to execute grant agreements for the recommended projects.

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 18, 2014, Bay Area Air Quality Management District Office, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

10. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT CLERK OF THE BOARDS
939 ELLIS STREET, SAN FRANCISCO, CA 94109
SGALLAGHER@BAAQMD.GOV

(415) 749-5073
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- 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.

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

NOVEMBER 2014

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	5	9:45 a.m.	Board Room
Advisory Council Regular Meeting <i>(Meets on the 2nd Wednesday of each Month)</i>	Wednesday	12	9:00 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	13	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	17	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee – <i>(Meets 3rd Thursday every other Month)</i> - CANCELLED AND RESCHEDULED TO MONDAY, DECEMBER 1, 2014	Monday	17	9:30 a.m.	Board Room
Board of Directors Nominating Committee <i>(At the Call of the Chair)</i>	Monday	17	9:30 a.m.	Room 716
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Monday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - CANCELLED	Monday	24	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets Quarterly at the call of the Chair)</i>	Monday	24	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	26	9:30 a.m.	4 th Floor Conf. Room

DECEMBER 2014

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee – <i>(Meets 3rd Thursday every other Month)</i>	Monday	1	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	18	9:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	4 th Floor Conf. 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: November 3, 2014

Re: Approval of the Minutes of September 25, 2014

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee meeting of September 25, 2014.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting on September 25, 2014.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Mobile Source Committee meeting of September 25, 2014

Draft Minutes – Mobile Source Committee Meeting of September 25, 2014

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 25, 2014

1. Call to Order – Roll Call

Mobile Source Committee (Committee) Chairperson Scott Haggerty called the meeting to order at 9:49 a.m.

Present: Committee Chairperson Scott Haggerty; and Directors John Avalos, David Hudson, Roger Kim (on behalf of Edwin Lee) and Liz Kniss.

Absent: Vice-Chairperson Mary Piepho; and Directors Tom Bates, Carole Groom and Carol Klatt.

Also Present: Board of Directors (Board) Chairperson Nate Miley.

2. Public Comment Period: No requests received.

3. Approval of Minutes of May 22, 2014

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Kniss, to approve the Minutes of May 22, 2014; and the motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson, Kim and Kniss.

NOES: None.

ABSTAIN: None.

ABSENT: Bates, Groom, Klatt, Miley and Piepho.

4. Projects and Contracts with Proposed Grant Awards Over \$100,000

Damian Breen, Deputy Air Pollution Control Officer, introduced Adam Shapiro, Administrative Analyst of Strategic Incentives, who gave the staff presentation *Projects with Proposed Awards over \$100,000 & Transportation Fund for Clean Air (TFCA) Waiver Requests*, including brief overviews of the Carl Moyer, Mobile Source Incentive Fund (MSIF) and TFCA programs; a summary of Carl Moyer Program (CMP) Year 16; detailings of the CMP, MSIF and Voucher Incentive Program (VIP) funds awarded as of September 8, 2014; CMP, MSIF and VIP funds awarded years 11 through 16; a summary of TFCA Fiscal Year Ending (FYE) 2014; TFCA funds available and awarded as of September 8, 2014, organized by County; TFCA County Program Manager (CPM) waivers; and recommendations.

Committee Comments:

The Committee and staff discussed whether episodic sites are considered to be highly impacted communities.

Committee Action:

Director Hudson made a motion, seconded by Director Kniss, to recommend the Board:

1. Approve CMP and TFCA projects with proposed grant awards over \$100,000;
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into agreements for the projects; and
3. Approve policy waivers to allow Santa Clara Valley Transportation Authority (SCVTA) and Alameda County Transportation Commission (ACTC) to use FYE 2015 TFCA CPM Funds for bicycle sharing projects and to allow ACTC to use FYE 2014 TFCA CPM Funds to fund a shuttle project for the second year at a cost-effectiveness that aligns with the TFCA Regional Fund.

Committee Comments (continued):

The Committee and staff discussed the SCVTA bicycle sharing project waiver and anticipated bicycle sharing program regional expansions.

Public Comments: No requests received.

Committee Action (continued):

The motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson, Kim, Miley and Kniss.

NOES: None.

ABSTAIN: None.

ABSENT: Bates, Groom, Klatt and Piepho.

5. Update on Hydrogen Station Infrastructure and Vehicles

Mr. Breen introduced Tyson Eckerle, Zero Emission Vehicle (ZEV) Infrastructure Project Manager, Governor's Office of Business and Economic Development, who gave the initial presentation *Hydrogen Fuel Cell Electric Vehicles (FCEV) in the Bay Area*, through slide 4, *The Bay Area is Crucial*, including a summary of Governor Brown's related executive order; the reasoning behind deployment of FCEVs and hydrogen use; and the importance of Bay Area participation.

Mr. Eckerle introduced Catherine Dunwoody, Chief, Fuel Cell Program, California Air Resources Board, who gave the continued presentation through slide 10, *Progress to Plan*, including related driving changes; FCEV market launch 2014-2015; fuel cell buses in service; the June 2014 Assembly Bill (AB) 8 report findings; and projected FCEV growth.

Ms. Dunwoody introduced Jim McKinney, Program Manager, Alternative and Renewable Fuel and Vehicle Technology Program, California Energy Commission, who gave the remainder of the presentation, including Alternative and Renewable Fuel and Vehicle Technology Program AB 118 overview and funding summary for 2009 through 2014; and Northern California public hydrogen stations site map and associated funding for each site.

The Committee and Mr. McKinney discussed, at slide 14, *Northern CA Public Hydrogen Stations*, the State program funding allocation process; deployment plans in the Tri-Valley region; if and how hydrogen pumps are or will be added to existing gasoline dispensing facilities and whether they will be instead of or in addition to new standalone facilities; and the possible future prioritization of siting in the Tri-Valley region.

Mr. McKinney concluded the presentation.

Committee Comments:

The Committee, presenters and staff discussed a comparison of gasoline and hydrogen, including end-user cost, fuel mileage and vehicle range; estimated vehicle pricing; cost comparison of hydrogen and plug-in electric vehicles (PEV); the viability of a national program; long-term market projections for hydrogen vehicle costs; and hydrogen vehicles as one of many components in the varied fleet of the future.

Public Comments: No requests received.

Committee Action: None; receive and file.

6. Update on PEV and Infrastructure Program

Mr. Breen introduced Karen Schkolnick, Air Quality Program Manager of Strategic Incentives, who gave the staff presentation *Update on the Plug-in Electric Vehicle and Infrastructure Program*, including background; Bay Area plug-in electric vehicle adoption rate and target

statistics; State and Air District incentives from 2014 through 2016; Air District incentives awarded to date; education and outreach; and next steps.

Committee Comments:

The Committee and staff discussed infrastructure development outreach efforts by Air District staff; retail cost of chargers; end user payment requirements and equipment capabilities; amount of and allowed uses for reimbursements offered by the Air District; the reasoning for the reimbursement approach; efforts at achieving parity in expansion of the fleet and development of the infrastructure; the need to increase access to technology to all economic groups; impacts of State programs; practicality of the ZEV program for consumers; viability of program goals in light of population projections relative to motor vehicle use and the resulting congestion; whether a program can be developed that ties together incentives for PEV and solar panel installation; a suggestion to focus on mobility corridors when siting chargers; the vehicle charge times for various charger types; the need for a robust and varied infrastructure plan to accommodate many vehicle uses, not just commuting; the expectation that technological advancements will present solutions to some of the long-term infrastructure challenges; the advisability of expanding the variables considered when generating site map plans and convening a public workshop to discuss user concerns early in the process.

Public Comments: No requests received.

Committee Action: None; receive and file.

7. Committee Member Comments: None.

8. Time and Place of Next Meeting:

Thursday, October 23, 2014, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

9. Adjournment: The meeting adjourned at 11:12 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 27, 2014

Re: Projects and Contracts with Proposed Awards over \$100,000

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve Carl Moyer Program (CMP) and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended 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, and stationary agricultural pump engines.

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 projects eligible under the CMP.

Since 1992, 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 (HSC) 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 19, 2014, the Board of Directors authorized the Air District to participate in Year 16 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:

On July 14, 2014, the Air District started accepting applications for CMP Year 16. The Air District has approximately \$12 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 27, 2014, the Air District had received 32 project applications for the CMP Year 16 cycle. Of the applications that have been evaluated between September 8, 2014 and October 27, 2014, eight (8) eligible projects have proposed individual grant awards over \$100,000. These projects will replace four (4) off-road diesel-powered tractors, six (6) off-road diesel-powered loaders, and four (4) marine propulsion engines. These projects will reduce over 5.7 tons of NOx, ROG and PM per year. Staff recommends allocating \$1,174,793 to these projects from a combination of CMP funds and MSIF revenues. Attachment 1, Table 1, 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 6, 2014, and summarizes the allocation of funding by equipment category, and county. This list also includes the Voucher Incentive Program (VIP) on-road replacement projects awarded since the last committee update. Approximately 32% 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 (more than \$67 million awarded to 609 projects).

Transportation Fund for Clean Air:

On May 21, 2014, the Board of Directors allocated \$18.8 million in FYE 2015 TFCA funds to Air District sponsored projects and programs and Regional Fund programs. Since then, the Air District has opened solicitations for the following TFCA-funded incentive programs: Shuttle and Ridesharing, Bicycle E-Lockers, Plug-in Electric Vehicle Rebates for Public Agencies, and On-road Truck Replacements. Staff is currently working to open solicitations for additional project types. In addition, on July 8, 2014, the Air District was awarded a \$500,000 grant from the California Energy Commission (CEC) to deploy 10 direct current (DC) fast chargers, and co-locate 12 level 2 chargers at six Bay Area locations.

As of October 6, 2014, the Air District had received seven project applications for FYE 2015 TFCA funding. Attachment 4, lists all of the eligible projects that have been awarded FYE 2015 TFCA and CEC funding by the Air District as of October 6, 2014. This attachment also shows a summary of the allocated FYE 2015 TFCA and CEC funds that are currently available for award, have been awarded, and are in the process of being awarded by program (Figure 5) and by county (Figure 6). To date, more than \$818,000 in TFCA funds have been awarded to 7 projects. These projects will reduce over 0.34 tons of NO_x, ROG and PM per year.

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: Projects with grant awards greater than \$100,000 (evaluated between 9/8/14 and 10/27/14)
- Attachment 2: Summary of all CMP/ MSIF and VIP approved and eligible projects (evaluated between 5/6/14 and 10/6/14)
- Attachment 3: Summary of program distribution by county and equipment category for CMP/ MSIF and VIP projects for Years 11-16
- Attachment 4: Summary of all TFCA approved and eligible projects (as of 10/6/14)

AGENDA 4 - ATTACHMENT 1

**Table 1 - Summary of Carl Moyer Program/ Mobile Source Incentive Fund projects
with grant awards greater than \$100k (Evaluated between 9/8/14 and 10/27/14)**

Project #	Applicant name	Equipment category	Project description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NOx	ROG	PM	
16MOY17	Spaletta Ranch	Ag/ off-road	Replacement of one diesel-powered loader.	\$ 126,130.00	\$ 187,518.00	0.305	0.056	0.020	Sonoma
16MOY19	MCE Amos, Inc.	Ag/ off-road	Replacement of one diesel-powered loader.	\$ 150,014.00	\$ 187,518.00	0.677	0.118	0.042	Sonoma
16MOY20	Mulas Dairy, Co.	Ag/ off-road	Replacement of one diesel-powered loader.	\$ 150,014.00	\$ 187,518.00	0.620	0.108	0.039	Sonoma
16MOY21	Louise R. Dei	Ag/ off-road	Replacement of one diesel-powered loader.	\$ 161,789.00	\$ 202,237.00	0.752	0.094	0.032	Sonoma
16MOY22	Far Niente Vineyards, LLC DBA Vinescape	Ag/ off-road	Replacement of four diesel-powered tractors, and one diesel-powered loader.	\$ 135,291.00	\$ 180,689.00	0.453	0.081	0.039	Napa
15MOY121	C & W Diving Services, Inc.	Marine	Replacement of two propulsion engines on the crew & supply vessel "Taylor Anne II."	\$ 123,860.00	\$ 281,400.00	0.399	0.016	0.017	Alameda
16MOY14	Bouna Pesca L.L.C.	Marine	Replacement of two propulsion engines on the commercial fishing vessel "Wanderer."	\$ 136,295.00	\$ 161,052.32	0.576	-0.008	0.022	Monterey
16MOY30	W.R. Forde Associates	Off-road	Replacement of one diesel-powered loader.	\$ 191,400.00	\$ 239,250.00	1.130	0.140	0.054	Contra Costa
8 Projects				\$ 1,174,793.00		4.913	0.605	0.265	

AGENDA 4 - ATTACHMENT 2

Summary of all CMP, MSIF and VIP approved/eligible projects (between 5/6/14 and 10/6/14)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
15MOY89	Ag/ off-road	Tractor replacement	1	\$ 23,100.00	Tri-Valley Vineyard Management Inc.	0.061	0.013	0.003	APCO	Sonoma
15MOY120	Ag/ off-road	Tractor replacement	4	\$ 96,346.00	David Pirio Vineyard Management LLC	0.251	0.059	0.020	APCO	Napa
15MOY80	Ag/ off-road	Tractor replacement	2	\$ 59,791.00	Kenzo Estate, Inc.	0.186	0.033	0.015	APCO	Napa
15MOY94	Ag/ off-road	Tractor replacement	2	\$ 85,280.00	Garry Mahrt (Farmer)	0.319	0.060	0.024	APCO	Sonoma
15MOY104	Ag/ off-road	Tractor replacement	1	\$ 38,428.00	Capp Bros Vineyard Management	0.097	0.025	0.010	APCO	Napa
15MOY105	Ag/ off-road	Tractor replacement	1	\$ 40,801.00	Domenico J. Carinalli, Jr.	0.114	0.024	0.006	APCO	Sonoma
15MOY107	Ag/ off-road	Tractor replacement	1	\$ 42,232.00	M. German & Son (Farmer)	0.175	0.032	0.015	APCO	Solano
15MOY108	Ag/ off-road	Tractor replacement	1	\$ 28,704.00	Clementina Biale Vineyards	0.083	0.017	0.006	APCO	Napa
15MOY109	Ag/ off-road	Tractor replacement	1	\$ 47,910.00	Cunningham Dairy	0.243	0.015	0.013	APCO	Sonoma
15MOY97	Ag/ off-road	Tractor replacement	1	\$ 22,580.00	Bowland Vineyard Mgt, Inc.	0.059	0.013	0.003	APCO	Sonoma
15MOY100	Ag/ off-road	Tractor replacement	1	\$ 62,676.00	Custom Tractor Sevice	0.382	0.053	0.019	APCO	Sonoma
15MOY99	Ag/ off-road	Tractor replacement	1	\$ 39,757.00	Regusci Vineyard Management, Inc.	0.104	0.029	0.010	APCO	Napa
15MOY110	Ag/ off-road	Tractor replacement	1	\$ 33,860.00	Roche Winery, LLC.	0.067	0.014	0.006	APCO	Sonoma
15MOY115	Ag/ off-road	Tractor replacement	2	\$ 76,115.00	Nancy and Tony Lilly (Vineyard)	0.220	0.045	0.021	APCO	Sonoma
15MOY118	Ag/ off-road	Tractor replacement	1	\$ 28,898.00	Pina Vineyard Management , LLC.	0.129	0.026	0.009	APCO	Napa
15MOY119	Ag/ off-road	Tractor replacement	2	\$ 58,835.00	Chappellet Vineyard	0.152	0.022	0.009	APCO	Napa
15MOY122	Ag/ off-road	Tractor replacement	1	\$ 32,081.00	Cornerstone Certified Vineyard	0.074	0.016	0.006	APCO	Sonoma
15MOY123	Ag/ off-road	Tractor replacement	1	\$ 71,775.00	Glenn Yenni & Sons, Inc.	0.153	0.029	0.013	APCO	Sonoma
15MOY137	Marine	Engine replacement	2	\$ 99,550.00	Brian Collier (Charter fishing)	0.937	-0.010	0.037	APCO	Contra Costa
15MOY116	Ag/ off-road	Equipment replacement	1	\$ 63,622.00	Morrison Brother's Dairy	0.171	0.042	0.021	APCO	Sonoma
15MOY124	Ag/ off-road	Equipment replacement	1	\$ 46,040.00	Blakes Landing Farms, Inc.	0.116	0.020	0.007	APCO	Marin
15MOY128	Ag/ off-road	Equipment replacement	1	\$ 42,232.00	Deniz Dairy	0.135	0.023	0.008	APCO	Sonoma
15MOY129	Ag/ off-road	Equipment replacement	5	\$ 183,906.00	Colinas Farming Company	0.402	0.086	0.037	TBD	Napa
15MOY136	Ag/ off-road	Equipment replacement	1	\$ 27,480.00	Dirt Farmer & Company	0.052	0.015	0.005	APCO	Sonoma
15MOY133	Ag/ off-road	Equipment replacement	1	\$ 41,017.00	Alta Vineyard Management, Inc.	0.164	0.032	0.009	APCO	Sonoma
15MOY132	Ag/ off-road	Equipment replacement	1	\$ 27,865.00	B Wise Vinyeards, LLC	0.053	0.016	0.005	APCO	Sonoma
15MOY135	Marine	Equipment replacement	2	\$ 68,500.00	San Francisco Bar Pilots	0.419	0.006	0.017	APCO	San Francisco
15MOY130	Off-road	Equipment replacement	2	\$ 188,559.00	Evergreen Materials Inc. DBA Evergreen Supply	1.098	0.162	0.053	TBD	Santa Clara
16MOY2	Ag/ off-road	Equipment replacement	2	\$ 289,836.00	Rankins AG, Inc.	2.947	0.298	0.111	TBD	Contra Costa
16MOY4	Ag/ off-road	Equipment replacement	1	\$ 41,017.00	John Camozzi (Farm/ ranch)	0.176	0.029	0.011	APCO	Sonoma

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
16MOY11	Ag/ off-road	Equipment replacement	1	\$ 147,264.00	Dolcini Brothers	1.244	0.180	0.064	TBD	Sonoma
15MOY126	Marine	Engine replacement	2	\$ 188,580.00	C & W Diving Services, Inc.	1.524	0.051	0.067	TBD	Alameda
16MOY17	Ag/ off-road	Equipment replacement	1	\$ 126,130.00	Spaletta Ranch	0.305	0.056	0.020	TBD	Sonoma
16MOY9	Ag/ off-road	Equipment replacement	3	\$ 80,510.00	David Arthur Vineyards LLC	0.170	0.045	0.019	APCO	Napa
16MOY19	Ag/ off-road	Equipment replacement	1	\$ 150,014.00	MCE Amos, Inc.	0.677	0.118	0.042	TBD	Sonoma
16MOY10	Ag/ off-road	Equipment replacement	1	\$ 27,277.00	Archangel Investments LLC DBA Baldacci Family Vineyards	0.085	0.017	0.006	APCO	Napa
16MOY16	Ag/ off-road	Equipment replacement	1	\$ 54,694.00	Garvey Vineyard Management, LLC.	0.164	0.040	0.016	APCO	Napa
16MOY20	Ag/ off-road	Equipment replacement	1	\$ 150,014.00	Mulas Dairy, Co.	0.620	0.108	0.039	TBD	Sonoma
16MOY21	Ag/ off-road	Equipment replacement	1	\$ 161,789.00	Louise R. Dei	0.752	0.094	0.032	TBD	Sonoma
16MOY22	Ag/ off-road	Equipment replacement	5	\$ 135,291.00	Far Niente Vineyards, LLC DBA Vinescape	0.453	0.081	0.039	TBD	Napa
16MOY13	Marine	Engine replacement	1	\$ 74,410.00	Pound the Zone Fishing	0.379	0.003	0.014	APCO	Contra Costa
15MOY125	Marine	Engine replacement	2	\$ 99,730.00	C & W Diving Services, Inc.	0.272	-0.009	0.017	APCO	Alameda
15MOY121	Marine	Engine replacement	2	\$ 123,860.00	C & W Diving Services, Inc.	0.399	0.016	0.017	TBD	Alameda
16MOY14	Marine	Engine replacement	2	\$ 136,295.00	Bouna Pesca L.L.C.	0.576	-0.008	0.022	TBD	Monterey
VIP247	VIP	Truck Replacement	1	\$ 45,000.00	Everardo Espinosa	0.878	0.013	0.000	APCO	Tehama
VIP248	VIP	Truck Replacement	1	\$ 20,000.00	Lupe Laureano	0.400	0.007	0.000	APCO	Santa Clara
VIP249	VIP	Truck Replacement	1	\$ 35,000.00	James R. Egger Jr.	0.675	0.010	0.000	APCO	Shasta
VIP250	VIP	Truck Replacement	1	\$ 30,000.00	J/W Sanchez Trucking Co., Inc.	0.581	0.009	0.000	APCO	Alameda
VIP251	VIP	Truck Replacement	1	\$ 45,000.00	Horacio Cardenas	0.851	0.029	0.000	APCO	Solano
VIP252	VIP	Truck Replacement	1	\$ 25,000.00	American Soil Products	0.486	0.007	0.000	APCO	Alameda
50 Projects			75	\$ 3,864,651.00		21.027	2.112	0.945		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 10/6/14

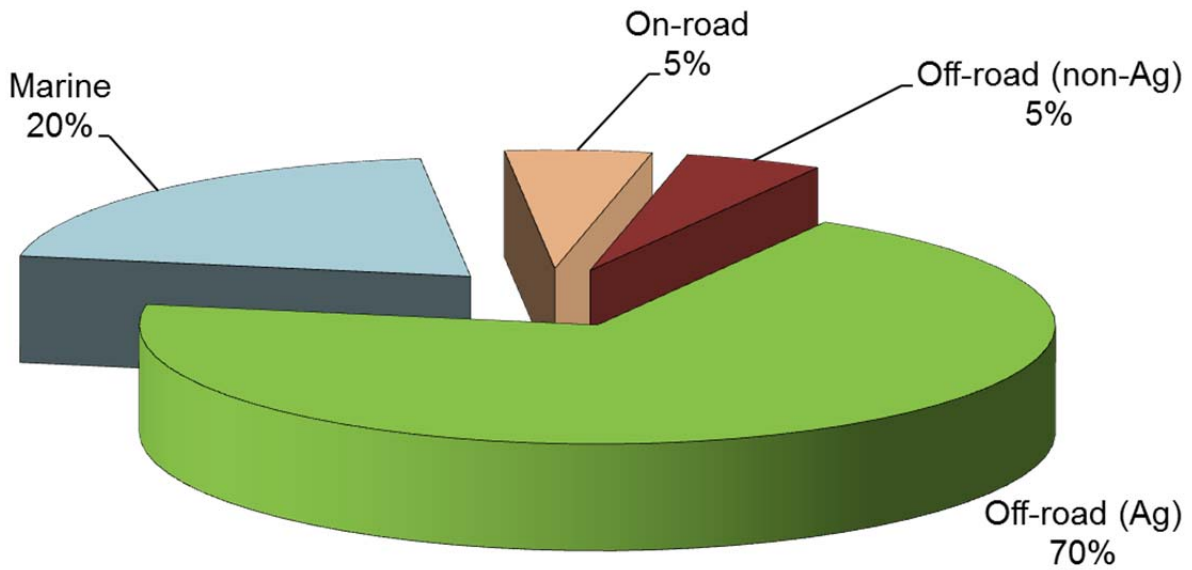
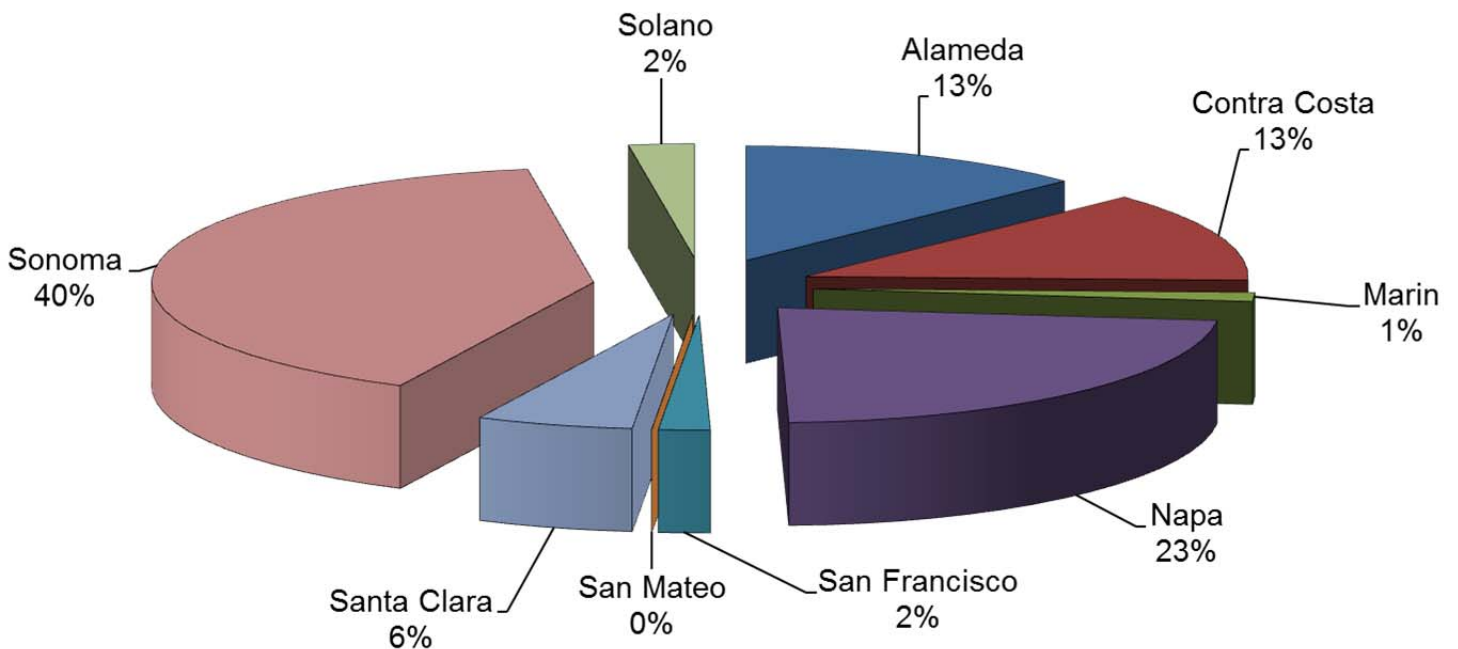


Figure 2: CMP/ MSIF Funding Distribution by County as of 10/6/14



AGENDA 4 - ATTACHMENT 3

Figure 3: CMP, MSIF, and VIP funding for Years 11-16 by equipment category

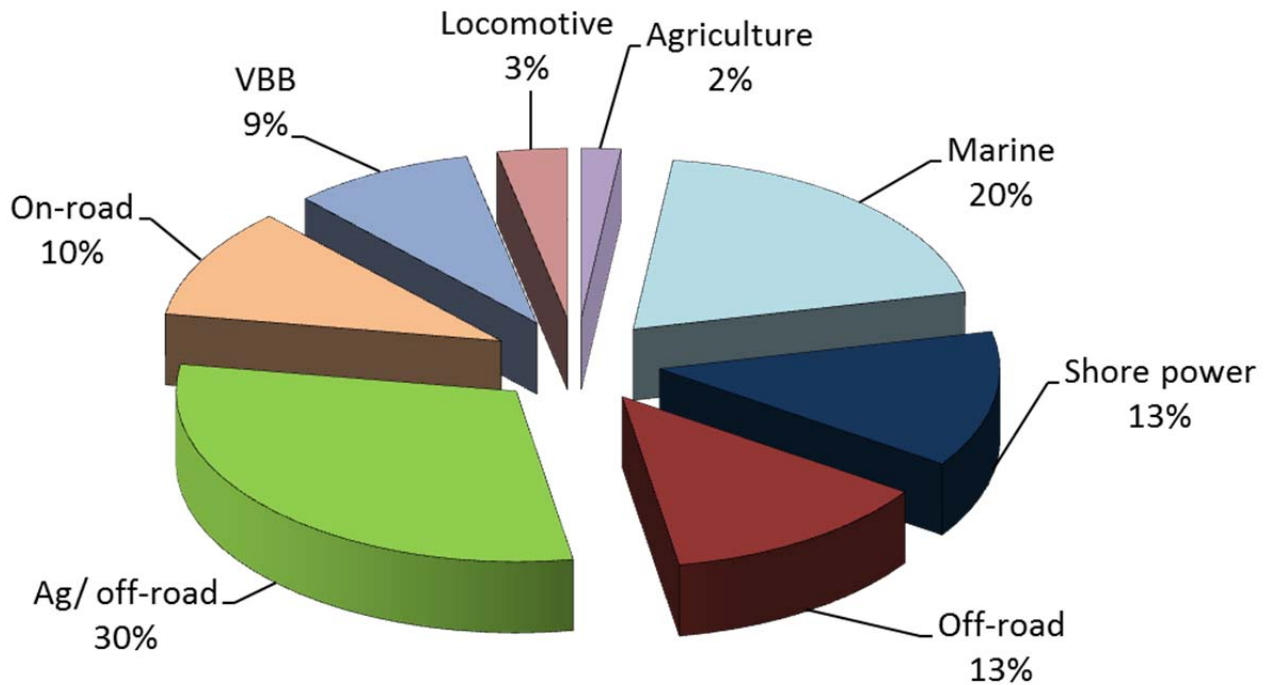
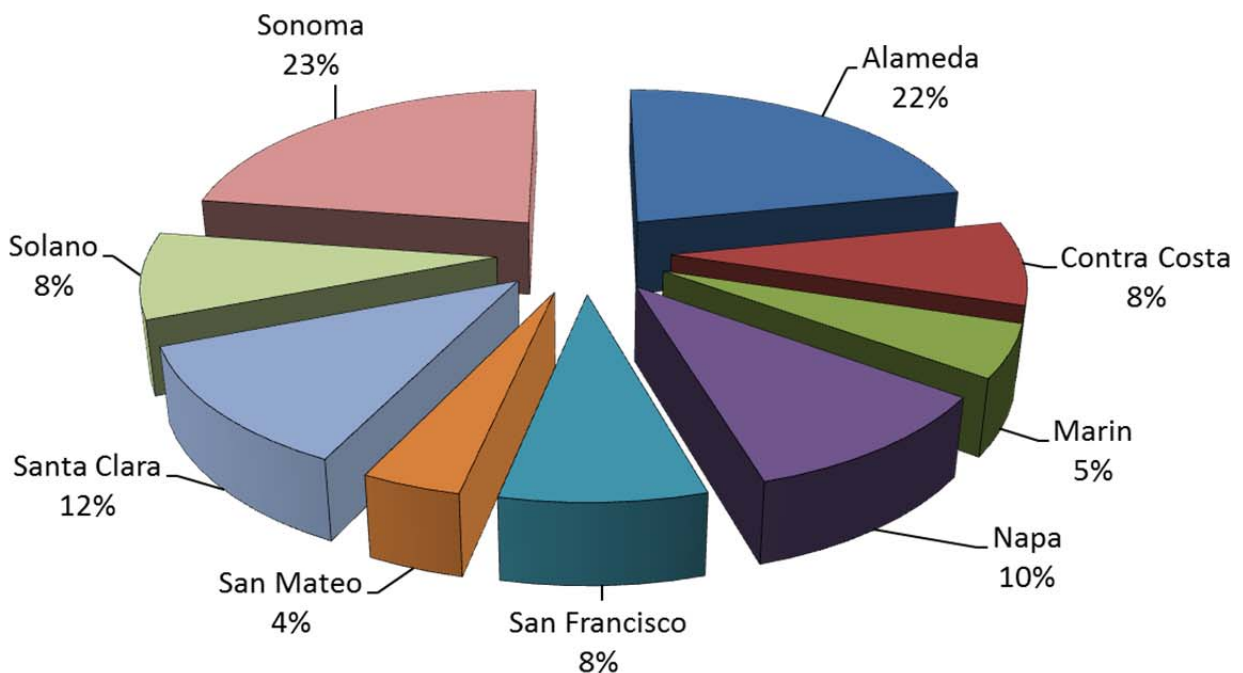


Figure 4: CMP, MSIF, and VIP funding for Years 11-16 by county



AGENDA 4 - ATTACHMENT 4

Summary of all awarded FYE 2015 TFCA and CEC projects (As of 10/6/14)

Project #	Equipment category	Project type	Award amounts	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
					NO _x	ROG	PM		
14PEV001	PEV Rebate	PEV Rebate for twenty four (24) vehicles	\$ 60,000.00	County of Alameda, General Services Agency	0.009	0.012	0.001	APCO	Alameda
14PEV002	PEV Rebate	PEV Rebate for twenty two (22) vehicles	\$ 55,000.00	County of Sonoma	0.008	0.011	0.001	APCO	Sonoma
14EVSE01	EV Charging Equipment	2 DC fast chargers in Redwood City	\$ 40,000.00	Green Charge Networks, LLC	0.016	0.021	0.002	6/19/14	San Mateo
15DCFC03*	EV Charging Equipment	2 DC fast chargers in Alameda	\$ 84,911.60	Alameda Municipal Power	0.016	0.021	0.002	5/21/14	Alameda
15DCFC01*	EV Charging Equipment	2 DC fast and 8 L2 chargers in Rohnert Park	\$ 146,396.00	Federated Indians of Graton Rancheria	0.032	0.041	0.004	10/15/14	Sonoma
15DCFC02*	EV Charging Equipment	2 DC fast and 4 L2 chargers in Fremont and Sunol	\$ 160,000.00	Resurgens Renewables, LLC	0.024	0.031	0.003	10/15/14	Alameda
15DCFC04*	EV Charging Equipment	4 DC fast chargers at SFO	\$ 272,000.00	City and County of San Francisco, Airport Commission	0.033	0.042	0.004	10/15/14	San Mateo
# of Projects: 7			\$ 818,307.60		0.140	0.180	0.018		

*Award amount reflects all TFCA funds awarded and California Energy Commission matching funds totalling \$449,708.00.

Figure 5: TFCA & CEC Grant Funding FYE 2015
Funds available, awarded, and in process of award by Program
(In Millions)

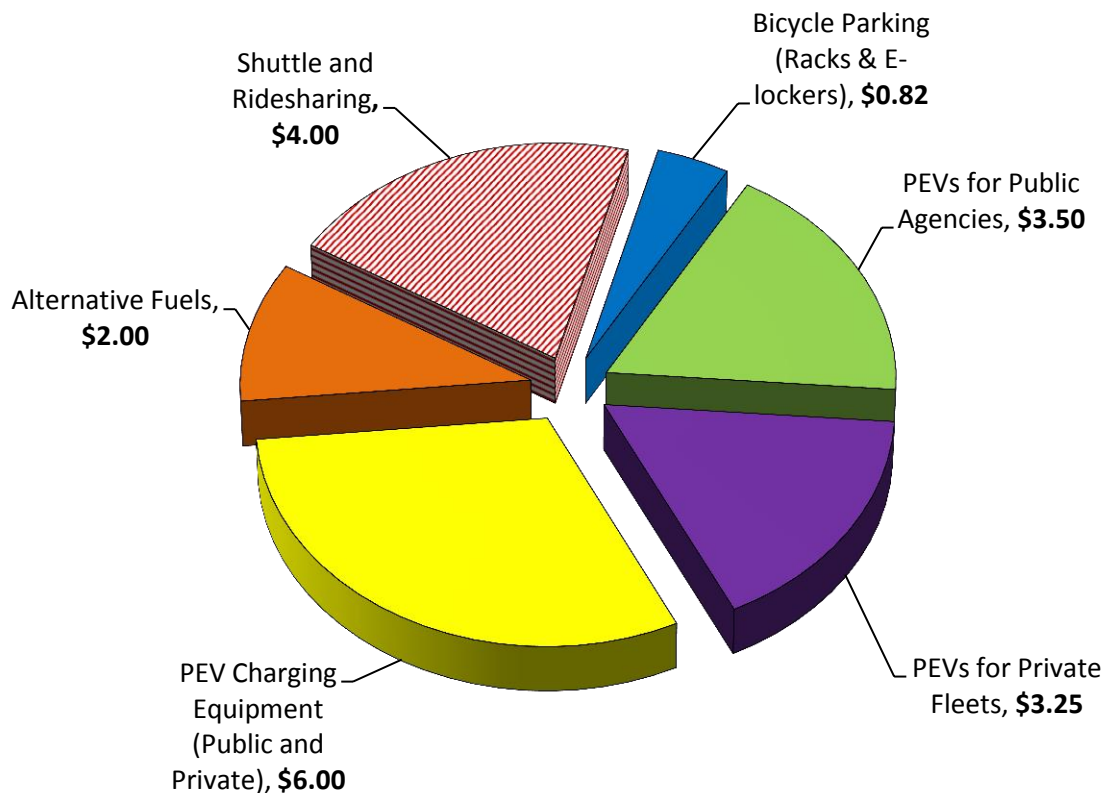
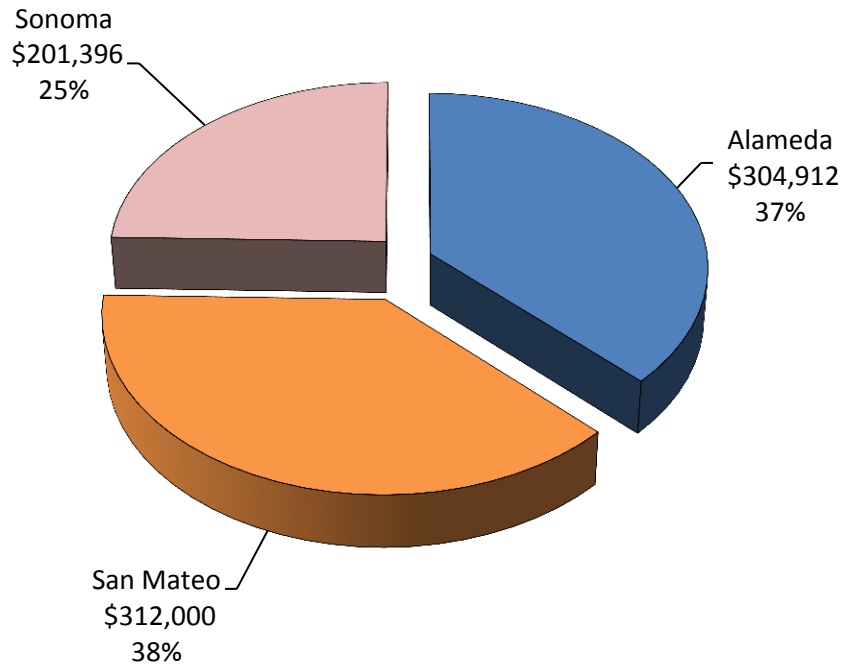


Figure 6: TFCA & CEC Funding FYE 2015
Awarded through 10/6/14 by County



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 8, 2014

Re: Update on the Regional Bicycle Share Pilot Project

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In the Bay Area, the transportation sector accounts for about half of the air pollution and greenhouse gases (GHGs) generated in the region. Since tailpipe emissions contribute significantly to criteria pollutants and GHGs, emission reductions from the on-road transportation sector are essential to helping the Bay Area attain State and Federal ambient air quality standards and meet our GHG reduction commitments. The Bay Area Bike Share pilot project was developed to assess how bicycle sharing could help to reduce these pollutants through mode shifts that eliminate vehicle miles traveled (VMT) by single occupancy vehicles. Throughout the 24 month pilot period, the project is being assessed to determine its potential to improve air quality and options for transitioning to a permanent program both within the pilot communities and in other communities within the region.

The Bay Area Air Quality Management District (Air District) is serving as the lead administrator for the pilot project, which is being conducted in partnership with the Metropolitan Transportation Commission (MTC), 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.

Funding for the pilot project is provided through grants and local funds totaling approximately \$11.2 million, which includes funds from the MTC's Congestion Mitigation and Air Quality (CMAQ) funds (\$7.1 million), the Air District's Transportation Fund for Clean Air (TFCA) (\$2.8 million), and local funds from the partners (\$1.3 million). This amount funds a system size of 1,000 bikes and 100 stations.

Funding for the TFCA 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.

As part of this report, staff will present an overview of the Bay Area Bike Share program, a summary of the pilot project's preliminary results and accomplishments, and the process that is being undertaken to evaluate options for program expansion.

DISCUSSION

Bike sharing is similar to car sharing and involves an organized system of bicycles ideal for short distance point-to-point trips, providing users the ability to pick up a bicycle at any self-serve bike station and return it to any bike station located within the system's service area. The Bay Area Bike Share system includes a fleet of tamper- and vandalism-proof bicycles that employ radio-frequency identification smartcards, wireless, and internet technologies to coordinate and track bicycle pick-up, drop-off, and subscriber information.

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 700 bicycles that are available for check-out from 70 kiosk stations located within the participating pilot communities of San Francisco (350 bikes), Redwood City (70 bikes), Mountain View (70 bikes), Palo Alto (50 bikes), and San Jose (160 bikes). The plans to purchase 300 additional bikes and 30 additional stations have been on hold due to disruption in the equipment supply chain. The Air District and project partners are now evaluating the timing of this purchase. The system operator is Alta Bicycle Share, Inc.

Program Status and Year 1 Review

Program Status: During its first year of operations, 315,803 trips were taken system-wide on Bay Area Bike Share. During this same time period, 5,012 annual memberships and 31,800 causal memberships were sold. Over the next year, staff will be working with its partners and the system operator to review and analyze the user and financial data in order to evaluate the program results with respect to:

- Avoided vehicle miles traveled (VMT) from mode shift
- Greenhouse gas and criteria pollution reductions
- Member travel mode behavior (including bike share and transit relationships, and travel mode shift)
- Operating costs by trip and by jurisdiction
- TFCA cost-effectiveness
- Options for system financial self-sustainability

As part of the Climate Initiatives Program, MTC is evaluating the Bay Area Bike Share program on VMT and greenhouse gas benefits. These evaluation results will be available in early 2015.

Outreach: Outreach is an important component of Bay Area Bike Share. During the first year, Bay Area Bike Share was represented at over 32 community events in 10 Bay Area cities to engage the public and promote the system. In addition, the program was promoted through the Spare the Air social media and staff tabling at local events. Staff also made numerous presentations to stakeholder and advocacy groups. The program has received two awards: 1)

the 2014 Clean Air Award for Transportation from Breathe California (April); and 2) the 2014 Pedestrian/Bicycle Project of the Year from the California Transportation Foundation (May).

In March and April, Bay Area Bike Share made the first six months of trip data available to the public and hosted an “*Open Data Challenge*” contest to encourage community members to actively participate and submit entries that visualize the data in informative and creative ways. Five winners were selected from thirty five entries. Links to the winning submissions along with the other entries received are posted at this website: <http://www.bayareabikeshare.com/datachallenge-2014>.

Safety: Bay Area Bike Share places a strong emphasis on safety and has sponsored approximately 20 safety/training classes that were held over the past year in each of the five pilot cities. The classes were conducted by the San Francisco Bicycle Coalition and the Silicon Valley Bicycle Coalition and were provided at no-charge to the public. In addition, Bay Area Bike Share partnered with a helmet manufacturer to give annual members a \$10 discount towards helmets. The San Francisco Municipal Transportation Agency (SFMTA) also provides helmets to members at no-charge.

Bike Share Industry Update: Since late 2013, the bike share industry began experiencing changes that have hindered the ordering of additional equipment that was planned as part of the second phase of the pilot. Alta’s equipment provider, PBSC Urban Solutions (PBSC), filed for bankruptcy in late 2013, and came out of bankruptcy in April 2014, when it was purchased by a new owner. The new owner of PBSC has been working to re-establish its manufacturing and supply chains, and as of October 2014, PBSC is ready to receive new orders. Meanwhile, Alta is also in the process of being acquired by new management. This process is anticipated to be completed later this year.

Despite these challenges, Bay Area Bike Share’s day-to-day operations have not been impacted and the outcome of these changes is expected to result in an overall stronger, more reliable industry.

Next Steps and Future Expansion Plans

In mid-2014, MTC and the Air District approved MTC to take the lead to operate and expand the post-pilot Bay Area Bike Share program. Under this plan, each agency will continue to contribute funding for program expansion but will jointly oversee implementation of the program. As such, MTC has begun working on the following expansion-related activities:

Funding for Expansion: Since April 2014, MTC has approved \$8.7 million in CMAQ funds and \$7.7 million in Active Transportation Program (ATP) funds (pending approval by the California Transportation Commission in November) for program expansion to Oakland, Berkeley and San Mateo, and new sites within the existing system. These funds must be included in a new procurement for system hardware and software, and cannot be used for the current pilot system. The Air District’s Board has also approved TFCA funds to further support program expansion into other non-pilot communities. This funding is planned for release following the completion of an MTC-led bike share strategic plan that will be completed in 2015.

Strategic Plan: MTC has hired Toole Design Group to assist with the development of the program's strategic plan, which will include ridership and cost analyses, expansion and implementation strategies, funding requirements for inclusion in the regional program, and equity and outreach recommendations. Portions of this plan will be presented to the Commission by year's end and will be incorporated into the impending procurement for a new hardware and operations vendor.

RFP Development: MTC is currently working on development of a procurement vehicle for the system's hardware, software, operations, and maintenance vendor(s). At the time of the previous procurement, the bike share industry in North America was in its infancy, offering only two or three hardware and operations options. In the past year, however, the bike share industry has introduced new bicycle suppliers, backend software suppliers, and firms that offer design, deployment, and management, creating more hardware, software, and operational options. MTC, in partnership with the Air District and the current and future system partners, have begun developing parameters for the post-pilot system, which will be part of the procurement vehicle released within the next year.

Low Income Program: MTC, along with Air District, SFMTA, and Alta staff have begun planning for a low income pilot to be implemented under the current bike share contract. The pilot will work with select Community-based Organizations and non-profits to offer low cost annual memberships to their members. While the pilot parameters are still in the final stages of development, staff anticipates that the pilot will be ready to launch in early 2015.

Marketing and Outreach: MTC has set aside funds for the marketing and outreach of the post-pilot Bay Area Bike Share system, including outreach to low income and non-English speaking communities. They will be going out to bid for a new vendor(s) within the next year, most likely corresponding with the procurement for the system's new operations and hardware vendor(s).

MTC staff plans to request approval of portions of the system's strategic plan, including procurement parameters and funding specifics, from MTC's Programming and Allocations Committee in December 2014. MTC will share this information with the Air District as it becomes available.

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, Patrick Wenzinger, and Ursula Vogler (MTC)

Reviewed by: Anthony Fournier

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 30, 2014

Re: Transportation Fund for Clean Air (TFCA) County Program Manager Fund Policies
for Fiscal Year Ending (FYE) 2016

RECOMMENDED ACTION

Recommend Board of Directors approve the proposed FYE 2016 TFCA County Program Manager Fund Policies.

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 San Francisco Bay Area to fund projects that reduce on-road motor vehicle emissions. The Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) to fund eligible projects. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

By law, 40 percent of these revenues are distributed to designated County Program Managers in each of the nine counties within the Air District's jurisdiction. Each year the Air District Board of Directors is required to adopt policies to allocate these funds to maximize emissions reductions and public health benefits. This report presents the proposed FYE 2016 TFCA County Program Manager Fund Policies.

DISCUSSION

The proposed FYE 2016 TFCA County Program Manager Fund Policies are based on revisions to the FYE 2015 Policies to ensure consistency with Health and Safety Code requirements and to reflect input received over this last year from the Air District Board of Directors (Board), members of the public, and County Program Managers.

On August 29, 2014, Air District staff issued a request for comments on the Draft Proposed FYE 2016 Policies to the County Program Managers. Air District staff also met with County Program Manager representatives to discuss the proposed Policies via a teleconference call on September 12, 2014. Three of the nine County Program Managers submitted written comments by the September 26, 2014, deadline. Two of these commenters suggested changes that would remove some of the proposed policies that are also contained in the Regional Fund policies and other

changes that would clarify the policies. Staff has considered this input and has removed some of the proposed requirements to allow more flexibility for the County Program Manager Fund, but also kept other requirements to ensure alignment between the TFCA Regional policies and the proposed County Program Manager Fund policies. Also, one of the commenters suggested including cycle tracks as one of the eligible bicycle project types and staff has expanded the project eligibility list to include cycle track projects into the proposed policies.

The proposed FYE 2016 Policies include the following changes:

- Minor changes in wording to improve clarity and to ensure adherence to state statute;
- Revised policy language related to shuttle projects to align it with the Board-adopted FYE 2015 TFCA Regional Fund Policies;
- New policy language related to bicycle facility projects;
- Project sponsors would be able to apply TFCA funds for a period of up to 5 years for bike share projects; and
- Streamlined vehicle weight categories for alternative vehicle and infrastructure policies.

Attachment A contains the proposed FYE 2016 Policies and Attachment B shows the changes between the proposed Policies and the previous year Policies.

A listing of the comments received and the responses from Air District staff is provided in Attachment C.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The recommended policy changes have no impact on the Air District's budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda Hui
Reviewed by: Karen Schkolnick

Attachment A: Proposed TFCA County Program Manager Fund Policies for FYE 2016

Attachment B: Proposed TFCA County Program Manager Fund Policies for FYE 2016 Policies as a redlined version of Board-approved TFCA County Program Manager Fund Policies for FYE 2016 Policies

Attachment C: Comments Received from County Program Managers on Proposed Policies and Air District Staff Responses

The following Policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

BASIC ELIGIBILITY

1. **Reduction of Emissions:** 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 these Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE 2016.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, ordinances, contracts, and other legally binding obligations at the time of the execution of a grant agreement between the County Program Manager and the grantee. Projects must also achieve surplus emission reductions at the time of an amendment to a grant agreement if the amendment modifies the project scope or extends the project completion deadline.

2. **TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total emissions reduced, unless a different value is specified in the policy for that project type. (See "Eligible Project Categories" below.) Cost-effectiveness is based on the ratio of TFCA funds 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). All TFCA-generated funds (e.g., TFCA Regional Funds, reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route), each component must achieve this cost-effectiveness requirement.

County Program Manager administrative costs are excluded from the calculation of a project's TFCA cost-effectiveness.

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board adopted policies and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.
4. **Consistent with Existing Plans and Programs:** All projects must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved plan for achieving and maintaining State and national ambient air quality standards, which are adopted pursuant to HSC sections 40233, 40717 and 40919, and, when specified, with other adopted State, regional, and local plans and programs.
5. **Eligible Recipients:** 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 (Policy #8).

- A. Public agencies are eligible to apply for all project categories.
 - B. Non-public entities are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).
6. **Readiness:** Projects must commence by the end of calendar year 2016. “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.
 7. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years, except for bike share projects, which are eligible to apply for a period of up to five (5) years. Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for five (5) years from the date of the Air District’s final audit determination in accordance with HSC section 44242, or duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

A failed fiscal or performance audit of the County Program Manager or its grantee may subject the County Program Manager to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC section 44242(c)(3).
9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District’s award of County Program Manager Funds. County Program Managers may only incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) after the Funding Agreement with the Air District has been executed.
10. **Insurance:** Both the County Program Manager and each grantee must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

11. **Duplication:** Grant applications for projects that provide additional TFCA funding for existing TFCA-funded projects (e.g., Bicycle Facility Program projects) that do not achieve additional emission reductions are ineligible. Combining TFCA County Program Manager Funds with other TFCA-generated funds that broaden the scope of the existing project to achieve greater emission reductions is not considered project duplication.
12. **Planning Activities:** A grantee may not use any TFCA funds for planning related activities unless they are directly related to the implementation of a project or program that result in emission reductions.
13. **Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to the grantee's employees are not eligible.

USE OF TFCA FUNDS

14. **Cost of Developing Proposals:** Grantees may not use TFCA funds to cover the costs of developing grant applications for TFCA funds.
15. **Combined Funds:** TFCA funds may be combined with other grants (e.g., with TFCA Regional Funds or State funds) to fund a project that is eligible and meets the criteria for all funding sources, unless it is otherwise prohibited (e.g., in the project-specific policies). For the purpose of calculating the TFCA cost-effectiveness, the TFCA's portion of the project cost is the sum of TFCA County Program Manager Funds and TFCA Regional Funds.
16. **Administrative Costs:** The County Program Manager may not expend more than five percent (5%) of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.
17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.
18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make

reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

19. **Incremental Cost (for the purchase or lease of new vehicles):** For new vehicles, TFCA funds awarded may not exceed the incremental cost of a vehicle after all rebates, credits, and other incentives are applied. Such financial incentives include manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle, and its new conventional vehicle counterpart that meets the most current emissions standards at the time that the project is evaluated.

20. **Reserved.**

21. **Reserved.**

ELIGIBLE PROJECT CATEGORIES

22. Alternative Fuel Light-Duty Vehicles:

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter. Eligible alternative light-duty vehicle types and equipment eligible for funding are:

- A. Purchase or lease of new hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra-low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.
- B. Purchase or lease of new electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funds. Funds are not available for non-fuel system upgrades, such as transmission and exhaust systems, and should not be included in the incremental cost of the project.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

Vehicles that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from the TFCA Regional Fund.

23. **Reserved.**

24. Alternative Fuel Heavy-Duty Replacement Vehicles (high mileage):

Eligibility: These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction. All of the following additional conditions must be met for a project to be eligible for TFCA Funds:

- A. Vehicles purchased and/or leased have a GVWR greater than 14,000lbs; and

- B. Are 2014 model year or newer hybrid-electric, electric, CNG/LNG, and hydrogen fuel cell vehicles certified by the CARB.

TFCA funds may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

Scrapping Requirements: Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

Vehicles that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from the TFCA Regional Fund or other funding sources that claim emissions credits.

25. **Alternative Fuel Bus Replacement:**

Eligibility: For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than 15 persons, including the driver. A vehicle designed, used, or maintained for carrying more than 10 persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus. Buses are subject to the same eligibility requirements and the same scrapping requirements listed in Policy #24.

Vehicles that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from the TFCA Regional Fund or other funding sources that claim emissions credits.

26. **Alternative Fuel Infrastructure:**

Eligibility: Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel fueling/charging sites (e.g., electric vehicle, CNG, hydrogen). This includes upgrading or modifying private fueling/charging sites or stations to allow public and/or shared fleet access. TFCA funds may be used to cover the cost of equipment and installation. TFCA funds may also be used to upgrade infrastructure projects previously funded with TFCA-generated funds as long as the equipment was maintained and has exceeded the duration of its years of effectiveness after being placed into service.

TFCA-funded infrastructure projects must be available to and accessible by the public. Equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

TFCA funds may not be used to pay for fuel, electricity, operation, and maintenance costs.

Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from the TFCA Regional Fund.

27. **Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category.

28. **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 hub or employment centers. All of the following conditions must be met for a project to be eligible for TFCA 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 service must be available for use by all members of the public.
- D. The project may not duplicate existing local transit service or service that existed along the project's route within the last three years. "Duplication" of service means establishing a shuttle route where there is an existing transit service stop within 0.5 miles of the commercial hub or business center and that can be reached by pedestrians in 20 minutes or less. Projects that propose to increase service frequency to an area that has existing service may be considered for funding if the increased frequency would reduce the commuter's average transit wait time to thirty minutes or less.

Project applicants that were awarded FYE 2014 or FYE 2015 TFCA Funds that propose identical routes in FYE 2015 or in FYE 2016 may request an exemption from the requirements of Policy 28.D. Provided they meet the following requirements: 1) No further TFCA project funding as of January 2017; 2) Submission of a financial plan to achieve financial self-sufficiency from TFCA funds within two years by demonstrating how they will come into compliance with this requirement or by securing non-TFCA Funds. The plan must document: i) the funding source(s) that will be targeted and the bases for eligibility of such funding, ii) the amounts from each funding source for which the applicant is eligible and that will be pursued; 3) the schedule (timeline) from application to receipt of such funds; 4) the process for securing each funding source; and 5) the specific efforts taken by the applicant to be eligible for such funds, and the status of the applicants' application for securing funds.

- E. 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.
- F. Existing projects must meet a cost-effectiveness of \$125,000 per ton of emissions reduced.

- G. **Pilot Shuttle/Feeder Bus Service:** Pilot shuttle/feeder bus service projects are defined as routes that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28.A-F for shuttle/feeder bus service, pilot shuttle/feeder bus service, project applicants must also comply with the following:
- i. Provide data and other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users.
 - ii. Provide written documentation of plans for financing the service in the future;
 - iii. Provide a letter from the local transit agency denying service to the project's proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider's evaluation of the need for the shuttle service to the proposed area.
 - iv. Pilot projects located in Highly Impacted Communities as defined in the Air District Community Air Risk Evaluation (CARE) Program and/or a Planned or Potential Priority Development Area (PDA) may receive a maximum of three years of TFCA Funds under the Pilot designation and must meet the following requirements:
 - a. During the first year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton,
 - b. By the end of the second year of operation, projects must not exceed a cost-effectiveness of \$200,000/ton, and
 - c. By the end of the third year of operation, projects must not exceed a cost-effectiveness of \$125,000/ton and meet all of the requirements of Policy #28.A-F (existing shuttles).
 - v. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Funds under this designation and must meet the following requirements:
 - a. By the end of the first year of operation, projects shall meet a cost-effectiveness of \$200,000/ton, and
 - b. By the end of the second year of operation, projects shall cost \$125,000 or less per ton (cost-effectiveness rating) and shall meet all of the requirements of Policy #28. A-F (existing shuttles).

29. Bicycle Projects:

New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. Eligible projects are limited to the following types of bicycle facilities for public use that result in motor vehicle emission reductions:

- A. New Class-1 bicycle paths;

- B. New Class-2 bicycle lanes;
- C. New Class-3 bicycle routes;
- D. New Class-4 cycle tracks or separated bikeways;
- E. New bicycle boulevards;
- F. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- G. Bicycle lockers;
- H. Capital costs for attended bicycle storage facilities;
- I. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets; and
- J. Development of a region-wide web-based bicycle trip planning system.

All bicycle facility projects must, where applicable, be consistent with design standards published in the California Highway Design Manual, or conform to the provisions of the Protected Bikeway Act of 2014.

30. Bay Area Bike Share

These projects make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips. To be eligible for TFCA funds, bicycle share projects must work in unison with the existing Bay Area Bike Share Project by either increasing the fleet size within the initial participating service areas or expanding the existing service area to include additional Bay Area communities. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing. Projects must meet a cost-effectiveness of \$500,000/ton. Projects may be awarded TFCA funds to pay for up to five years of operations.

31. Arterial Management:

Arterial management grant applications must identify a specific arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funds. Incident management projects on arterials are eligible to receive TFCA funds. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more (counting volume in both directions). Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

32. Smart Growth/Traffic Calming:

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions:

- A. The development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan; and
- B. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.
- C. The project must have a completed and approved environmental plan.

Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential retail, and employment areas.

The following Policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

BASIC ELIGIBILITY

1. **Reduction of Emissions:** 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 these Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE ~~2015~~2016.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, ordinances, contracts, and other legally binding obligations at the time of the execution of a grant agreement between the County Program Manager and the grantee. Projects must also achieve surplus emission reductions at the time of an amendment to a grant agreement if the amendment modifies the project scope or extends the project completion deadline.

2. **TFCA Cost-Effectiveness:** Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total emissions reduced, unless a different value is specified in the policy for that project type. (See "Eligible Project Categories" below.) Cost-effectiveness is based on the ratio of TFCA funds 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). All TFCA-generated funds (e.g., TFCA Regional Funds, reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route, ~~etc.~~), each component must achieve this cost-effectiveness requirement.

County Program Manager administrative costs are excluded from the calculation of a project's TFCA cost-effectiveness.

3. **Eligible Projects, and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board adopted policies and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.
4. **Consistent with Existing Plans and Programs:** All projects must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved plan for achieving and maintaining State and national ambient air quality standards, which are adopted pursuant to HSC sections 40233, 40717 and 40919, and, when specified, with other adopted State, regional, and local plans and programs.
5. **Eligible Recipients:** 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 (Policy #8).

- A. Public agencies are eligible to apply for all project categories.
- B. Non-public entities are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

- 6. **Readiness:** Projects must commence by the end of calendar year ~~2015~~2016. “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.
- 7. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years, except for bike share projects, which are eligible to apply for a period of up to five (5) years. Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles. Sponsors of bike share projects may apply TFCA funds for a period of up to five (5) years.

APPLICANT IN GOOD STANDING

- 8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for five (5) years from the date of the Air District’s final audit determination in accordance with HSC section 44242, or duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

A failed fiscal or performance audit of the County Program Manager or its grantee may subject the County Program Manager to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC section 44242(c)(3).

- 9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District’s award of County Program Manager Funds. County Program Managers may only incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) after the Funding Agreement with the Air District has been executed.
- 10. **Insurance:** Both the County Program Manager and each grantee must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

11. **Duplication:** Grant applications for projects that provide additional TFCA funding for existing TFCA-funded projects (e.g., Bicycle Facility Program projects) that do not achieve additional emission reductions are ineligible. Combining TFCA County Program Manager Funds with other TFCA-generated funds that broaden the scope of the existing project to achieve greater emission reductions is not considered project duplication.
12. **Planning Activities:** A grantee may not use any TFCA funds for planning related activities unless they are directly related to the implementation of a project or program that results in emission reductions.
13. **Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to the grantee's employees are not eligible.

USE OF TFCA FUNDS

14. **Cost of Developing Proposals:** Grantees may not use TFCA funds to cover the costs of developing grant applications for TFCA funds.
15. **Combined Funds:** TFCA funds may be combined with other grants (e.g., with TFCA Regional Funds or State funds) to fund a project that is eligible and meets the criteria for all funding sources, unless it is otherwise prohibited (e.g., in the project-specific policies). For the purpose of calculating the TFCA cost-effectiveness, the TFCA's portion of the project cost is the sum of TFCA County Program Manager Funds and TFCA Regional Funds.
16. **Administrative Costs:** The County Program Manager may not expend more than five percent (5%) of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.
17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.
18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make

reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

19. **Incremental Cost (for the purchase or lease of new vehicles):** For new vehicles, TFCA funds awarded may not exceed the incremental cost of a vehicle after all rebates, credits, and other incentives are applied. Such financial incentives include manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle, and its new conventional vehicle counterpart that meets the most current emissions standards at the time that the project is evaluated.

20. **Reserved.**

21. **Reserved.**

ELIGIBLE PROJECT CATEGORIES

22. **Alternative Fuel Light-Duty Vehicles:**

Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of ~~8,500~~14,000 lbs. or lighter. Eligible alternative light-duty vehicle types and equipment eligible for funding are:

A. Purchase or lease of new hybrid-electric, electric, fuel cell, and CNG/LNG vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra-low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (AT-PZEV), or zero emission vehicle (ZEV) standards.

B. Purchase or lease of new electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.

~~C. CARB emissions compliant vehicle system retrofits that result in reduced petroleum use (e.g., plug-in hybrid systems).~~

~~Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funds. Funds are not available for non-fuel system upgrades, such as transmission and exhaust systems, and should not be included in the incremental cost of the project.~~

~~TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.~~

~~Vehicles that are funded by the TFCA County Program Manager Fund are not eligible for additional funding shall not be co-funded with funds from the TFCA Regional Fund.~~

23. **Reserved.**

~~**Alternative Fuel Medium Heavy-Duty and Heavy Heavy-Duty Service Replacement Vehicles (low-mileage utility trucks in idling service):**~~

~~**Eligibility:** For TFCA purposes, medium and heavy-duty service vehicles are on-road motor vehicles with a GVWR of 14,001 lbs. or heavier. Eligible alternative fuel service vehicles are only those vehicles in which engine idling is required to perform the vehicles' primary service function (for example, trucks with engines to operate cranes or aerial buckets). In order to qualify for this incentive, each new vehicle must be placed into a service route that has a minimum idling time of 520 hours/year, and a minimum mileage of 500 miles/year. Eligible MHDV and HHDV vehicle types for purchase or lease are:~~

~~A. New hybrid electric, electric, and CNG/LNG vehicles certified by the CARB or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.~~

~~Scraping Requirements: Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scraping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.~~

24. Alternative Fuel Heavy-Duty Replacement Vehicles (high mileage):

~~**Eligibility:** For TFCA purposes, Alternative Fuel Heavy-Duty Vehicles are defined as follows: Light-heavy-duty vehicles (LHDV) are those with a GVWR between 8,501 lbs. and 14,000 lbs., medium-heavy-duty vehicles (MHDV) are those with a GVWR between 14,001 lbs. and 33,000 lbs., and heavy-heavy-duty vehicles (HHDV) are those with a GVWR equal to or greater than 33,001 lbs. Eligible LHDV, MHDV and HHDV vehicle types for purchase or lease are: These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction. All of the following additional conditions must be met for a project to be eligible for TFCA Funds:~~

~~A. Vehicles purchased and/or leased have a GVWR greater than 14,000lbs; and~~

~~A.B. Are 2014 model year or newer New hybrid-electric, electric, and CNG/LNG, and hydrogen fuel cell -vehicles -certified by the CARB, -or that are listed by the IRS as eligible for a federal tax credit pursuant to the Energy Policy Act of 2005.~~

TFCA funds may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

~~Scraping requirements are the as those in Policy #23.~~

~~**Scraping Requirements:** Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scraping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.~~

~~TFCA funds awarded may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle~~

and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed, current emissions standards.

Vehicles that are funded by the TFCA County Program Manager Fund are not eligible for additional funding ~~shall not be co-funded with funds~~ from the TFCA Regional Fund or other funding sources that claim emissions credits.

25. Alternative Fuel Bus Replacement:

Eligibility: For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than 15 persons, including the driver. A vehicle designed, used, or maintained for carrying more than 10 persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus. Buses are subject to the same eligibility requirements ~~listed in Policy #24~~ and the same scrapping requirements listed in Policy #~~24~~43.

Vehicles that are funded by the TFCA County Program Manager Fund are not eligible for additional funding ~~shall not be co-funded with funds~~ from the TFCA Regional Fund or other funding sources that claim emissions credits.

26. Alternative Fuel Infrastructure:

Eligibility: Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel fueling/charging sites (e.g., electric vehicle, CNG, hydrogen). This includes upgrading or modifying private fueling/charging sites or stations to allow public and/or shared fleet access. TFCA funds may be used to cover the cost of equipment and installation. TFCA funds may also be used to upgrade infrastructure projects previously funded with TFCA-generated funds as long as the equipment was maintained and has exceeded the duration of its years of effectiveness after being placed into service.

TFCA-funded infrastructure projects must be available to and accessible by the public. Equipment and infrastructure must be designed, installed and maintained as required by the existing recognized codes and standards and approved by the local/state authority.

TFCA funds may not be used to pay for fuel, electricity, operation, and maintenance costs.

Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding ~~shall not be co-funded with funds~~ from the TFCA Regional Fund.

27. Ridesharing Projects: Eligible ridesharing projects provide carpool, vanpool or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category.

28. 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 hub or employment centers. All of the following conditions must be met for a project to be eligible for TFCA 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 service must be available for use by all members of the public.
- ~~D. 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.~~ The project may not duplicate existing local transit service or service that existed along the project's route within the last three years. "Duplication" of service means establishing a shuttle route where there is an existing transit service stop within 0.5 miles of the commercial hub or business center and that can be reached by pedestrians in 20 minutes or less. Projects that propose to increase service frequency to an area that has existing service may be considered for funding if the increased frequency would reduce the commuter's average transit wait time to thirty minutes or less.

Project applicants that were awarded FYE 2014 or FYE 2015 TFCA County Program Manager Funds that propose identical routes in FYE 2015 or in FYE 2016 may request an exemption from the requirements of Policy 28. ~~De. Provided they meet the following requirements: 1) No further TFCA project funding as of January 2017; 2) Submission of a financial plan to achieve financial self-sufficiency from TFCA funds within two years by demonstrating how they will come into compliance with this requirement or by securing non-TFCA Funds. The plan must document: i) the funding source(s) that will be targeted and the bases for eligibility of such funding, ii) the amounts from each funding source for which the applicant is eligible and that will be pursued; 3) the schedule (timeline) from application to receipt of such funds; 4) the process for securing each funding source; and 5) the specific efforts taken by the applicant to be eligible for such funds, and the status of the applicants' application for securing funds. These applicants would have to submit a plan demonstrating how they will come into compliance with this requirement within the next three years.~~

- ~~D. The project must include only commuter peak hour service, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM~~
- ~~E. 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.~~
- E.
- F. Existing Pprojects must meet a cothe following cost-effectiveness of \$125,000 per ton of emissions reduced.

G. Pilot Shuttle/Feeder Bus Service: Pilot shuttle/feeder bus service projects are defined as ~~new~~ routes that are at least 70% unique and ~~where no other service was provided within the past three years~~have not been in operation in the past five years. In addition to meeting the conditions listed ~~in Policy #28.A-F for shuttle/feeder bus service~~above, pilot ~~shuttle/feeder bus service~~, project applicants must also comply with the following:

- i. ~~Applicants must p~~Provide data ~~and other evidence demonstrating the public's need for the service, including a demand assessment survey and letters supporting the demand for the service, including letters~~ of support from potential users. ~~and providers;~~
- ii. ~~Applicants must p~~Provide written documentation of plans for financing the service in the future;
- iii. ~~Provide a~~A letter from the local transit agency denying service to the project's ~~proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider's evaluation of the need for the shuttle service to the proposed area.~~
- iv. Pilot Pprojects 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/or a Planned or Potential Priority Development Area (PDA) may receive a maximum of three years of TFCA Funds under the Pilot designation and must meet the following requirements:~~
 - a. During the first year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton,
 - b. By the end of the second year of operation, projects must not exceed a cost-effectiveness of \$200,000/ton, and
 - c. By the end of the third year of operation, projects must not exceed a cost-effectiveness of \$125,000/ton and meet all of the requirements of Policy #28.A-F (existing shuttles).
- v. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Funds under this designation and must meet the following requirements:
 - a. By the end of the first year of operation, projects shall meet a cost-effectiveness of \$200,000/ton, and
 - b. By the end of the second year of operation, projects shall cost \$125,000 or less per ton (cost-effectiveness rating) and shall meet all of the requirements of Policy #28. A-F (existing shuttles).
 - d. ~~Projects located outside of CARE areas must not exceed a cost-effectiveness of \$125,000 per ton of emissions reduced for the first two years of project operation.~~

~~e. Projects located in CARE areas may receive a maximum of three years of TFCA funds under the Pilot designation; projects located outside of CARE areas may receive a maximum of two years of TFCA funds under this designation. After these time periods, applicants must apply for subsequent funding under the shuttle/feeder bus service designation, described above.~~

29. Bicycle Projects:

New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. Eligible projects are limited to the following types of bicycle facilities for public use that result in motor vehicle emission reductions:

- A. New Class-1 bicycle paths;
- B. New Class-2 bicycle lanes;
- ~~C.~~ C. New Class-3 bicycle routes;
- ~~C.D.~~ D. New Class-4 cycle tracks or separated bikeways;
- ~~D.E.~~ E. New bicycle boulevards;
- ~~E.F.~~ F. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- ~~F.G.~~ G. Bicycle lockers;
- ~~G.H.~~ H. Capital costs for attended bicycle storage facilities;
- ~~H.I.~~ I. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets; and
- ~~I.J.~~ J. Development of a region-wide web-based bicycle trip planning system.

All bicycle facility projects must, where applicable, be consistent with design standards published in the California Highway Design Manual, or conform to the provisions of the Protected Bikeway Act of 2014.

30. Bay Area Bike Share

These projects make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips. To be eligible for TFCA funds, bicycle share projects must work in unison with the existing Bay Area Bike Share Project by either increasing the fleet size within the initial participating service areas or expanding the existing service area to include additional Bay Area communities. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing. Projects must ~~not exceed~~ meet a cost-effectiveness of \$500,000/ton. Projects may be awarded TFCA funds to pay for up to five years of operations.

31. Arterial Management:

Arterial management grant applications must identify a specific arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funds. Incident management projects on arterials are eligible to receive TFCA funds. Transit improvement

projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more (counting volume in both directions). Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

32. Smart Growth/Traffic Calming:

Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions:

- A. The development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan; and
- B. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.
- C. The project must have a completed and approved environmental plan.

Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential retail, and employment areas.

Committer and Organization	Comments received from County Program Mangers between August 29 - September 26, 2014	Air District Staff's Responses
<p>Bill Hough and Marcella Rensi <i>Santa Clara Valley Transportation Authority</i></p>	<p>Legislation requiring Caltrans to establish engineering standards for cycletracks has been approved by the California Legislature and is awaiting the Governor's signature (AB 1193). We suggest including cycle tracks as one of the eligible bicycle facility types.</p>	<p>Staff has modified Policy 29 to include Class-4 cycle tracks or separated bikeways into the listing of eligible projects. These projects must either comply with engineering design standards in the California HDM or conform to the provisions of the Protected Bikeway Act of 2014.</p>
	<p>Current TFCA Policy #29 includes Class I bike paths, Class II bike lanes, Class III bike routes and bicycle boulevards as eligible projects, and notes that "All bicycle facility projects must, where applicable, be consistent with design standards published in the California Highway Design Manual." The policy does not recognize "cycletracks," which have been implemented in many communities throughout the Bay Area. Current California HDM does not include design guidance for cycletracks.</p>	<p>See response above.</p>
	<p>Currently, Policy 32 says that smart growth projects must have a completed and approved environmental plan prior to obtaining funding. This is beneficial in screening projects since there are no default assumptions for "smart growth" or traffic calming projects in the guidance. BAAQMD might want to consider expanding the environmental requirement to trail projects, which will hopefully allow for more reliable demand analysis for the completed trail.</p>	<p>The submitted remarks are noted. Staff will explore this idea further with the County Program Managers at the next workgroup meeting.</p>
	<p>Under Section 28. Shuttle/Feeder Service, 1st paragraph, please clarify what "definable" means and if needed, the definition should be vetted before incorporating into the policy.</p>	<p>The text has been revised to remove the term "definable". Staff will be discussing the idea of how to improve the language related to the Shuttle Program requirements with the County Program Managers at the next workgroup meeting.</p>
<p>John Hoang <i>San Mateo C/CAG</i></p>	<p>Under Section 28 D, regarding "duplication of services", this stipulation may not take into account the disparate nature of fixed route bus service and last mile commute shuttles. Please reconsider reworking the policy so as not to correlate between two different types of services.</p>	<p>The proposed policy is written to be consistent with the Regional Fund Shuttle and Ridesharing Program and to meet the goal of reducing new trips. The submitted remarks are noted and staff will be discussing the idea of how to improve the language related to the duplication requirement with the County Program Managers at the next workgroup meeting.</p>

Committer and Organization	Comments received from County Program Mangers between August 29 - September 26, 2014	Air District Staff's Responses
	<p>Under Section 28 G, requirement #1 states that "No further TFCA project funding as of January 2017". The funding is awarded by fiscal year therefore, as written, does that language apply to only the 6 months of FYE 2017?</p>	<p>Policy 28.D. is written to reflect that projects are eligible for TFCA funds pay for operations and services that are provided up through December 31, 2016. After that date, duplicative projects would no longer be eligible for TFCA funding. The submitted remarks are noted and staff will be discussing the idea of how to improve the language related to the duplication requirement with the County Program Managers at the next workgroup meeting.</p>
	<p>Also, for #2, the project sponsor that we provide TFCA funds to for shuttle services has indicated that as of today, there are no other sources of funds that can supplant the TFCA funding.</p>	<p>The proposed revisions to policy 28.D. serve to align the CPM Policies with the requirements of the Regional Fund Program. This policy requires project sponsors to submit a financial plan as a condition for obtaining an exemption to the duplication requirement - even if there are no other sources that can identified a this time. The purpose of the plan is to have project sponsors of duplicative project identify a series of options (develop a plan) that can be followed to pursue new sources of funds from local businesses, riders, etc.</p>
	<p>Policy 15. Combined Funds</p> <p>For clarity, staff suggests Policy 15 be revised to reflect that the draft Policies do not allow for the combining of Regional and County TFCA funds for certain project types. Policy 15 currently states, "TFCA funds may be combined with other grants (e.g., with TFCA Regional Funds or State funds) to fund a project that is eligible and meets the criteria for all funding sources", but Policies 22-26, for Alternative Fuel and Replacement projects, are proposed to include new language that specifically prohibits the combining of Regional and County TFCA sources for these project types.</p> <p>In general, it is seen as beneficial to be eligible for both Regional and County TFCA funds, but if specific projects are to be precluded from receiving both fund sources, this should be included in Policy 15 as well as under any project-specific policies.</p>	<p>Please see proposed modification to Policy 15; language has been updated to clarify that combining funds is not allowed for certain project categories.</p>

Committer and Organization	Comments received from County Program Mangers between August 29 - September 26, 2014	Air District Staff's Responses
<p>Jacki Taylor Alameda County Transportation Commission</p>	<p>Policy 28D. Shuttle/Feeder Bus Service – Duplication of service</p> <p>In general, staff feels that Policy 28D, as written, may be too restrictive and could limit the ability to fund shuttles that are cost-effective, reduce SOV trips and promote last-mile connections. It is suggested the duplication of service definition be revised to clarify that the 0.5 mile restriction is intended for shuttle routes that share a common route with existing public transit and not simply a shared stop.</p>	<p>The submitted remarks are noted. The proposed revisions to policy 28.D. serve to align the CPM Policies with the requirements of the Regional Fund Program and to meet the goal of reducing new trips. Staff will be discussing the idea of how to improve the language related to the duplication requirement with the County Program Managers at the next workgroup meeting.</p>
	<p>Policy 28E. Shuttle/Feeder Bus Service – Matching funds</p> <p>Staff requests the proposed 10% matching funds requirement for shuttle projects be removed from the Policies. It should continue to be up to the discretion of the County Program Managers whether or not to have a matching funds requirement for shuttles -- or any project type.</p>	<p>Staff has modified the requirement and removed the 10% matching funds requirement to provide County Program Managers the flexibility to choose whether to require matching funds and if so, the amount they feel is appropriate for each project type.</p>
	<p>Policy 28G. Shuttle/Feeder Bus Service – Duplication of service exemption</p> <p>In the first sentence, the referenced fiscal years should be updated to FYE 2015 and FYE 2016, respectively.</p>	<p>Please see proposed modification to the Policy 28.D. Staff has included both years since some County Program Mangers have awarded projects that have duration of two years.</p>
	<p>Policy 28I. Shuttle/Feeder Bus Service – Pilot service</p> <p>Staff suggests the proposed requirement for pilot shuttle applicants to provide a financial plan for transitioning to a self-sustaining service and/or for reducing reliance on TFCA funding within 5 years be removed from the Policies. As long as a pilot shuttle project continues to be cost-effective for TFCA, it should be up to the discretion of each County Program Manager how long and at what level the shuttle can continue to be funded with County TFCA.</p>	<p>Staff has modified the requirement and removed the explicit requirements in order to provide County Program Managers the flexibility to choose how to implement this requirement.</p>
	<p>As a final comment, in general it is requested that a longer review period be provided for the annual review of the draft Policies to allow more time for a typical agency review process, which may include requesting review and feedback from one or more of our committees.</p>	<p>The submitted remarks are noted. Staff will be exploring options for modifying the next year's schedule with the County Program Managers at the next workgroup meeting.</p>

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 30, 2014

Re: Consideration of Fiscal Year Ending (FYE) 2015 Transportation Fund for Clean Air
(TFCA) Regional Fund Shuttle and Rideshare Projects

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve a proposed change to FYE 2015 TFCA Regional Fund Policy #2 to increase the cost-effectiveness limit to \$175,000/ton of emissions reduced for existing shuttle projects, year 2 pilot shuttle projects, and year 3 pilot shuttle projects in CARE and/or PDA areas;
2. Approve proposed awards for the TFCA Shuttle and Ridesharing projects listed in Attachment A at the revised cost-effectiveness limit of \$175,000/ton of emissions reduced; and
3. Authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA projects 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. Since 1992, the Air District has allocated 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 (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible programs and projects implemented directly by the Air District (e.g., the Smoking Vehicle, Enhanced Mobile Source Enforcement, Spare the Air, and Bicycle Facility Programs) and through a grant program known as the Regional Fund. The remaining 40 percent of TFCA funds are forwarded to a designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

Staff will present an overview of the FYE 2015 TFCA Regional Fund Shuttle and Ridesharing Incentive Program policies and evaluation criteria, project evaluation results, and recommendations for grant awards for the eligible FYE 2015 shuttle and rideshare projects.

DISCUSSION

The Air District's Board of Directors allocated up to \$4 million for the FYE 2015 Shuttle & Rideshare Program on May 21, 2014. The Board of Directors subsequently approved Policies and Evaluation Criteria for the FYE 2015 cycle on June 4, 2014. Staff opened a call for projects on June 26, 2014 and held two grant application workshops in San Francisco on July 2, 2014 and July 14, 2014. Both of these workshops were also accessible via an online webinar.

Fourteen applications for FYE 2015 funding were received by October 6, 2014, including 12 applications for shuttle projects (totaling 45 routes) and two rideshare projects. All projects were evaluated for conformance with Board-approved Policies and Evaluation Criteria. Staff is recommending a change to FYE 2015 TFCA Regional Fund Policy #2 to increase the cost-effectiveness limit to \$175,000/ton of emissions reduced for existing shuttle projects, year 2 pilot shuttle projects, and year 3 pilot shuttle projects in CARE and/or PDA areas (from \$125,000/ton) to counter balance the impacts caused by California Air Resources Board's (CARB) revisions to emissions factors that were implemented during the FYE 2015 cycle. This change will also minimize the impact to existing projects while the program is undergoing review.

Based on a cost-effectiveness threshold of \$175,000/ton of emissions reduced, eight projects are recommended for award at the full request amount (totaling \$2,704,978), and one project (#15R13 – 24 routes) is recommended at a reduced award amount (totaling \$992,528) in order to meet the revised cost-effectiveness criteria. These nine projects will result in the combined reduction of over 87 tons of NOx, ROG, and PM and 47,810 tons of greenhouse gases. Staff recommends awarding \$3,697,506 to these nine projects from FYE 2015 TFCA Regional Funds.

Additionally, the Board-approved Policies require that 60% of funding be reserved for projects that are located in Highly Impacted Communities (HIC), as defined by the Air District's Community Air Risk Evaluation (CARE) program and by Priority Development Areas (PDA). Approximately 68% (\$2,532,234) of the funds are being recommended for award to projects that reduce emissions in highly impacted Bay Area communities to projects in CARE areas or PDAs (\$1,684,578 in CARE areas, \$663,011 in PDAs, and \$184,645 in both). Attachment A provides additional information on these projects.

Five projects are not recommended for award because of one or more of the following reasons:

- The proposed service duplicates existing transit service and is not eligible for a temporary waiver.
- The proposed project is not cost-effective at any dollar amount.
- The application was received after the due date and was incomplete as of October 6, 2014, so a determination of eligibility could not be made in time for this report.

A listing of the projects that are not recommended for funding is included in Attachment B.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes program monies as “pass-through” funds on a reimbursement basis. Administrative costs for project staffing are provided by the Air District’s Transportation Fund for Clean Air.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ken Mak
Reviewed by: Karen Schkolnick

Attachment A: Projects Recommended for Award – FYE 2015 Regional Fund TFCA Shuttle and Ridesharing

Attachment B: Projects Not Recommended for Award and Incomplete Applications – FYE 2015 Regional Fund TFCA Shuttle and Ridesharing

ATTACHMENT A: Projects Recommended for Award - FYE 2015 Regional Fund TFCA Shuttle and Ridesharing

FYE 2015 Shuttle and Ridesharing Applications, Projects Recommended for Funding													
Project #	Project Sponsor	Proposed Project Title	Route	Est. C/E	Recommended Award Amount (at \$175k limit)	Total TFCA Funds requested	Total Project / Route Cost	ROG (tons)	NOX (tons)	PM10 (tons)	CO2 (tons)	Total Boardings or Trips / Year	Award Amount (at \$125k limit)
15R05	MTC	Regional Rideshare Program		\$ 16,776	\$ 1,000,000	\$ 1,000,000	\$ 3,548,006	19.55	20.61	18.20	31,461	6,074,880	\$ 1,000,000
15R06	Associated Students, SJSU	SJSU Ridesharing & Trip Reduction		\$ 70,858	\$ 140,000	\$ 140,000	\$ 164,707	0.66	0.64	0.54	938	761,400	\$ 140,000
15R07	SJRRRC	ACE Shuttle	Route 53	\$ 134,284	\$ 110,000	\$ 110,000	\$ 170,494	0.29	0.21	0.27	463	35,739	\$ 102,390
			Route 54	\$ 166,764	\$ 73,500	\$ 73,500	\$ 139,736	0.15	0.15	0.12	216	25,276	\$ 55,092
15R09	SFMTA	82X Levi Express Shuttle		\$ 33,501	\$ 61,213	\$ 61,213	\$ 774,584	0.71	0.47	0.64	1,111	176,877	\$ 61,213
15R11	City of Oakland	Broadway Shuttle		\$ 154,678	\$ 229,173	\$ 229,173	\$ 370,314	0.55	0.40	0.44	736	392,112	\$ 185,200
15R12	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	Brown	\$ 71,120	\$ 102,619	\$ 102,619	\$ 146,130	0.43	0.48	0.44	757	41,703	\$ 102,619
			Gray	\$ 73,134	\$ 152,377	\$ 152,377	\$ 216,986	0.63	0.70	0.64	1,086	60,418	\$ 152,377
			Green	\$ 121,565	\$ 86,262	\$ 86,262	\$ 122,838	0.21	0.24	0.22	370	27,447	\$ 86,262
			Orange	\$ 95,890	\$ 95,971	\$ 95,971	\$ 136,662	0.30	0.34	0.31	513	25,742	\$ 95,971
			Purple	\$ 109,448	\$ 104,468	\$ 104,468	\$ 148,763	0.29	0.32	0.29	495	34,239	\$ 104,468
			Red	\$ 81,476	\$ 155,214	\$ 155,214	\$ 215,816	0.57	0.64	0.58	988	58,688	\$ 155,214
			Violet	\$ 91,645	\$ 109,645	\$ 109,645	\$ 156,135	0.36	0.40	0.36	617	38,732	\$ 109,645
Yellow	\$ 66,667	\$ 153,444	\$ 153,444	\$ 218,506	0.69	0.77	0.70	1,205	62,447	\$ 153,444			
15R13	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Program	Bayshore/Brisbane	\$ 162,283	\$ 14,600	\$ 14,600	\$ 94,958	0.04	0.04	0.04	48	20,204	\$ 11,200
			Bayside	\$ 124,135	\$ 58,700	\$ 58,700	\$ 86,789	0.15	0.16	0.14	235	50,518	\$ 58,700
			Belmont / Hillsdale	\$ 218,640	\$ 5,762	\$ 7,200	\$ 88,831	0.02	0.02	0.02	21	17,622	\$ 4,100
			Bowers / Walsh	\$ 174,995	\$ 24,710	\$ 24,710	\$ 111,805	0.05	0.03	0.05	80	20,760	\$ 17,600
			Bridge Park	\$ 124,493	\$ 68,000	\$ 68,000	\$ 128,003	0.17	0.17	0.17	290	38,245	\$ 68,000
			Broadway / Millbrae	\$ 127,559	\$ 23,600	\$ 23,600	\$ 117,761	0.07	0.07	0.06	94	47,958	\$ 23,000
			Campus Drive	\$ 148,069	\$ 22,200	\$ 22,200	\$ 102,445	0.05	0.03	0.05	87	23,079	\$ 18,680
			Clipper - RW Shores	\$ 124,614	\$ 19,900	\$ 19,900	\$ 103,466	0.05	0.03	0.06	93	23,663	\$ 19,900
			Deer Creek	\$ 360,509	\$ 5,480	\$ 11,290	\$ 99,552	0.01	-0.04	0.05	86	26,842	\$ 3,900
			Duane Avenue	\$ 129,176	\$ 44,800	\$ 44,800	\$ 114,358	0.11	0.11	0.11	181	25,928	\$ 43,200
			EA - Redwood Shores	\$ 124,488	\$ 67,000	\$ 67,000	\$ 110,000	0.18	0.18	0.16	249	39,849	\$ 67,000
			Embarcadero	\$ 147,854	\$ 53,000	\$ 53,000	\$ 203,019	0.13	0.09	0.12	188	49,198	\$ 44,700
			Lincoln Centre	\$ 140,286	\$ 44,700	\$ 44,700	\$ 126,049	0.11	0.08	0.11	175	37,634	\$ 39,700
			Marguerite	\$ 21,284	\$ 105,000	\$ 105,000	\$ 284,570	1.76	1.34	1.64	2,936	805,083	\$ 105,000
			Mariners Island	\$ 125,715	\$ 40,000	\$ 40,000	\$ 102,598	0.10	0.09	0.10	163	38,777	\$ 39,600
			Marsh Road	\$ 143,245	\$ 32,300	\$ 32,300	\$ 132,303	0.07	0.07	0.07	120	31,977	\$ 28,100
			Mary Moffett	\$ 172,816	\$ 32,900	\$ 32,900	\$ 100,000	0.08	0.07	0.05	76	18,260	\$ 23,700
			Mission College	\$ 124,412	\$ 89,000	\$ 89,000	\$ 104,147	0.22	0.24	0.21	362	35,990	\$ 89,000
			North Bayshore	\$ 131,927	\$ 50,600	\$ 50,600	\$ 208,000	0.12	0.13	0.11	180	27,825	\$ 47,800
			Oracle	\$ 124,567	\$ 9,600	\$ 9,600	\$ 128,199	0.03	0.03	0.02	30	28,184	\$ 9,600
Pacific Shores	\$ 124,220	\$ 85,600	\$ 85,600	\$ 128,981	0.22	0.21	0.21	360	62,882	\$ 85,600			
Shoreline - Google	\$ 157,329	\$ 58,700	\$ 58,700	\$ 208,000	0.12	0.13	0.11	162	43,671	\$ 46,500			
Sierra Point	\$ 177,460	\$ 15,876	\$ 16,100	\$ 110,000	0.03	0.03	0.03	22	19,447	\$ 11,300			
Willow Road	\$ 135,837	\$ 20,500	\$ 20,500	\$ 88,491	0.05	0.04	0.05	79	24,334	\$ 18,800			
15R16*	County of Alameda	Embarcadero Cove Pilot Shuttle		\$ 252,863	\$ 56,092	\$ 56,092	\$ 62,325	0.08	0.08	0.07	110	29,500	\$ 56,092
15R17	Presidio Trust	PresidioGO Shuttle		\$ 75,829	\$ 75,000	\$ 75,000	\$ 450,478	0.32	0.33	0.29	430	279,159	\$ 75,000
TOTAL:					\$ 3,697,506	\$ 3,704,978	\$ 10,124,805	29.74	30.13	27.85	47,810	9,682,289	\$ 3,559,667

* Pilot Project in CARE area

**ATTACHMENT B: Projects Not Recommended for Award and Incomplete Applications -
FYE 2015 Regional Fund TFCA Shuttle and Ridesharing**

FYE 2015 Shuttle and Ridesharing Applications, Projects Not Recommended for Funding											
Project Number	Project Sponsor	Proposed Project Title	Route	Est. C/E	Total TFCA Funds requested	Total Project / Route Cost	Reason	ROG (tons)	NOX (tons)	PM10 (tons)	CO2 (tons)
15R08	City of Alameda	Estuary Crossing Shuttle		\$ 4,727,640	\$ 100,000	\$ 441,640	Not C/E, Duplicates service	0.03	-0.06	0.05	60
15R10	SFMTA	UCSF Mission Bay Shuttle		\$ 99,746	\$ 230,000	\$ 1,275,817	Duplicates service	0.89	0.61	0.77	1321
15R13	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Program	Norfolk	\$ (75,119)	\$ 8,500	\$ 97,340	Not C/E at any amount	0.02	-0.09	0.01	20
15R14	Alameda-Contra Costa Transit District	Union City BART Pilot Shuttle		\$ 2,281,523	\$ 373,500	\$ 415,000	Not C/E, Duplicates service	0.06	0.05	0.04	60
15R15	City of Richmond	Commuter Shuttle		TBD	TBD	TBD	Application Incomplete	TBD			
15R15*	City of Richmond	Commuter Shuttle	Route 1	TBD	TBD	TBD	Application Incomplete	TBD			
			Route 2	TBD	TBD	TBD		TBD			

*New Application; supercedes previous application of the same name