BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR	JAN PEPPER – VICE CHAIR
JOHN AVALOS	TOM BATES
DAVID J. CANEPA	DAVID E. HUDSON
ROGER KIM	NATE MILEY
KAREN MITCHOFF	

THURSDAY
JULY 2, 2015
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.*

Staff/Phone (415) 749-

3. **APPROVAL OF MINUTES OF APRIL 23, 2015** **Clerk of the Boards/5073**

   The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of April 23, 2015.

4. **PROJECTS AND CONTRACTS WITH PROPOSED GRANT AWARDS OVER $100,000**
   J. Broadbent/5052
   jbroadbent@baaqmd.gov

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

5. **BAY AREA CLEAN AIR FOUNDATION REFORMULATED GASOLINE (RFG) OPEN GRANTS PROGRAM** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

Staff will present an informational item related to the receipt and allocation of $500,000 in Reformulated Gasoline (RFG) Settlement funding.

6. **CALTRAIN ELECTRIFICATION PROJECT ALLOCATION** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of a $20 million Mobile Source Incentive Fund allocation for the Caltrain electrification project, and authorizing the Executive Officer/APCO to enter into agreements for the project.

7. **TRANSPORTATION FUND FOR CLEAN AIR (TFCA) REGIONAL FUND POLICIES, POLICY WAIVER REQUEST, AND HYDROGEN STATION FUNDING ALLOCATION** **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of Fiscal Year End (FYE) 2016 TFCA Regional Fund Policies and Evaluation Criteria, a policy waiver request from SFMTA, and an allocation of $500,000 in TFCA funds for a FYE 2016 hydrogen station deployment program.

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, September 24, 2015, 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:

MANAGER, EXECUTIVE OPERATIONS **(415) 749-5016**
939 ELLIS STREET, SAN FRANCISCO, CA 94109 **FAX: (415) 928-8560**
mmartinez@baaqmd.gov **BAAQMD homepage:**
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the "Members of the Mobile Source Committee" and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following 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 Clerk's Office should be given in a timely manner, 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

JUNE 2015

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Mobile Source Committee *(Meets on the 4th Thursday of each Month)* **- CANCELLED**	Thursday	25	9:30 a.m.	Board Room

JULY 2015

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)* **- CANCELLED**	Wednesday	1	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee *(Meets on the 4th Thursday of each Month)*	Thursday	2	9:30 a.m.	Board Room
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)* **- CANCELLED AND RESCHEDULED TO WEDNESDAY, JULY 22, 2015 AT 9:45 A.M.**	Wednesday	15	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee *(Meets 3rd Thursday of Every Other Month)* **- CANCELLED**	Thursday	16	9:30 a.m.	Board Room
Board of Directors Executive Committee *(Meets on the 3rd Monday of each Month)* **- CANCELLED**	Monday	20	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee *(Meets on the 3rd Monday of each Month)* **- CANCELLED**	Monday	20	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee *(Meets on the 4th Wednesday of each Month)* **- CANCELLED**	Wednesday	22	9:30 a.m.	Board Room
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)* **- CANCELLED AND RESCHEDULED TO WEDNESDAY, JULY 29, 2015 AT 9:45 A.M.**	Wednesday	22	9:45 a.m.	Board Room

JULY 2015

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Mobile Source Committee *(Meets on the 4th Thursday of each Month)* **- CANCELLED**	**Thursday**	**23**	**9:30 a.m.**	**Board Room**
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)*	**Wednesday**	**29**	**9:45 a.m.**	**Board Room**

AUGUST 2015

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)*	**Wednesday**	**5**	**9:45 a.m.**	**Board Room**
Board of Directors Executive Committee *(Meets on the 3rd Monday of each Month)*	**Monday**	**17**	**9:30 a.m.**	**Board Room**
Board of Directors Stationary Source Committee *(Meets on the 3rd Monday of each Month)*	**Monday**	**17**	**10:30 a.m.**	**Board Room**
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)*	**Wednesday**	**19**	**9:45 a.m.**	**Board Room**
Board of Directors Budget & Finance Committee *(Meets on the 4th Wednesday of each Month)*	**Wednesday**	**26**	**9:30 a.m.**	**Board Room**
Board of Directors Mobile Source Committee *(Meets on the 4th Thursday of each Month)*	**Thursday**	**27**	**9:30 a.m.**	**Board Room**

SEPTEMBER 2015

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)*	**Wednesday**	**2**	**9:45 a.m.**	**Board Room**
Board of Directors Regular Meeting *(Meets on the 1st & 3rd Wednesday of each Month)*	**Wednesday**	**16**	**9:45 a.m.**	**Board Room**
Board of Directors Climate Protection Committee *(Meets 3rd Thursday of every other Month)*	**Thursday**	**17**	**9:30 a.m.**	**Board Room**
Board of Directors Executive Committee *(Meets on the 3rd Monday of each Month)*	**Monday**	**21**	**9:30 a.m.**	**Board Room**
Board of Directors Stationary Source Committee *(Meets on the 3rd Monday of each Month)*	**Monday**	**21**	**10:30 a.m.**	**Board Room**
Board of Directors Budget & Finance Committee *(Meets on the 4th Wednesday of each Month)*	**Wednesday**	**23**	**9:30 a.m.**	**Board Room**
Board of Directors Mobile Source Committee *(Meets on the 4th Thursday of each Month)*	**Thursday**	**24**	**9:30 a.m.**	**Board Room**

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

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

Date: June 17, 2015

Re: Approval of the Minutes of April 23, 2015

RECOMMENDED ACTION

Approve attached draft minutes of the Mobile Source Committee (Committee) meeting of April 23, 2015.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of April 23, 2015.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Sean Gallagher
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of April 23, 2015

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, April 23, 2015

1. CALL TO ORDER – ROLL CALL

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

Present: Chairperson Scott Haggerty; Vice-Chairperson Jan Pepper; and Directors John Avalos, Tom Bates, David Hudson, Nate Miley and Karen Mitchoff.

Absent: Directors David J. Canepa and Roger Kim (on behalf of Edwin Lee).

Also Present: None.

Director Mitchoff led the pledge of allegiance.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS: No requests received.

3. APPROVAL OF MINUTES OF FEBRUARY 26, 2015

Mobile Source Committee (Committee) Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Mitchoff, to approve the Minutes of February 26, 2015; and the motion carried by the following vote of the Committee:

AYES: Avalos, Haggerty, Hudson, Miley and Mitchoff.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Canepa, Kim, and Pepper.

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

Damian Breen, Deputy Air Pollution Control Officer, introduced Michael Neward, Administrative Analyst in the Strategic Incentives Division, who gave the staff presentation

Projects and Contracts with Proposed Awards over $100,000, including brief overviews of the Carl Moyer and Mobile Source Incentive Fund (MSIF) programs; a summary of Carl Moyer Program (CMP) Year 16; detailings of the CMP and MSIF funds awarded as of April 6, 2015; CMP and MSIF funds awarded since 2009; Transportation Fund for Clean Air (TFCA) Bay Area hydrogen re-fueling stations; TFCA funds awarded by project category and by county as of April 6, 2015; and recommendations.

Committee Comments:

The Committee and staff discussed how best to enhance Air District outreach to wine growers and other agricultural interests, specifically in the Livermore area.

Committee Action:

Director Hudson made a motion, seconded by Director Avalos, to recommend the Board of Directors (Board):

1. Approve CMP and TFCA projects with proposed grant awards over $100,000;
2. Authorize $790,500 in additional TFCA revenues to be allocated to alternative fuel infrastructure projects; and
3. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements for the recommended projects.

Committee Comments (continued):

NOTED PRESENT: Director Bates was noted present at 9:52 a.m.

Director Mitchoff asked that future versions of staff recommendation #1 be more specific.

Public Comments:

Dan Leavitt, San Joaquin Regional Rail Commission, addressed the Committee in support of the staff recommendation and the program in general.

Committee Action (continued):

The motion carried by the following vote of the Committee:

AYES:	Avalos, Bates, Haggerty, Hudson, Miley and Mitchoff.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Canepa, Kim, and Pepper.

5. FISCAL YEAR ENDING (FYE) 2016 TFCA FUNDING ALLOCATIONS

Mr. Breen introduced the topic and Karen Schkolnick, Air Quality Program Manager in the Strategic Incentives Division, who gave the staff presentation *FYE 2016 TFCA Funding Allocations*, including proposed allocation of new TFCA revenue in FYE 2016; proposed FYE 2016 TFCA Expenditure Plan, including trip reduction and bicycle facilities for public agencies, clean air vehicles, Spare the Air, enhanced mobile source enforcement / commuter benefits, and vehicle buy back; an overview of cost-effectiveness limits for Air District sponsored programs; and recommendations.

NOTED PRESENT: Director Pepper was noted present at 9:57 a.m.

Committee Comments:

The Committee and staff discussed the reasoning behind and popularity of the bicycle racks and electronic bicycle lockers program categories.

Public Comments:

Mr. Leavitt addressed the Committee in support of the staff recommendations and to express gratitude for staff efforts.

Steve McClain, Santa Clara Valley Transit Authority (VTA), addressed the Committee regarding the history of VTA's success with TFCA support; to report increased ridership; and in support of the staff recommendations on both this and the preceding agenda item 4, Projects and Contracts with Proposed Grant Awards Over $100,000.

Committee Action:

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

1. Allocate $13.77 million in new TFCA revenue to the programs listed in Table 1 of the Committee staff report;

2. Authorize the proposed cost-effectiveness limits for the Air District sponsored programs listed in Table 2 of the Committee staff report;

3. Authorize the Executive Officer/APCO to enter into funding agreements and contracts up to $100,000 for projects and programs listed in Table 1 of the Committee staff report; and

4. Authorize the Executive Officer/APCO to execute all contracts necessary to accept, appropriate, and expend Congestion Mitigation Air Quality funding awarded by the Metropolitan Transportation Commission (MTC).

Committee Comments (continued):

The Committee and staff discussed battery storage.

Committee Action (continued):

The motion carried by the following vote of the Committee:

AYES:	Avalos, Bates, Haggerty, Hudson, Miley, Mitchoff and Pepper.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Canepa and Kim.

6. FYE 2016 TFCA COUNTY PROGRAM MANAGER (CPM) EXPENDITURE PLANS AND REQUEST FOR A WAIVER FROM SONOMA COUNTY TRANSPORTATION AUTHORITY (SCTA)

Mr. Breen introduced Linda Hui, Administrative Analyst in the Strategic Incentives Division, who gave the staff presentation *FYE 2016 TFCA CPM Expenditure Plans*, including background; the expenditure plans submitted by each of the nine congestion management agencies; one request for a policy waiver; and recommendations.

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

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

1. Approve the allocation of FYE 2016 TFCA CPM Funds listed in Table 1 of the Committee staff report;

2. Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for the total funds to be programmed in FYE 2016, as listed in Table 1 of the Committee staff report; and

3. Approve policy waivers to allow SCTA to use FYE 2015 TFCA CPM Funds for an arterial management project.

The motion carried by the following vote of the Committee:

AYES:	Avalos, Bates, Haggerty, Hudson, Miley, Mitchoff and Pepper.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Canepa and Kim.

7. BAY AREA BIKE SHARE UPDATE

Mr. Breen introduced the topic and Patrick Wenzinger, Administrative Analyst in the Strategic Incentives Division, who gave the joint staff/MTC presentation *Bay Area Bike Share Update* through slide 6, *Number of Trips by Membership Type & by City, 8/29/13 – 3/31/15*, including background; pilot project; and system results in terms of trips by community area and number of trips by membership type and by city from August 29, 2013 through March 31, 2015.

Mr. Wenzinger introduced Alix Bockelman, Deputy Executive Director, MTC, who gave the presentation through slide 18, *Approval Process*, including plans for expansion in 2014; bike share industry evolution; Motivate International, Inc.'s (Motivate) proposal, including system properties, schedule, performance requirements, sponsorship/revenue, and additional buy-in; low income and limited English proficiency plans; sole source justification; MTC Administration Committee feedback; implementation steps if approved; and MTC approval process.

Mr. Wenzinger gave the remainder of the presentation, including next steps and recommendation.

Committee Comments:

The Committee, staff and Ms. Bockelman discussed the large number of transit agencies operating in the Bay Area and how best to transition the bike share program in a way that encourages the continuance and expansion of a single system; concerns about fairness relative to the difference in facilities expenses for those included in the pilot program and those who were not; whether contract provisions will exist that will compel Motivate to do business with cities interested in participating in the program; cost analysis for participating cities with varying levels of involvement in the pilot; concerns regarding the lack of a competitive bid, fairness of participation given the assumed financial interest of Motivate, program interoperability and integration, the sole course contract, and the investment by the City and County of San Francisco in the pilot program; implications for the program if the recommendation is not approved today; understandable operator limitations given the differences in ridership numbers presented; the importance of market penetration where the culture is supportive and the likelihood of expansion as its popularity increases; the total amount expended on the pilot; suggestion to designate funds to ease or enhance participation by suburban areas in light of transportation funds largely being directed towards large urban areas; the viability of extending the pilot an additional year with the goal of incentivizing participation by non-large urban areas; the value added by allowing MTC to regionalize the program instead of perpetuating the pilot under Air District leadership; the viability of bringing the item back with provisions providing for greater financial fairness for areas that did not participate in the pilot; and complications relative to federal financial support.

Public Comments:

Dani Simons, Motivate, addressed the Committee to provide information on company operations and recent history and the qualifications of the leadership team and to suggest the program potential for the Bay Area is great.

Tyler Frisbee, San Francisco Bicycle Coalition, addressed the Committee in support of the bike share program and the staff recommendation.

Committee Comments (continued):

The Committee and staff discussed the lack of committee support for the staff recommendation as driven by a concern about the inclusion of various locales and not a lack of support for the program.

Committee Action:

Director Hudson made a motion, seconded by Director Bates, to recommend the Board authorize the Executive Officer/APCO to execute agreements and take the necessary actions to close out the Regional Bay Area Bikeshare pilot project and to transition project assets in accordance with Caltrans' requirements and for MTC to allocate $4.5 million to supplement public funding contributions for system buy-in that would be available to emerging agencies that are not included in the system expansion proposed by Motivate International, Inc.

Committee Comments (continued):

The Committee discussed how best to coordinate with MTC relative to the staff recommendation for a supplemental allocation.

Committee Action (continued):

Director Hudson made an amended motion, seconded by Director Bates, to recommend the Board authorize the Executive Officer/APCO to execute agreements and take the necessary actions to close out the Regional Bay Area Bikeshare pilot project and to transition project assets in accordance with Caltrans' requirements and to direct MTC to allocate $4.5 million to supplement public funding contributions for system buy-in that would be available to emerging agencies that are not included in the system expansion proposed by Motivate International, Inc.

Committee Comments (continued):

The Committee, staff and Ms. Bockelman further discussed how best to coordinate with MTC relative to the staff recommendation for a supplemental allocation.

Committee Action (continued):

Director Hudson made an amended motion, seconded by Director Bates, to recommend the Board authorize the Executive Officer/APCO to execute agreements and take the necessary actions to close out the Regional Bay Area Bikeshare pilot project and to transition project assets in accordance with Caltrans' requirements and to request that MTC allocate $4.5 million to supplement public funding contributions for system buy-in that would be available to emerging agencies that are not included in the system expansion proposed by Motivate International, Inc.

The motion carried by the following vote of the Committee:

AYES: Avalos, Bates, Haggerty, Hudson, Miley, Mitchoff and Pepper.
NOES: None.

ABSTAIN: None.
ABSENT: Canepa and Kim.

Committee Comments (continued):

The Committee and staff discussed the emergence of Concord as an interested participant and the resulting inadequacy of the $4.5 million proposal and the Committee direction to staff to agendize the bike share program update before the Board as an item separate from the Committee report.

8. COMMITTEE MEMBER COMMENTS: None.

9. TIME AND PLACE OF NEXT MEETING

Thursday, May 28, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:30 a.m.

10. ADJOURNMENT: The meeting adjourned at 11:15 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: June 17, 2015

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

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve Carl Moyer Program (CMP) projects with proposed grant awards over $100,000 as shown in Attachment 1.

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.

On February 19, 2014, the Board of Directors authorized Air District participation 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.

In 1991, the California State Legislature authorized the 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 within the Air District's jurisdiction. The statutory authority for the Transportation Fund for Clean Air (TFCA) and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern expenditure of TFCA funding.

Sixty percent of TFCA funds are awarded directly by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Plug-in Electric Vehicle Program) and to a program referred to as the TFCA Regional Fund.

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

DISCUSSION

Carl Moyer Program:

The Air District started accepting applications for CMP Year 16 projects on July 14, 2014. 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 June 15, 2015, the Air District had received 83 project applications for the CMP Year 16 cycle. Of the applications that have been evaluated between April 6, 2015 and June 15, 2015, nine (9) eligible projects have proposed individual grant awards over $100,000. These projects will replace the following diesel-powered equipment: thirty (30) off-road tractors, three (3) loaders, one (1) marine engine, one (1) locomotive, and six (6) pieces of off-road airport ground support equipment. These projects will reduce over 12.65 tons of NOx, ROG and PM per year. Staff recommends allocating $2,648,832 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 June 15, 2015, 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 27% 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 $86 million awarded to 669 projects).

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 4/6/15 and 6/15/15)

Attachment 2: Summary of all CMP/ MSIF and VIP approved and eligible projects (evaluated between 5/6/14 and 6/15/15)

Attachment 3: Summary of program distribution by county and equipment category for CMP/ MSIF and VIP projects for Years 11-16

AGENDA 4 - ATTACHMENT 1

Table 1 - Summary of Carl Moyer Program/ Mobile Source Incentive Fund projects with grant awards greater than $100k (Evaluated between 4/6/15 and 6/15/15)

Project #	Applicant name	Equipment category	Project description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NOx	ROG	PM	
16MOY58	Bordessa Family Dairies	Ag/ off-road	Replacement of one diesel-powered loader.	$ 124,010.00	$ 155,013.00	0.561	0.098	0.035	Sonoma
16MOY65	Jeremy George Petty DBA FV Janae (Commercial fishing)	Marine	Replacement of one diesel-powered marine propulsion engine.	$ 136,875.00	$ 161,033.00	1.238	0.023	0.040	Sonoma
16MOY67	Global Mushrooms LLC.	Ag/ off-road	Replacement of one diesel-powered loader.	$ 117,116.00	$ 146,396.00	0.377	0.059	0.022	Santa Clara
16MOY51	Southwest Airlines Co.	Off-road	Replacement of six diesel-powered aircraft tugs with electric units.	$ 150,550.00	$ 1,019,682.00	0.985	0.106	0.036	Alameda
16MOY76	T and M Agricultural Services, LLC	Ag/ off-road	Replacement of four diesel-powered tractors.	$ 130,265.00	$ 200,412.00	0.665	0.120	0.030	Napa
16MOY68	McClelland's Dairy	Ag/ off-road	Replacement of one diesel-powered tractor.	$ 103,225.00	$ 148,535.00	0.328	0.039	0.014	Sonoma
16MOY79	Morrison Chopping	Ag/ off-road	Replacement of one diesel-powered harvester.	$ 204,000.00	$ 570,801.00	0.874	0.014	0.020	Sonoma
16MOY81	Walsh Vineyards Management Inc.	Ag/ off-road	Replacement of twenty-five diesel-powered tractors and one diesel-powered loader.	$ 922,791.00	$ 1,259,082.00	2.396	0.670	0.244	Napa
16MOY38	Richmond Pacific Rail Corporation	Locomotive	Replacement of one diesel-powered locomotive.	$ 760,000.00	$ 1,497,000.00	2.977	0.621	0.060	Contra Costa
	9 Projects			**$ 2,648,832.00**		**10.401**	**1.750**	**0.500**	

AGENDA 4 - ATTACHMENT 2

Summary of all CMP, MSIF and VIP approved/ eligible projects (between 5/6/14 and 6/15/15)

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	$ 71,508.00	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	$ 177,919.00	Colinas Farming Company	0.394	0.090	0.032	10/15/2014	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	0.399	0.003	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	10/15/2014	Santa Clara
16MOY2	Ag/ off-road	Equipment replacement	2	$ 289,836.00	Rankins AG, Inc.	2.947	0.298	0.111	10/15/2014	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) NOx	ROG	PM	Board approval date	County
16MOY11	Ag/ off-road	Equipment replacement	1	$ 147,264.00	Dolcini Brothers	1.244	0.180	0.064	10/15/2014	Sonoma
15MOY126	Marine	Engine replacement	2	$ 188,580.00	C & W Diving Services, Inc.	1.524	0.051	0.067	10/15/2014	Alameda
16MOY17	Ag/ off-road	Equipment replacement	1	$ 126,130.00	Spaletta Ranch	0.305	0.056	0.020	11/17/2014	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	11/17/2014	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	11/17/2014	Sonoma
16MOY21	Ag/ off-road	Equipment replacement	1	$ 161,789.00	Louise R. Dei	0.752	0.094	0.032	11/17/2014	Sonoma
16MOY22	Ag/ off-road	Equipment replacement	4	$ 115,896.00	FN Viticultures, LLC DBA Vinescape	0.453	0.081	0.039	11/17/2014	Napa
16MOY13	Marine	Engine replacement	1	$ 79,480.00	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	11/17/2014	Alameda
16MOY14	Marine	Engine replacement	2	$ 136,295.00	Bouna Pesca L.L.C.	0.576	-0.008	0.022	11/17/2014	Monterey
16MOY8	Marine	Engine replacement	2	$ 33,675.00	Blue and Gold Fleet L.P.	0.268	0.006	0.019	APCO	San Francisco
16MOY30	Off-road	Equipment replacement	1	$ 191,400.00	W.R. Forde Associates	1.130	0.140	0.054	11/17/2014	Contra Costa
16MOY12	Ag/ off-road	Equipment replacement	1	$ 48,860.00	James McIsaac dba McIsaac Dairy	0.113	0.027	0.014	APCO	Marin
16MOY27	Marine	Engine replacement	1	$ 49,155.00	Mendler Brothers Fish LLC	0.231	0.004	0.009	APCO	Contra Costa
16MOY26	Marine	Engine replacement	2	$ 46,000.00	Golden Gate Scenic Steamship Corp. dba Red and White Fleet	0.350	0.000	0.027	APCO	San Francisco
16MOY6	Marine	Engine replacement	2	$ 227,250.00	Captain Joe's Sportfishing	0.951	0.025	0.044	2/18/2015	San Francisco
16MOY28	Marine	Engine replacement	2	$ 149,650.00	Amigo Adventure	1.747	0.024	0.067	2/18/2015	San Francisco
16MOY1	Off-road	Equipment replacement	3	$ 73,305.00	American Soil Products, Inc.	0.239	0.066	0.027	APCO	Alameda
16MOY34	Marine	Engine replacement	1	$ 56,425.00	Pound the Zone Fishing DBA Pound the Zone Fishing	0.207	0.005	0.008	APCO	Contra Costa
16MOY33	Off-road	Equipment replacement	87	$ 2,540,187.00	United Airlines, Inc.	14.292	2.158	0.858	3/18/2015	San Mateo
16MOY29	Ag/ off-road	Equipment replacement	2	$ 224,076.00	Sprague Custom Farming, LLC	0.909	0.093	0.034	3/18/2015	Sonoma
16MOY39	Ag/ off-road	Equipment replacement	6	$ 188,687.00	Dutton Ranch corp.	0.778	0.182	0.056	3/18/2015	Sonoma
16MOY23	Ag/ off-road	Equipment replacement	2	$ 57,408.00	Huneeus Vintners, LLC.	0.304	0.079	0.033	APCO	Napa
16MOY5	Marine	Engine replacement	2	$ 68,000.00	Squalicum Mountain Enterprises	0.281	0.005	0.011	APCO	Marin
16MOY18	Off-road	Equipment replacement	1	$ 52,876.00	F.A. Maggiore & Sons, LLC	0.322	0.054	0.016	APCO	Contra Costa
16MOY50	Marine	Engine replacement	1	$ 100,000.00	FV Tradition (Commercial fishing)	1.075	0.019	0.034	APCO	San Francisco
16MOY3	Off-road	Equipment replacement	1	$ 85,372.00	Dependable Highway Express, Inc.	0.784	0.045	0.014	APCO	Alameda
16MOY25	Ag/ off-road	Equipment replacement	1	$ 30,098.00	Ramos Vineyards, LLC.	0.073	0.015	0.005	APCO	Napa
16MOY36	Ag/ off-road	Equipment replacement	1	$ 38,700.00	Sweet Lane Nursery and Vineyards, Inc.	0.041	0.028	0.008	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		
16MOY40	Ag/ off-road	Equipment replacement	3	$ 128,442.00	M. German & Son Partnership (Vineyard)	0.610	0.129	0.046	5/6/2015	Solano
16MOY41	Ag/ off-road	Equipment replacement	1	$ 191,816.00	Complete Equipment, Inc.	0.676	0.070	0.024	5/6/2015	Sonoma
16MOY37	Ag/ off-road	Equipment replacement	1	$ 24,754.00	Martinelli Farms Inc.	0.035	0.020	0.005	APCO	Sonoma
16MOY42	Ag/ off-road	Equipment replacement	3	$ 98,743.00	Redwood Empire Vineyard Management	0.541	0.116	0.030	APCO	Sonoma
16MOY48	Ag/ off-road	Equipment replacement	5	$ 168,160.00	Michael Wolf Vineyard Services Inc.	0.595	0.156	0.061	5/6/2015	Napa
16MIOY52	Off-road	Equipment replacement	1	$ 90,670.00	L.H. Voss Materials	0.593	0.061	0.022	APCO	Contra Costa
16MOY53	Ag/ off-road	Equipment replacement	1	$ 150,014.00	Bar M Dairy, Inc.	0.802	0.113	0.041	5/6/2015	Sonoma
16MOY56	Ag/ off-road	Equipment replacement	1	$ 161,789.00	Morrison Bros. Dairy	0.962	0.100	0.034	5/6/2015	Sonoma
16MOY43	Ag/ off-road	Equipment replacement	1	$ 27,811.00	Devoto Gardens, LLC.	0.077	0.022	0.007	APCO	Sonoma
16MOY45	Ag/ off-road	Equipment replacement	1	$ 33,693.00	Sanchietti Ranch	0.101	0.022	0.008	APCO	Sonoma
16MOY49	Ag/ off-road	Equipment replacement	1	$ 21,960.00	Tommy Eugene Bourland (Vineyard)	0.028	0.018	0.005	APCO	Solano
16MOY54	Ag/ off-road	Equipment replacement	1	$ 41,933.00	T and M Agricultural Services, LLC	0.119	0.023	0.007	APCO	Napa
16MOY55	Ag/ off-road	Equipment replacement	1	$ 29,030.00	Yellow Clay Farm Co. dba McKenzie-Mueller Vineyards & Winery	0.068	0.014	0.005	APCO	Napa
16MOY58	Ag/ off-road	Equipment replacement	1	$ 124,010.00	Bordessa Family Dairies	0.561	0.098	0.035	TBD	Sonoma
16MOY59	Ag/ off-road	Equipment replacement	2	$ 79,890.00	Regusci Vineyard Management, Inc.	0.203	0.052	0.022	APCO	Napa
16MOY61	Ag/ off-road	Equipment replacement	1	$ 31,945.00	Swanson Vineyards and Winery dba Swanson Vineyards	0.074	0.016	0.006	APCO	Napa
16MOY62	Ag/ off-road	Equipment replacement	1	$ 31,622.00	Ronald L. Nicoli	0.101	0.018	0.007	APCO	Solano
16MOY63	Ag/ off-road	Equipment replacement	3	$ 80,989.00	Heritage Vineyard Management Inc.	0.261	0.059	0.018	APCO	Napa
16MOY64	Ag/ off-road	Equipment replacement	1	$ 29,485.00	Elizabeth C Williamson / Dalraddy Vineyards	0.068	0.015	0.005	APCO	Napa
16MOY66	Ag/ off-road	Equipment replacement	1	$ 32,000.00	Terra de Promissio Vineyard	0.068	0.021	0.007	APCO	Sonoma
16MOY65	Marine	Engine replacement	1	$ 136,875.00	Jeremy George Petty DBA FV Janae (Commercial fishing)	1.238	0.023	0.040	TBD	Sonoma
16MOY67	Ag/ off-road	Equipment replacement	1	$ 117,116.00	Global Mushrooms LLC.	0.377	0.059	0.022	TBD	Santa Clara
16MOY51	Off-road	Equipment replacement	6	$ 150,550.00	Southwest Airlines Co.	0.985	0.106	0.036	TBD	Alameda
16MOY69	Ag/ off-road	Equipment replacement	1	$ 39,498.00	Dale Ricci dba Ricci Vineyards Carneros, Inc.	0.143	0.024	0.004	APCO	Sonoma
16MOY70	Ag/ off-road	Equipment replacement	1	$ 31,478.00	Niebaum Coppola Estate Winery, LP dba Inglenook	0.209	0.044	0.012	APCO	Napa
16MOY71	Off-road	Equipment replacement	1	$ 59,570.00	Half Moon Bay Building & Garden Supply, Inc.	0.362	0.044	0.015	APCO	San Mateo
16MOY76	Ag/ off-road	Equipment replacement	4	$ 130,265.00	T and M Agricultural Services, LLC	0.665	0.120	0.030	TBD	Napa
16MOY72	Ag/ off-road	Equipment replacement	1	$ 21,335.00	Pomponio Ranch, LLC	0.027	0.017	0.004	APCO	San Mateo
16MOY68	Ag/ off-road	Equipment replacement	1	$ 103,225.00	McClelland's Dairy	0.328	0.039	0.014	TBD	Sonoma
16MOY79	Ag/ off-road	Equipment replacement	1	$ 204,000.00	Morrison Chopping	0.874	0.014	0.020	TBD	Sonoma
16MOY81	Ag/ off-road	Equipment replacement	26	$ 922,791.00	Walsh Vineyards Management Inc.	2.396	0.670	0.244	TBD	Napa

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
16MOY38	Locomotive	Equipment replacement	1	$ 760,000.00	Richmond Pacific Rail Corporation	2.977	0.621	0.060	TBD	Contra Costa
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
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
VIP254	VIP	Truck Replacement	1	$ 35,000.00	Rattu Trucking DBA Ramesh Rattu	0.675	0.010	0.000	APCO	Santa Clara
VIP255	VIP	Truck Replacement	1	$ 15,000.00	Michael Scott Minnis	0.606	0.008	0.012	APCO	Alameda
VIP256	VIP	Truck Replacement	1	$ 45,000.00	Antonino Esqueda	0.878	0.013	0.000	APCO	Sacramento
VIP257	VIP	Truck Replacement	1	$ 45,000.00	Gurjot Singh Pawar / Amrik Singh Pawar	0.851	0.029	0.000	APCO	Santa Clara
VIP258	VIP	Truck Replacement	1	$ 15,000.00	Harjinder Singh	0.606	0.008	0.012	APCO	Alameda
VIP259	VIP	Truck Replacement	1	$ 20,000.00	Martin Minh Ngo	0.812	0.011	0.016	APCO	Alameda
VIP260	VIP	Truck Replacement	1	$ 30,000.00	Gurpartap Singh	0.720	0.020	0.000	APCO	Contra Costa
VIP262	VIP	Truck Replacement	1	$ 45,000.00	Nanak Singh	1.050	0.010	0.000	APCO	Contra Costa
VIP263	VIP	Truck Replacement	1	$ 10,000.00	Damanjit Singh Mahal	0.280	0.010	0.000	APCO	Contra Costa
	109	**Projects**	**277**	**$ 12,581,315.00**		**68.022**	**8.120**	**3.213**		

Figure 1: CMP/ MSIF Funding Distribution by Equipment Category as of 6/15/15

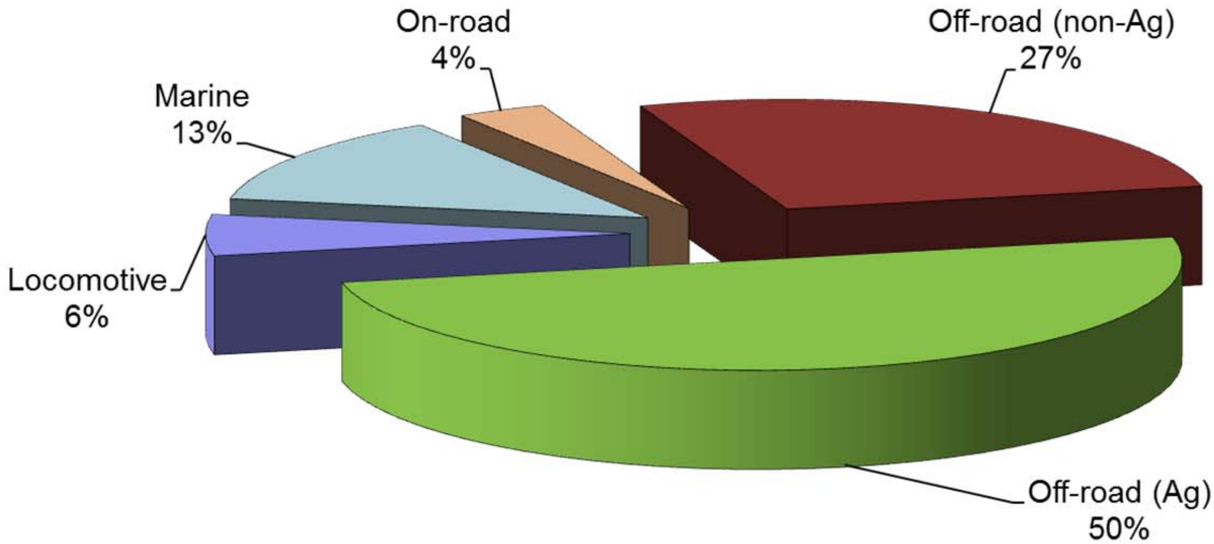
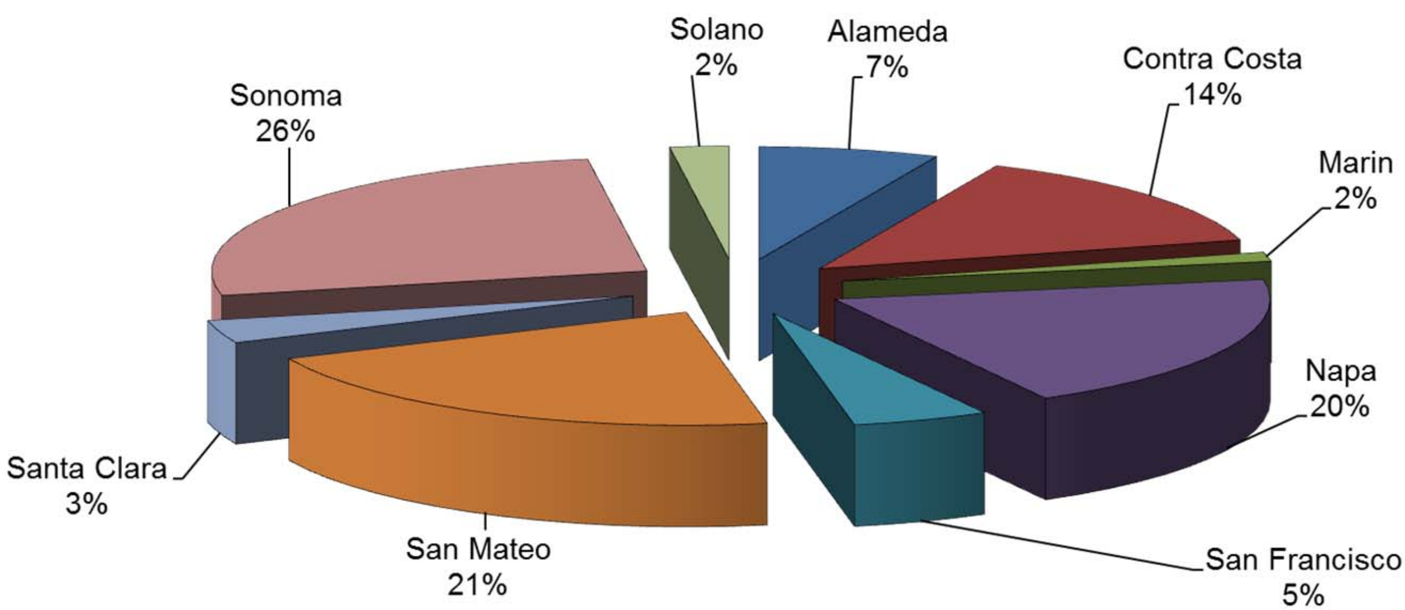


Figure 2: CMP/ MSIF Funding Distribution by County as of 6/15/15



AGENDA 4 - ATTACHMENT 3

Figure 3: CMP, MSIF, VBB and VIP funding since 2009 by equipment category

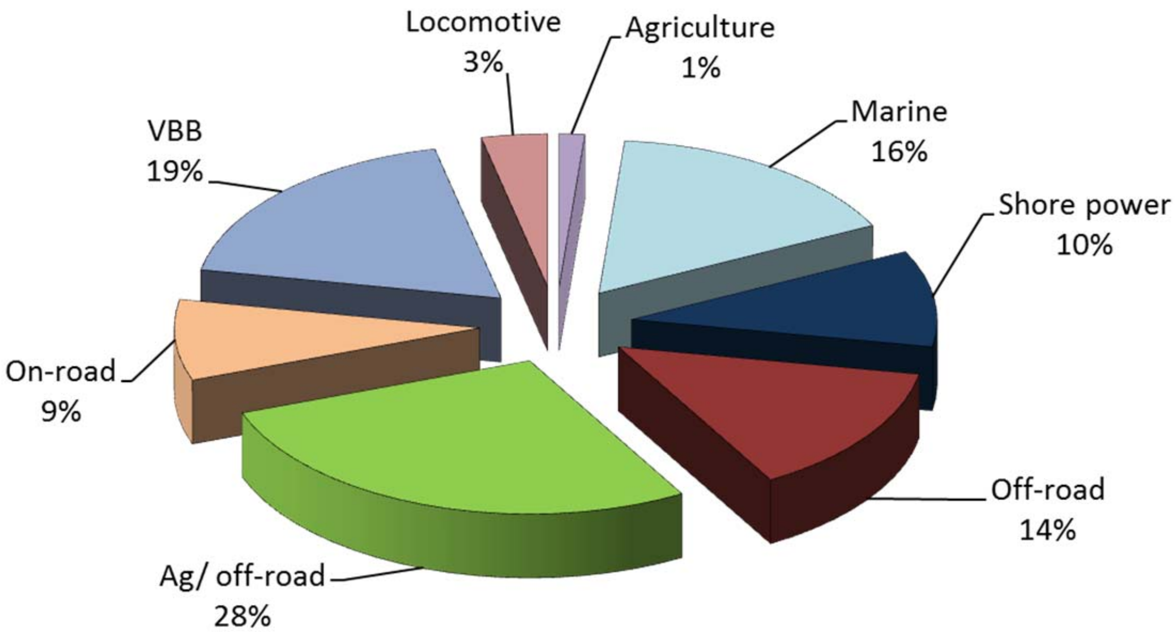
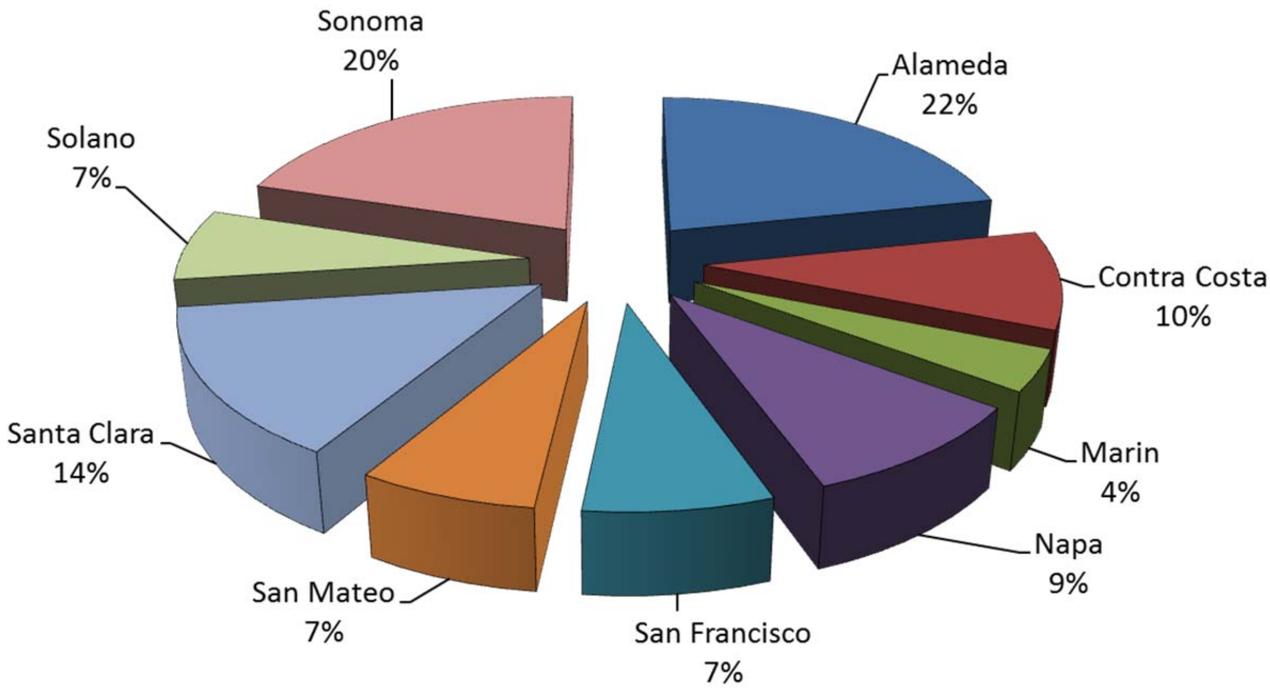


Figure 4: CMP, MSIF, VBB and VIP funding since 2009 by county



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: June 17, 2015

Re: Bay Area Clean Air Foundation Reformulated Gasoline (RFG) Open Grants Program

RECOMMENDATION

None; receive file.

BACKGROUND

In the Bay Area, the transportation sector accounts for 40% of the criteria air pollutants and 36% of the green-house gasses (GHG) generated.[1, 2] Since tailpipe emissions contribute significantly to criteria pollutants and GHGs, emissions reductions from the on-road transportation sector are essential to helping the Bay Area attain State and Federal ambient air quality standards and meet its GHG reduction commitments.

Recognizing the potential of Plug-in Electric Vehicles (PEV) to be an important technology in reducing emissions, the Air District has, over the past five years, allocated more than $20 million in Transportation Fund for Clean Air (TFCA) funding to support incentive programs designed to accelerate the deployment of PEVs and infrastructure to meet the adoption targets identified in the Bay Area PEV Readiness Plan[3]. To date more than $6 million of this funding have been awarded to projects that installed more than 200 publicly accessible Level 2 chargers and 1400 Level 2 residential chargers and that resulted in the deployment of more than 100 PEVs in local public agency fleets.

$14 million are currently available for vehicle and infrastructure-related incentive programs, including a PEV charging station deployment program (*Charge!*). *Charge!* launched on May 27, 2015, and offers funding to both public and private entities who install DC fast, Level 2, and Level 1 electric vehicle charging stations at transportation corridors, popular trip destinations, workplaces, and multi-dwelling units.

The Reformulated Gasoline (RFG) Open Grants Program is the result of the settlement of 14 class action lawsuits against Union Oil Company of California and Unocal Corporation

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[1] BAAQMD, Bay Area Emissions Inventory Summary Report: Criteria Air Pollutants Base Year 2011, May 2014.

[2] BAAQMD, Bay Area Emissions Inventory Summary Report: Greenhouse Gases Base Year 2011, January 2015.

[3] BAAQMD, PEV Readiness Plan, www.baaqmd.gov/EVready, December 2013.

(Unocal). Before trial, the Plaintiff and Unocal agreed to settle the class actions and agreed to distribute approximately $7 million through an open competitive grants program directed to nonprofit organizations for projects to achieve vehicle emissions or fuel efficiency benefits for California consumers. The majority of the RFG grants program funding was awarded in 2010, including a grant to the Bay Area Clean Air Foundation (BACAF) for a project to deploy converted plug-in electric vehicles in partnership with City CarShare.

DISCUSSION

In order to support Bay Area public agencies' efforts to green their fleets and to deploy charging infrastructure in their communities, the BACAF, in partnership with the Air District, submitted an application to the administrator of the RFG Open Grants Program on February 5, 2015, requesting $500,000 in remaining RFG funds to augment the Air District's *Charge!* Program by providing matching funds to Bay Area public agencies for qualifying projects. Awards made to public agencies will be funded by first applying funds from the BAAQMD's Transportation Fund For Clean Air (TFCA) program and then augmenting the remaining eligible balance with funds from the RFG Open Grants Program. Given that RFG funding is limited, agencies that are not selected for award of RFG match funds would still be eligible to apply for grant funding through the Air District's *Charge*! Program.

In May 2015, the BACAF was notified that the court had approved $450,000 in funding for direct project costs, $20,000 for the development of a White Paper, and up to 6% to pay for administrative expenses related to the implementation of the RFG grant. This program is tentatively anticipated to open in September 2015 and key program requirements and evaluation criteria are listed below:

- Funding will be awarded through a competitive grant application process; applicants that request the lowest amount of grant funding per clean air and fuel efficiency benefits achieved will be scored higher.

- Agencies may apply for funding for chargers that would be used to support their own fleet; however, at least 50% of the stations installed must be publicly accessible.

- At least 25% of funding will be reserved for the most cost-effective projects located in Community Air Risk Evaluation (CARE) areas to guarantee that clean air benefits are focused in the region's most impacted communities. The remaining funds will be awarded to eligible projects based on their cost-effectiveness and readiness. "Readiness" means that a project sponsor has obtained all approvals (e.g., permits, lease agreements) and has demonstrated the ability to complete the project ahead of the timeline required by the program guidelines.

- Grant recipients must comply with all *Charge!* Program requirements including the obligation to meet minimum usage requirements and operate charging stations for a minimum of three (3) years.

BUDGET CONSIDERATION / FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Schkolnick
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: June 17, 2015

Re: Caltrain Electrification Project Allocation

RECOMMENDATIONS

Recommend Board of Directors:

1. Allocate $20 million in Mobile Source Incentive Funds (MSIF) to the Peninsula Corridor Joint Powers Board for the Caltrain Electrification Project via a funding plan between 2015 and 2020.

2. Authorize the Executive Officer/APCO to enter into the necessary agreements for the project.

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.

The Caltrain commuter rail system, owned and operated by the Peninsula Corridor Joint Powers Board, currently runs 46 northbound, and 46 southbound trains (92 total) per weekday, between San Francisco and San Jose. The proposed electrification project will increase service to 114 trains per day between San Jose and San Francisco. The Caltrain locomotive fleet is made up of 29 diesel locomotives (some as old as 1985) that collectively use 4.5 million gallons of diesel fuel per year. Caltrain's annual passenger count in February 2015 recorded weekday ridership exceeding 58,000 boardings per weekday, a 71% increase over 2010 ridership.

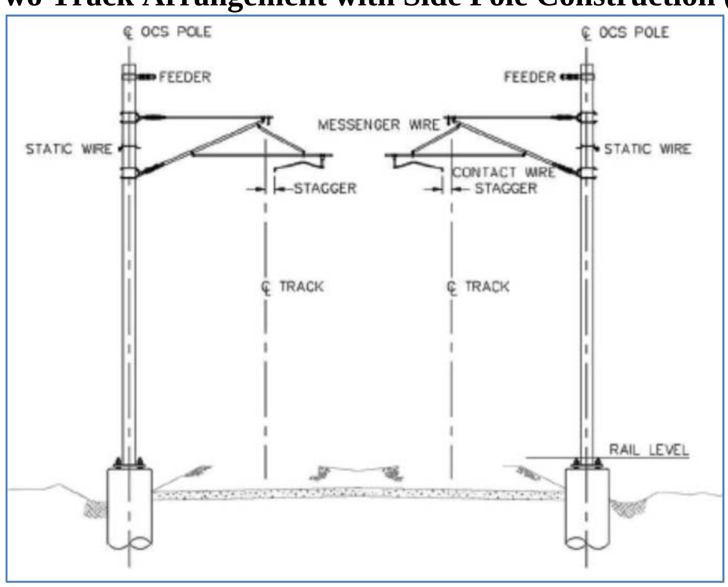
DISCUSSION

The Peninsula Corridor Electrification project (Project) is a major component of the Caltrain Modernization program. The Project will: improve train performance, increase ridership and capacity, increase revenue, reduce fuel costs, reduce noise, and reduce air pollution and greenhouse gases.

Project Description
The Project will electrify 51+ miles of Caltrain corridor from the San Francisco Caltrain Station (4th and King) to approximately two miles south of the Tamien Caltrain Station in San Jose, convert diesel locomotives to Electric Multiple Unit (EMU) trains, and increase service by up to six trains per peak hour, in both the northbound and southbound directions. Diesel locomotives will continue to serve the area between Tamien station in San Jose and Gilroy because this section of the track is owned by Union Pacific Railroad. **Attachment 1** is a fact sheet and Frequently Asked Questions document for the Project and **Attachment 2** is a map of the proposed Project area.

The Project will require the installation of 130 to 140 single-track miles of overhead contact system (OCS) to supply electrical power to the EMUs. An example of the OCS design is shown in **Figure 1**. The actual design will vary along the tracks based on a track segment's configuration, and other site-specific requirements and constraints. The OCS will be powered by a 25 kilovolt (kV), 60 Hertz (Hz), single-phase, alternating current (AC) supply system. This power supply, distribution system, and voltage would be compatible with the requirements of the California High Speed Rail (CHSR) system, and would accommodate future CHSR/ Caltrain Blended Service in the Peninsula Corridor.

Figure 1: Example of OCS Two Track Arrangement with Side Pole Construction (FEIR)



The EMU vehicle for the project will be a multi-level car of comparable dimensions to the existing Caltrain gallery car. Power for the EMUs will be drawn from the OCS through a roof-mounted pantograph on the power car(s) locomotive. **Figure 2** shows an image of a typical pantograph and EMU.

Figure 2: Typical pantograph and EMU

On January 8, 2015, the Peninsula Corridor Joint Powers Board (Caltrain) certified and adopted the Final Environmental Impact Report (FEIR)[1] for Caltrain's Peninsula Corridor Electrification Project pursuant to the California Environmental Quality Act (CEQA). Table 1 below details the current schedule for the project.

Table 1: Project milestones

Milestone Number	Milestone Description	Milestone
1	Federal Environmental Review/35% Design	2009
2	Nine Party Regional Funding MOU	2012
3	Board Action Contracting Method (DB for electrification; Best Value for vehicles)	2013
4	Procurement of Owner's Team	2014
5	RFQ for Electrification RFI for Vehicles	2014
6	State Environmental Review	January 2015
7	Procure / Select Contractor Teams	2015
8	Design/Manufacture/Build/Test	2016-2020
8	Open for Revenue Service	2020

[1] (FEIR) ICF International, *Peninsula Corridor Electrification Project EIR*, December 2014. http://www.caltrain.com/projectsplans/CaltrainModernization/Modernization/PeninsulaCorridorElectrificationProject/PCEP_FEIR_2014.html

Revenue service for the EMUs is expected to begin in winter 2020. Initially service between San Francisco and San Jose would use a mixed fleet of EMUs (75%) and diesel trains (25%), with the diesel locomotives being replaced with EMUs after 2020 as they reach the end of their useful life. The Project will need approximately 89 million kWh of electricity in 2020 to support train travel and idling. Initially, the train speeds (79 mph) will be the same as the existing diesel trains. Daily ridership with the new system is expected to increase to up to 111,000 boardings by 2040.

Emissions

The switch to EMUs will reduce diesel fuel consumption from the existing diesel locomotive fleet by an estimated 3.4 million gallons per year. According to the FEIR, 2020 operations of the electrified system will reduce more than 5,497 tons per year (TPY) of NOx, 373 TPY of ROG, and 315 and 182 TPY of PM10 and PM2.5, respectively (compared to current operations). The emissions reductions will continue to increase as more EMUs are incorporated into the fleet and the diesel locomotives are retired. In 2040, Caltrain's total emissions will be reduced by 97% versus current day operations.

According to the FEIR, the project would also reduce regional vehicle miles travelled (VMT) per day by 235,000 miles in 2020 along the corridor between San Jose and San Francisco. In 2040, with full electrification, VMT reductions would be even greater with a total estimated reduction of 619,000 daily vehicle miles.

Funding

The total Project cost is estimated to be $1.53 billion, and will be funded through a combination of local, regional, state, and federal sources, including:

- California Department of Transportation
- CA High Speed Rail Authority
- Metropolitan Transportation Commission
- City and County of San Francisco
- Santa Clara Valley Transportation Authority
- San Mateo County Transportation Authority
- Federal Transit Administration

Staff proposes the Committee recommend the Board allocate $20 million from MSIF revenues collected through 2020 in support of the Caltrain Electrification project. A funding disbursement plan will be worked out with the Peninsula Corridor Joint Powers Board to identify the timing of the payments. Approximately $4 million per year in MSIF funds would be needed to fund this project. This represents approximately 36% of the total funds available from this funding source between 2015 and 2020. A requirement of Air District funding will be that the existing diesel locomotives be scrapped when their current lease agreements expire.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the MSIF, the Air District distributes "pass-through" funds to public agencies and private entities on a reimbursement basis. Administrative costs for MSIF are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

Attachment 1: Caltrain Electrification Project Factsheet & FAQ document

Attachment 2: Caltrain Electrification Project Map

Attachment 1:

Caltrain electrification fact sheet &

Frequently Asked Questions

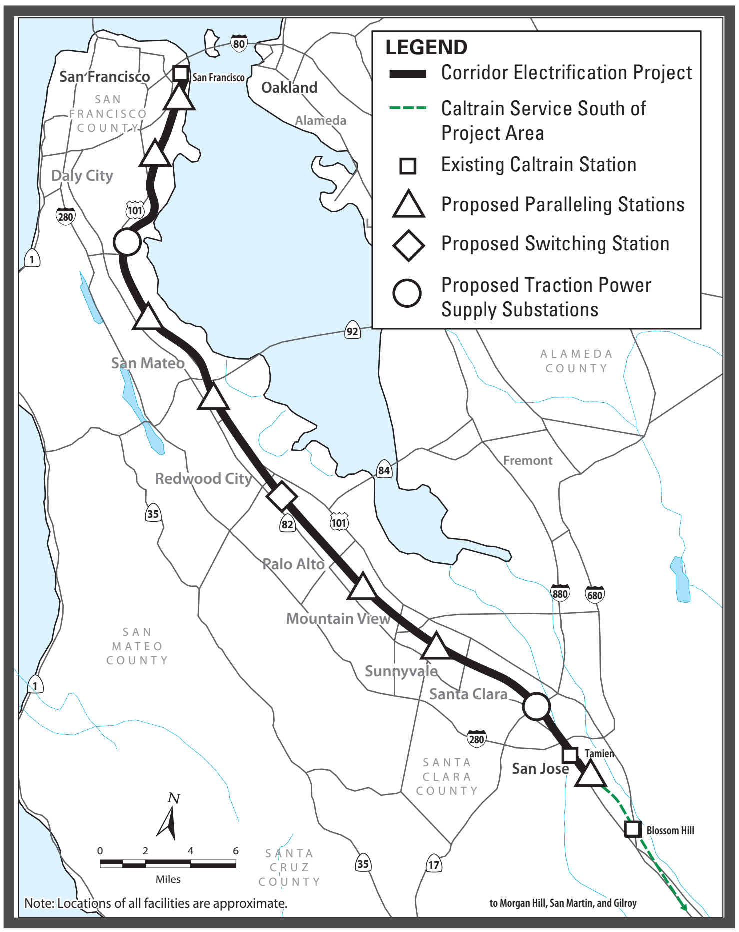
Peninsula Corridor Electrification

FACT SHEET | December 2014

Caltrain

PROJECT OVERVIEW

Over the last decade, Caltrain has experienced a substantial increase in ridership and anticipates further increases in ridership demand as the Bay Area's population grows. The Caltrain Modernization Program, scheduled to be implemented by 2020-2021, will electrify and upgrade the performance, operating efficiency, capacity, safety and reliability of Caltrain's commuter rail service.



The Peninsula Corridor Electrification Project is a key component of the Caltrain Modernization Program and consists of converting Caltrain from diesel-hauled to Electric Multiple Unit (EMU) trains for services between the Fourth and King Street Station in San Francisco and the Tamien Station in San Jose. The project will entail the installation of new electrical infrastructure and the purchase of electrified vehicles. Caltrain will continue Gilroy service and support existing tenants.

PROJECT BENEFITS

An electrified Caltrain will better address Peninsula commuters' vision of an environmentally-friendly, fast, reliable service. Electrification will modernize Caltrain and make it possible to increase service while offering several advantages in comparison with existing diesel power use, including:

- **Improved Train Performance, Increased Ridership Capacity and Increased Service:** Electrified trains can accelerate and decelerate more quickly than diesel-powered trains, allowing Caltrain to run more efficiently. In addition, because of their performance advantages, electrified trains will enable more frequent and/or faster train service to more riders.

- **Increased Revenue and Reduced Fuel Cost:** An electrified Caltrain will increase ridership and fare revenues while decreasing fuel costs.

- **Reduced Engine Noise Emanating from Trains:** Noise from electrified train engines is measurably less than diesel train engines. Train horns will continue to be required at grade crossings, consistent with safety regulations.

- **Improved Regional Air Quality and Reduced Greenhouse Gas Emissions.** Electrified trains will produce substantially less corridor air pollution compared with diesel trains, even when the indirect emissions from electrical power generation are included. Increased ridership will reduce automobile usage, resulting in additional air quality benefits. In addition, the reduction of greenhouse gas emissions is not only good for our regional air quality, but will also help meet the State's emission reduction goals.

Provide High-Speed Rail (HSR) Compatible Electrical Infrastructure: An electrified Caltrain system would set the stage for an enhanced, modern commuter rail service and for future blended HSR service. While this project will not include or study all infrastructure necessary to implement high-speed rail service on the corridor (such as HSR maintenance facilities, station improvements, or passing tracks), the electrical infrastructure (such as overhead wire systems) will be compatible with later blended service[1].

[1] At a future date, the California High-Speed Rail Authority and the Federal Railroad Administration will conduct their own environmental review to approve running high-speed rail trains on the Caltrain corridor as part of blended service.

Peninsula Corridor Electrification

FACT SHEET | December 2014

ENVIRONMENTAL REVIEW PROCESS

On January 31, 2013, Caltrain initiated environmental review to evaluate the environmental issues associated with proposed improvements included in the Peninsula Corridor Electrification Project. Caltrain previously evaluated corridor electrification in a prior Environmental Impact Report (EIR)[2], but decided to prepare this new EIR for the corridor electrification to update existing conditions, the environmental analysis, and the cumulative analysis. Completion of a new EIR will also allow public agencies, stakeholders, the public and decision-makers the opportunity to review and comment on the project's environmental effects in light of current information and analyses.

The Peninsula Corridor Electrification Project will provide environmental approval for operation of up to 6 Caltrain trains per peak hour per direction (an increase from 5 currently) with operating speeds of up to 79 mph (same as today).

[2] The Federal Transit Administration completed environmental review under the National Environmental Policy Act (NEPA) in 2009 for the electrification project.

FOR MORE INFORMATION

Visit: www.caltrain.com/electrification

Email: Electrification@Caltrain.com

Mail: Peninsula Corridor Joint Powers Board (Caltrain)

Attn: Casey Fromson, Office of Community and Government Affairs

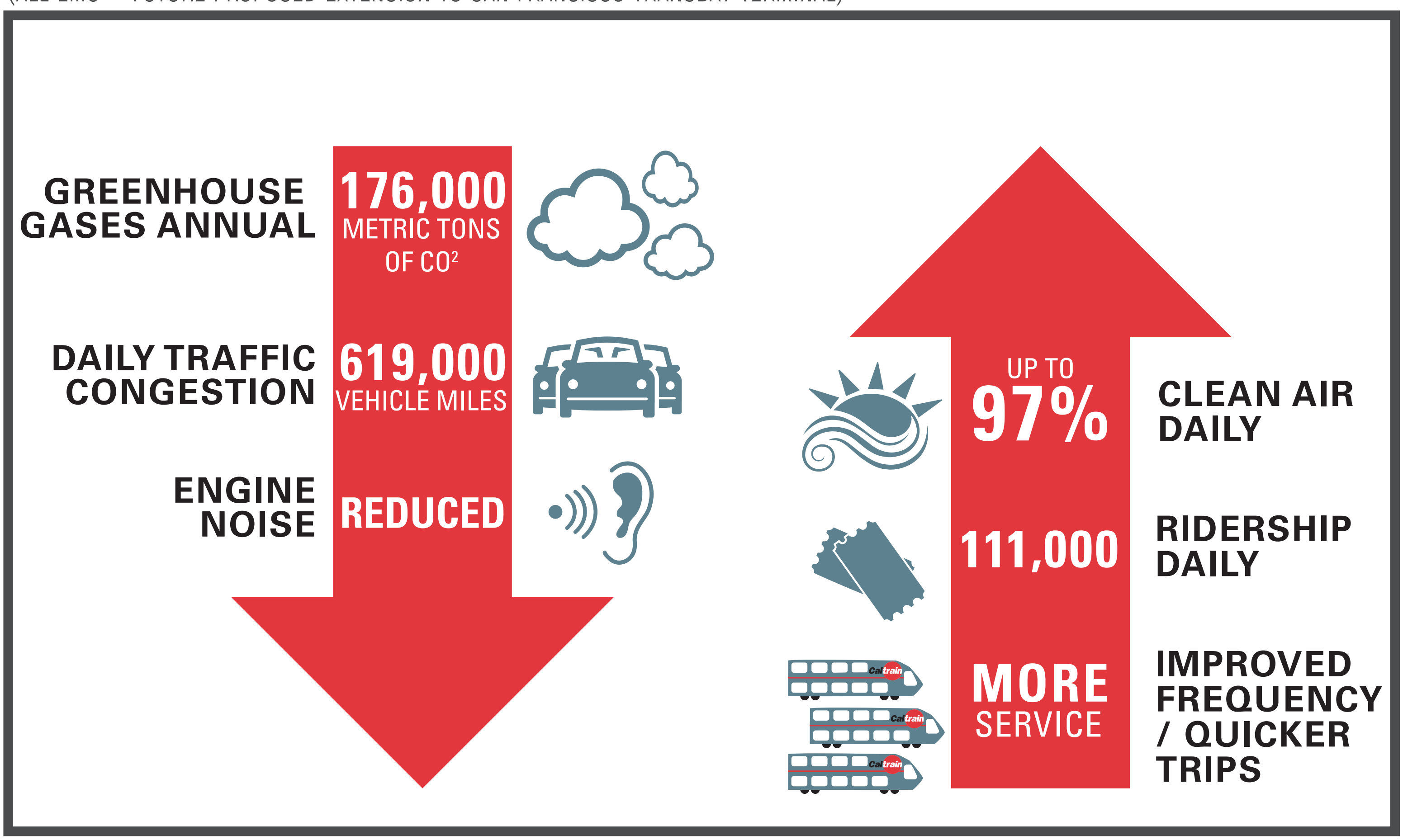
P.O. Box 3006

San Carlos, CA 94070-1306

Phone: 650.622.7841 | **TTY:** 650.508.6448

KEY REGIONAL BENEFITS 2040

(ALL EMU + FUTURE PROPOSED EXTENSION TO SAN FRANCISCO TRANSBAY TERMINAL)



Peninsula Corridor Electrification

Frequently Asked Questions | December 2014

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ABOUT THE PROGRAM

Q: What is the Caltrain Modernization Program?

A: The Caltrain Modernization (CalMod) Program will electrify and upgrade the performance, operating efficiency, capacity, safety, and reliability of Caltrain's commuter rail service by 2020 or 2021. The components of the CalMod program include the advanced signal system project (Communications Based Overlay Signal System Positive Train Control or CBOSS PTC) and the Peninsula Corridor Electrification Project (PCEP). These improvements will help Caltrain address the increasing demand for Caltrain service. These projects are discussed in more detail below.

Q: What is the Communications Based Overlay Signal System Positive Train Control (CBOSS PTC) Project?

A: The CBOSS PTC project is a communications based overlay signal system that will equip the corridor with federally-mandated safety technology to monitor and control train movements and improve system performance. Caltrain has already begun installing conduit and fiber optic cable needed for the system. CBOSS PTC is scheduled to be operational by the end of 2015 as mandated by the federal regulator.

Q: What is the Peninsula Corridor Electrification Project (PCEP)?

A: The PCEP is a key component of the CalMod Program and consists of converting Caltrain from diesel-hauled to Electric Multiple Unit (EMU) trains for service between San Francisco and Tamien Station in San Jose. The project includes installation of an overhead contact system (OCS) to connect electric trains to the electricity source and supporting infrastructure (e.g. two electrical substations, a switching station, and seven paralleling stations). Approximately 75 percent of service between San Jose and San Francisco will use EMUs. The remainder will use diesel locomotives. Full conversion to EMUs for the San Jose to San Francisco service will occur at a future time when funding is secured and the remaining diesel trains reach the end of their service life. Electrified revenue service is scheduled to commence in 2020 or 2021.

Q: Why electrify Caltrain?

A: Electrification will modernize Caltrain and make it possible to increase service while offering several advantages in comparison with existing diesel power use, including:

- *Improved Train Performance, Increased Ridership Capacity and Increased Service:* Electrified trains can accelerate and decelerate more quickly than diesel-powered trains, allowing Caltrain to run more efficiently. In addition, because of their performance advantages, electrified trains will enable more frequent and/or faster train service to more riders.
- *Increased Revenue and Reduced Fuel Cost:* An electrified Caltrain will increase ridership and fare revenues while decreasing fuel costs.
- *Reduced Engine Noise Emanating from Trains*: Noise from electrified train engines is measurably less than diesel train engines. Train horns will continue to be required at grade crossings, consistent with safety regulations.
- *Improved Regional Air Quality and Reduced Greenhouse Gas Emissions.* Electrified trains will produce substantially less corridor air pollution compared with diesel trains, even when the indirect emissions from electrical power generation are included. Increased ridership will reduce automobile usage, resulting in additional air quality benefits. In addition, the reduction of greenhouse gas emissions is not only good for our regional air quality, but will also help meet the State's emission reduction goals.

Q: What will happen to service to Gilroy?

A: The PCEP project only includes electrification to a point approximately two miles south of Tamien Station. Caltrain will continue to provide diesel service to Gilroy.

Q: Why not electrify south of Tamien Station?

A: Caltrain does not own the southbound right-of-way beginning two miles south of Tamien Station. Union Pacific Railroad owns this section of the corridor.

Peninsula Corridor Electrification

Frequently Asked Questions | December 2014

Caltrain®

ABOUT THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT (PCEP)

Q: When will this project start and finish?

A: The environmental review process is scheduled to conclude at the beginning of 2015. If Caltrain adopts the Electrification project and funding remains available, construction of electrical infrastructure could start as early as 2016. The first electrically-powered trains are scheduled to be in service by 2020 or 2021.

Q: How will EMUs be different from the current diesel fleet?

A: The term "EMU" refers to the ability to couple multiple electric units into a single train and have them controlled from a cab at either end of the train. Caltrain's current fleet of trains are "push-pull" and rely on power from a diesel engine. EMUs are electrically powered and will have significantly lower greenhouse gases and air pollution than the current fleet. EMUs are able to accelerate and decelerate faster than diesel trains. The improved performance of these trains will allow Caltrain to provide shorter trip times and/or more stops within the same amount of time.

Q: Will the project reduce the need to use horns?

A: No. The use of horns is dictated by federal safety regulations for at-grade crossings. The project does not include changes in at-grade crossings and will not change the requirements for, or the use of, horns at these crossings.

PCEP FUNDING

Q: What is the project cost?

A: An updated capital cost estimate was released in November 2014 including $950 to $958 million for infrastructure costs and $524 to $573 million for the EMUs, for a total of $1.474 to $1.531 billion.

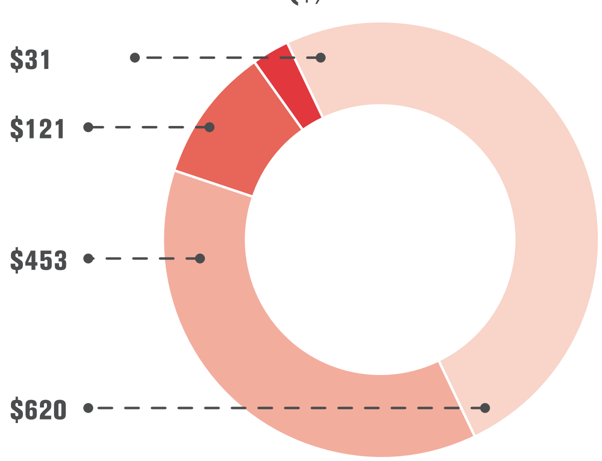
Q: Who's providing the funding?

A: The project will be funded through a combination of local, regional, state, and federal sources.

Q: How can this project be funded by Prop 1A "High-Speed Rail Bond" funds? What happens if the high-speed rail funding is not available for this project?

A: The capital costs of the electrification infrastructure can be funded by Prop 1A because the infrastructure will be compatible with high-speed rail (blended service would be approved after separate environmental review). If high-speed rail funding is not available for this project, then alternative sources of funding will need to be secured.

FUNDING: MILLIONS ($, YEAR OF EXPENDITURE)



CURRENT CAPITAL COST ESTIMATE: $1,474 TO $1,531

REGIONAL
Bay Area Air Quality Management District, Bridge Tolls

LOCAL
Peninsula Corridor Joint Powers Board

FEDERAL
Federal Transit Administration

STATE
Prop 1A, Prop 1B

(Other funding may be substituted for these sources.)

TOTAL SECURED FUNDING: $1,225 → FUNDING NEEDED: $249 TO $306

Potential Additional Sources of Funding: JPB Financing / Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan; JPB Fare; Regional Measure 2; State Cap & Trade; FTA Core Capacity; FTA Vehicle Replacement

PCEP ENVIRONMENTAL REVIEW

Q: What is evaluated in the EIR?

A: The Environmental Impact Report (EIR) has evaluated the environmental impacts of the project including the following: Aesthetics; Air Quality; Biological Resources; Cultural Resources; Electromagnetic Fields/Electromagnetic Interference (EMF/EMI); Energy, Geology, Soils, and Seismicity; Greenhouse Gas Emissions and Climate Change; Hazards and Hazardous Waste; Hydrology and Water Quality; Land Use and Recreation; Noise and Vibration; Population and Housing; Public Services and Utilities; and Transportation and Traffic. The Final EIR provides responses to comments on the DEIR and any necessary revisions to the DEIR.

Q: Does CEQA allow Caltrain Electrification and the HSR Blended System Project to be analyzed separately?

A: Yes. CEQA allows for analysis of related projects in separate documents provided the projects each have independent utility and environmental review to fully reveal all significant environmental impacts. Caltrain electrification has independent utility separate from HSR because it would provide improved electrified commuter rail service between San Jose and San Francisco that would lower air pollution and greenhouse gas emissions while improving train service and lowering Caltrain's operating costs. Caltrain electrification does not require full implementation of HSR in order to provide these independent benefits. HSR is a separate project and CHSRA will take the lead on evaluating the blended service including alternatives, impacts and mitigation in order to implement HSR. All impacts of both projects will be disclosed in accordance with the requirements of CEQA.

Q: What are the forecasted levels of ridership?

A: New ridership projections were completed for the EIR. Ridership is anticipated to increase with or without the project, but will increase more with the project. By 2020, with the project, daily ridership would increase to 69,000. By 2040, with full electrification between San Jose and San Francisco (and including service to the Transbay Transit Center), ridership is forecasted to increase to 111,000.

Q: What will the visual impacts be?

A: In addition to tree removal, described below, the PCEP will include a new overhead contact system (OCS) consisting of poles and wires along the Caltrain ROW. Additionally, the new traction power facilities will be within the Caltrain ROW and/or outside the ROW in commercial/industrial areas. Mitigation is proposed in the EIR for aesthetic considerations to be included in OCS design, for aesthetic surface treatments for traction power facilities (TPFs), and to provide screening vegetation or other screening of TPFs at sensitive locations.

Q: Will the service or schedule change under electrification?

A: The project includes an increase of peak hour service from five trains per peak hour per direction to six trains per peak hour per direction. In addition, electrically-powered trains can accelerate and decelerate faster than diesel locomotive trains, providing the flexibility to increase the frequency of service without adding travel time and/or reduce the overall travel time from one end of the corridor to the other.

Caltrain has not yet developed a specific schedule for when EMUs would first be placed into service. In the EIR a "prototypical" or example schedule is used as part of the analysis. In the coming years, there will be robust public outreach to help determine the schedule that best balances the demands for more frequency and faster trip times.

Q: What are the construction impacts?

A: The EIR evaluates the temporary environmental impacts associated with possible construction strategies for the PCEP. Most construction impacts will occur within the Caltrain right-of-way (ROW), with additional construction at limited areas outside the current right-of-way for portions of the overhead contact system, tree removal in certain locations, for some of the traction power facilities and for some access and staging. Primary construction impacts include temporary construction noise, equipment and vehicle emissions, tree removal and minor disturbance of biological resources, soil disturbance and runoff, potential traffic diversions or delay and potential disruption of passenger and freight service. Construction will also require several staging areas for storage of equipment, materials, and vehicles that could be within the Caltrain ROW or outside the ROW. The specific construction plan will be prepared in the next phase of design.

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Q: What are the impacts to private property?

A: The project encroachment on private property is limited in extent, given the length of the 51-mile corridor. In most places, the electrification infrastructure will be placed on JPB or Samtrans-owned property. In South San Francisco and San Jose, some of the traction power substation options are on private land. Along the corridor, the project will encroach in some areas for placement of the overhead contact system poles and wires, but in most cases, the area of encroachment is limited to a number of feet beyond the existing right of way. Along the corridor, the project will also require electrical safety zone easements within 10 feet of the overhead contact system which will limit vegetation and structures within the easements but most easements will only be a number of feet beyond the existing right of way. Potentially affected property owners are being notified.

Q: Will trees need to be cut down for this project?

A: Yes. An Electrical Safety Zone is necessary to provide a vegetation free zone for electrical safety within 10 feet of the energized portions of the overhead contact system, resulting in tree removal or pruning as described in the EIR. Caltrain conducted a tree canopy assessment of the entire corridor using multiple methods including aerial photography, video photography, and an assessment from the railroad tracks. A tree survey was also conducted in parts of the corridor with a higher density of tree canopy. Mitigation is proposed in the EIR to limit the number of trees removed and will include consideration of alternative pole alignments to reduce tree impacts (such as alternative side pole designs, center poles and two-track cantilever poles) where feasible and consistent with construction, operations and maintenance considerations.

Q: Is Caltrain downplaying potential impacts to trees in the EIR?

A: No. Caltrain's EIR includes an extensive tree study that identified potential tree impacts using a worst-case-scenario set of assumptions and discloses potential tree removals and tree pruning by jurisdiction. The EIR includes proposed mitigation to limit the number of trees removed and will include consideration of alternative pole alignments (such as alternative side pole designs, center poles and two-track cantilever poles) where feasible and consistent with construction, operations and maintenance considerations. The Final EIR includes maps showing potential tree effects along the project corridor.

Q: Does Caltrain discuss the effect of removing trees on air pollution?

A: Yes. The project will reduce diesel emissions by up to 80% or more along the project right of way, which is the dominant effect of the project on air quality. Trees can have some ameliorating effect on localized air quality by trapping particulate matter, depending on specific vegetation, wind, and pollutant conditions. Even taking into account the loss of trees, the project is expected to still have a substantial net benefit on both local and regional air quality. The Final EIR discusses the effect of tree removal and the net project effect overall in greater detail.

Q: Does Caltrain consider Greenhouse Gas (GHG) emissions from tree removal, the use of electricity to run the trains, or project construction?

A: Yes. The EIR analyzes all three of these issues. Taking all of these into account combined with the reduction in diesel combustion, the project would result in substantial reductions of GHG emissions by approximately 79,000 metric tons of carbon dioxide equivalent per year compared to No Project conditions in 2020. This is roughly the equivalent of removing over 16,000 cars from the road.

Q: Did Caltrain consider the need for new power transmission lines?

A: Yes. The EIR explains that Caltrain previously consulted with PG&E about transmission lines and determined that apart from the transmission lines from PG&E local substations to the Caltrain substations, PG&E facilities would be adequate to serve the project.

Q: What are the anticipated noise impacts along the corridor?

A: EMUs are quieter than diesel locomotives, but increased service will mean more train horns being used at the at-grade crossings. The EIR evaluated noise impacts along the project corridor due to the change from diesel locomotives to EMUs and increased overall service and found that the project would lower noise levels at many locations, would not change levels at some locations and would result in small increases in noise at a few locations but the increases would be less than Federal Transit Administration (FTA) noise thresholds. Noise impacts at one potential substation location in South San Francisco and one potential paralleling station in Palo Alto would require mitigation that would reduce impacts to less than significant levels.

Q: Did Caltrain analyze noise impacts from increased number of trains?

A: Yes. The EIR analyzes project-level noise and cumulative noise due to the change from diesel locomotives to EMUs and increased overall service. Noise associated with horns was included in the analysis. The cumulative noise analysis specifically analyzed the effect of cumulative train service increases, including High-Speed Rail.

Q: What are the anticipated traffic impacts of the project?

A: The EIR analyzes the potential traffic benefits and adverse effects of the project. In 2020, the project would reduce regional vehicle miles travelled (VMT) per day by 235,000 miles and would reduce VMT in every city along the corridor between San Jose and San Francisco. In 2040, with full electrification, VMT reductions would be even greater with a reduction of 619,000 daily vehicle miles.

Despite the overall traffic reduction benefits, the project would result in localized traffic impacts at certain intersections near at-grade crossings and around Caltrain stations. The impact at the at-grade crossings is a combination of more gate-down time due to more train service and less gate-down time due to faster acceleration and deceleration of the EMUs compared to diesel locomotives. With increased ridership, there will also be increased traffic around Caltrain stations.

Q: Does the project make local traffic much worse and should grade separations be required?

A: The EIR specifically analyzes the project's impact on localized traffic along the Caltrain corridor. Overall the project will improve regional traffic by removing a substantial number of cars from regional roadways and will also lower vehicle miles travelled in every one of the cities along the Caltrain corridor. However, there are localized traffic impacts at certain crossings and near certain stations. That information is disclosed in the EIR. Where localized traffic impacts are significant, mitigation strategies are identified in the EIR including signalization and minor roadway improvements.

As discussed in the EIR, grade separations are not part of the project. They are expensive and thus found to not be feasible as mitigation for the Caltrain electrification project. Caltrain supports grade separations where sufficient local, state, and federal funding can be identified as shown by the recent implementation of the San Bruno grade separation project.

Q: Has Caltrain considered non-electrified alternatives?

A: The EIR analyzes three non-electrified alternatives in some detail including a Diesel Multiple Unit (DMU) Alternative, a Dual-Mode Multiple Unit Alternative, and a Tier 4 Diesel Locomotive Alternative. It also looked at a number of other alternatives suggested during the Scoping. Any diesel-based alternative (including DMUs, Dual-Mode Multiple Units, or new diesel locomotives) compared to EMUs would have higher air pollutant and greenhouse gas emissions, as well as higher engine noise and fuel costs. In addition, these alternatives would not provide the performance improvements achievable with EMUs.

Q: Has Caltrain considered alternatives such as third rail (like BART) that don't need an overhead contact system?

A: Yes. The EIR considered a third rail alternative, but determined it is infeasible for Caltrain as it is not compatible with current Caltrain service. Due to the much higher cost of a grade-separated third-rail alternative, a fully grade separated system would cost much more than modernizing the existing infrastructure. Self-powered electric trains (such as trains powered from fuel cells or rechargeable batteries) are experimental technologies at this time and not proven for use in a commuter rail system on a corridor like the Caltrain corridor.

Q: Could Caltrain meet all of its needs by using new diesel locomotives?

A: No. Compared to modern (Tier 4) diesel locomotives, electrical multiple units (EMUs) have superior performance in accelerating which allows for improved service along the corridor. With EMUs, Caltrain can achieve the same performance while adding train cars, thereby increasing available seats to accommodate more riders. With diesel locomotives, adding cars will decrease performance. Modern diesel locomotives pollute less than older diesel locomotives, but EMUs have no diesel-related emissions and would have even lower greenhouse gas emissions. Diesel locomotives are also noisier than EMUs. Fuel costs are lower using electricity than by using diesel. Finally, diesel locomotives are incompatible with the Downtown Extension and the Transbay Terminal, both of which are being designed for electrified operations.

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Q: Are there other technologies (such as self-powered electric trains, third-rail electrification, new diesel locomotives or DMUs) that can provide the same benefits without an overhead contact system?

A: Third-rail electrified systems (like BART) do not have an overhead contact system. However, that technology would require Caltrain to build a whole new grade-separated system versus modernizing its existing infrastructure. BART-like technology is also not compatible with the planned high-speed rail service. There are self-powered electric trains (such as trains powered from fuel cells or rechargeable batteries or inductive charging trains) but these technologies are experimental at this time and not a proven technology for commuter rail use.

There are diesel-multiple units (DMUs) and dual mode multiple unit trains that would be an improvement over existing diesel locomotives. However, neither of these technologies would provide the performance improvements achievable with EMUs. Compared to EMUs, any diesel-based alternative (including DMUs, dual-mode multiple units, or new diesel locomotives) would each have higher air pollutant and greenhouse gas emissions, as well as higher engine noise and higher fuel costs than EMUs.

Q: Does the project analyses effects on freight operations due to vertical clearances, operational windows, and electromagnetic interference with freight signals?

A: Yes. The EIR analyses all three of these issues. The project would accommodate existing freight equipment in terms of heights. Restrictions on use of future freight equipment taller than existing freight equipment would be limited. The project would not substantially change operational windows for freight because the current understanding is that it would not require temporal separation. Freight railroad and electrified railroads operate side by side on the Northeast Corridor in the U.S. and in Europe. There are proven solutions to providing for electromagnetic compatibility and Caltrain will work with Union Pacific during final design to ensure the project does not affect the freight signal system.

Q. Does Union Pacific holds the rights to passenger operations?

A: No. The Peninsula Corridor Joint Powers Board holds the rights for commuter rail passenger service on the Caltrain Corridor. Union Pacific holds the rights for intercity passenger rail service but the Caltrain service is commuter rail, not intercity rail.

Q: Is the project subject to pre-emption of CEQA due to Surface Transportation Board jurisdiction?

A: The JPB is a federally-regulated rail carrier, subject to the authority of the Surface Transportation Board (STB). Court rulings (past and recent) support argument that rail projects subject to STB jurisdiction are exempt from state environmental law, including CEQA. If the EIR is legally challenged, JPB reserves the right to assert STB pre-emption of CEQA. Regardless, JPB proposes to adhere to the mitigation identified in the EIR.

Q: Is Caltrain only considering electrification because of High-Speed Rail (HSR)?

A: No. Caltrain has been considering electrification for decades, long before the 2008 voter approval of the HSR Prop 1A Bonds. Both the 1999 and 2004 Caltrain Strategic Plans referenced a desire for electrification. The proposed 25 kVA/60 Hz overhead contact system design is a logical choice for Caltrain electrification because it is a standard proven design that has been used on the U.S. east coast (Northeast Corridor) and in many locations in Europe.

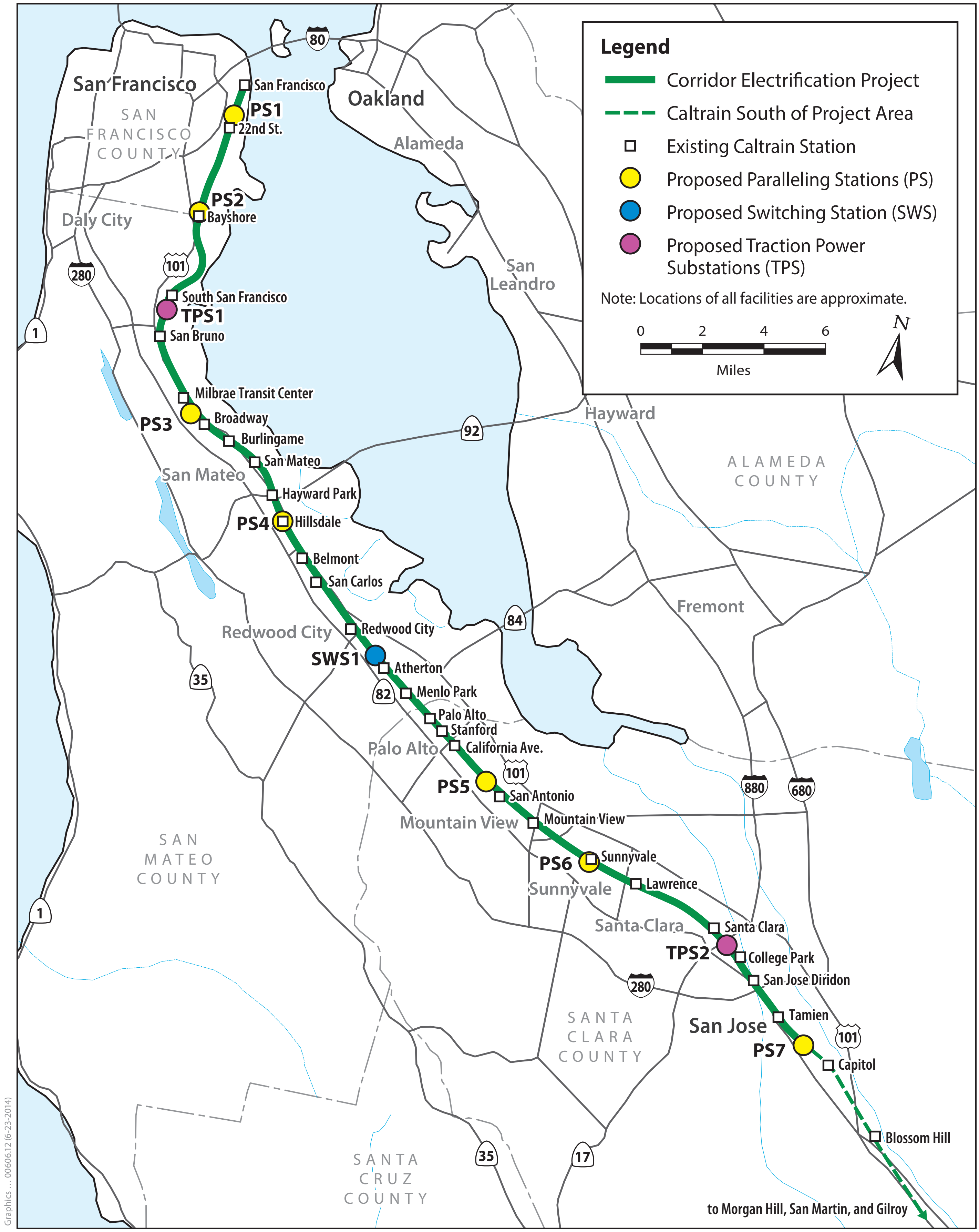
Q: Will the EIR for the Electrification Project allow high-speed rail trains to use the Caltrain Corridor?

A: No. Caltrain is the lead agency for environmentally clearing the PCEP. This EIR will not environmentally clear high-speed rail service in the Peninsula corridor. The California High-Speed Rail Authority (CHSRA) will be the lead agency for a subsequent and separate environmental process at a future time to clear high-speed rail service in the Peninsula corridor.

VISIT US TO LEARN MORE:
www.caltrain.com/electrification

Attachment 2:

Caltrain electrification project map



Note: This figure replaces Figure 2-2 from the Draft EIR.

Figure 2-2
Project Vicinity
Peninsula Corridor Electrification Project

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: June 17, 2015

Re: Transportation Fund for Clean Air (TFCA) Regional Fund Policies, Policy Waiver Request, and Hydrogen Station Funding Allocation

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve the proposed Fiscal Year Ending (FYE) 2016 TFCA Regional Fund Policies and Evaluation Criteria (FYE 2016 Policies) presented in Attachment A;

2. Approve a request from the San Francisco Municipal Transportation Agency for a waiver to FYE 2014 TFCA Regional Fund Policies for project #14R22; and

3. Allocate $500,000 from prior year TFCA funds for Hydrogen Stations in FYE 2016.

BACKGROUND

In 1991, the California State Legislature authorized the 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 within the Air District's jurisdiction. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. The authorizing legislation requires that the Air District's Board of Directors (Board) adopt cost-effectiveness criteria that govern the use of TFCA funds.

Sixty percent of TFCA funds are allocated by the Board to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Plug-in Electric Vehicle Program) and to a program referred to as the TFCA Regional Fund. The Board approved an allocation of $13.77 million in new TFCA revenue for FYE 2016 on May 6, 2015.

Per Board direction on December 16, 2009, the Executive Officer/APCO is authorized to execute grant agreements with project sponsors who propose projects with individual grant award amounts up to $100,000 for projects that meet the respective governing policies and guidelines. TFCA Regional Fund projects with grant award amounts over $100,000 are brought to the Mobile Source Committee for consideration at least on a quarterly basis.

DISCUSSION

The proposed FYE 2016 Policies (Attachment A) include both general requirements that are applicable to all TFCA Regional Fund project types, as well as project-specific requirements for nine project categories.

Outreach

The proposed FYE 2016 Policies reflect extensive feedback received from stakeholders over the past year. On February 17, 2015, the Air District opened the public comment period for these policies and advertised this process via the Air District's website, the request for comment was also circulated via the TFCA grants email notification system, which notified more than 800 stakeholders and included the nine Bay Area Congestion Management Agencies. The Air District also held a webinar workshop on March 3, 2015, that was attended by 23 stakeholders. The Air District received nine sets of comments by the close of the comment period on March 23, 2015. Attachment C provides a summary of the nine comments received and staff's responses. In addition, the Air District held more than 20 meetings with shuttle and ridesharing stakeholders, including the CMAs and project sponsors, who provided feedback and input on the trip reduction (shuttle and ridesharing) policies.

Proposed FYE 2016 Policies

Public stakeholder input received over the past year and during the public comment period (Attachment C) was reviewed and considered for incorporation into the proposed FYE 2016 Policies. Language and grammatical revisions were also made for clarification purposes. The previous Board-adopted FYE 2015 Policies is provided in Attachment B for reference. Table 1 below shows the key revisions proposed in the FYE 2016 Policies.

Table 1: Summary of Key Revisions to TFCA Regional Fund Policies and Evaluation Criteria

Policy # and Title	Description of Proposed Change
#2. TFCA Cost-Effectiveness	Increases (makes more lenient) the cost-effectiveness limits for Shuttle/Feeder Bus Service projects in CARE and PDAs (from $175,000/ton, to $200,000/ton).
#11. In Compliance with Air Quality Regulations	New policy that aligns TFCA requirements with those of other Air District grant programs; requires applicants to certify that they are in compliance with all local, State, and federal air quality regulations.
#19. Combined Funds	Specifies when TFCA County Program Manager Funds may be used for TFCA Regional Fund projects.
#23. Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets	Allows a portion of the funding award (up to $5,000 per new vehicle) to pay for refueling infrastructure for the new vehicle.
#24. Heavy-Duty Zero Emissions Vehicles	Allows a portion of the funding award (up to $5,000 per new vehicle) to pay for refueling infrastructure for the new vehicle. Would also provide additional funding (up to $15,000 per new vehicle) for projects that are replacing and scrap/retire a qualifying older vehicle.

#25. Hydrogen Stations	Limits alternative fueling infrastructure projects to hydrogen stations. Previously, this policy included requirements for hydrogen and compressed natural gas (CNG) projects.
#28. Shuttle/Feeder Bus Services	Revised to reflect stakeholder and Board input: a. The previous language regarding "duplication of service" (28.d) has been revised to clarify that eligible projects are those that provide service to "locations that are under-served and lack other comparable service." The 0.5 mile exclusion radius has been reduced to one-third (1/3) mile and a new parameter regarding service frequency exception has been added to clarify that proposed services must improve the average travel time of the existing service level by at least 33% and 15 minutes. b. The requirement to submit a financial plan to achieve financial self-sufficiency has been removed for existing projects. c. The requirement for applicants to submit a letter of concurrence from the transit district or agency has been clarified (28.h).

New Programs (Project Categories)
The FYE 2016 Policies also include two new Regional Fund project categories that are being proposed and are described below:

- **Pilot Trip Reduction (Policy #29):** This project category would provide initial capital for the startup of pilot projects that reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation in Air District designated CARE and Planned and Potential Priority Development Areas. This category expands and replaces the previous "pilot" category that was limited to only shuttle/feeder bus services.

- **Bikeways (Policy #32):** This project category would provide funding for the construction and/or installation of new bikeways to reduce vehicle trips made for utilitarian purposes. Eligible bikeways include Class I, II, III, and IV. Projects that serve regional or county-wide transit stops/stations/ terminals (e.g., BART, Caltrain, Capitol Corridor, ferry terminals) or bikeshare stations would receive a higher priority.

Funding Allocation for Hydrogen Station Projects
On September 22, 2014, representatives from the Californian Air Resources Board (ARB) and the California Energy Commission (CEC) made a joint presentation to the Mobile Source Committee to discuss the plan for hydrogen station deployment in Bay Area by 2017. In support of ARB's Advanced Clean Cars initiative, the Air District issued a solicitation for Alternative Fuels projects on February 5, 2015, and on May 6, 2015, the Board approved $2,790,500 in TFCA funding for 12 new hydrogen re-fueling stations, one new CNG re-fueling station, and upgrades to two existing CNG stations.

Staff is recommending that an additional $500,000 in TFCA funding be allocated to this project category to ensure the availability of local match funding for the two additional Bay Area hydrogen stations. This funding continues to support the state's Clean Car Initiative and will only be used to target critical deployments of station infrastructure. Although CEC funding covers ~65% to 75% of the hydrogen fueling station costs, given the high cost to deploy stations ($2.5 to $3 million), additional funding is necessary to supplement the CEC's funds to ensure the Bay Area's stations are completed. Funding for this allocation would come from FYE 2014 TFCA revenue that is available for reallocation.

Request for a Policy Waiver

San Francisco Municipal Transportation Agency (SFMTA) has requested the Air District's approval of a waiver to FYE 2014 TFCA Regional Fund Policies #8 and #13 for project #14R22. SFMTA was awarded $70,000 in TFCA funds in June 2014 for a project that will install electronic bicycle lockers accommodating a total of 28 bicycles. Policy #8 requires projects to commence by the end of calendar year 2014 and Policy #13 requires project sponsors to return signed grant agreements within 180 days from the date of transmittal of grant agreements. SFMTA was delayed in executing the agreement because they needed to obtain authorization from the SFMTA Board of Directors and the City and County of San Francisco Board of Directors before they could execute the agreement. This process took longer than 180 days allowed and prevented the project from commencing in the 2014 calendar year. Staff has reviewed the SFMTA's request and determined that the project meets all other TFCA policies.

BUDGET CONSIDERATION / FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Kenneth Mak
Reviewed by: Karen Schkolnick

Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2016

Attachment B: Board-adopted FYE 2015 TFCA Regional Fund Policies and Evaluation Criteria (Informational attachment)

Attachment C: Comments Received and Staff Responses to Proposed FYE 2016 Policies

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2016

The following policies apply to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) Regional Fund for fiscal year ending (FYE) 2016.

BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2016.

   Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project's funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit noted in Table 1. Cost-effectiveness ($/weighted ton) is based on the ratio of TFCA fund awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller) over a project's useful life.

   Table 1: Maximum Cost-Effectiveness for FYE 2016 TFCA Regional Fund Projects

Policy #	Project Category	Maximum C-E ($/weighted ton)
22	On-Road Truck Replacements	$90,000
23	Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets	$250,000
24	Heavy-Duty Zero Emissions Vehicles	$250,000
25	Hydrogen Stations	$500,000
26	Reserved	Reserved
27	Reserved	Reserved
28	Shuttle/Feeder Bus Services	$175,000; $200,000 for services in CARE Areas or PDAs
29	Pilot Trip Reduction —in CARE areas or Priority Development Areas (PDAs)	$200,000
30	Regional Ridesharing Services	$90,000
31	Electronic Bicycle Lockers	$90,000
32	Bikeways	$90,000

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

4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
   a. **Eligible Recipients**:
      i. **Public agencies** are eligible to apply for all project categories.
      ii. **Non-public entities** are only eligible to apply for Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241b(7).

b. **Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).

5. **Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 32, project applicants must demonstrate evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
6. **Minimum Grant Amount:** $10,000 per project.
7. **Maximum Grant Amount:** Unless otherwise specified in policies #22 through 32, the maximum grant award amounts are:
   a. Each public agency may be awarded up to $1,500,000 per calendar year; and
   b. Each non-public entity may be awarded up to $500,000 per calendar year.
8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 2016. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the projects' operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.
9. **Maximum Two Years Operating Costs:** FYE 2016 TFCA Regional Funds may be used to support up to two years of operating costs for service-based projects (i.e., Trip Reduction Projects)
10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable Federal and State laws, and District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at of the time of the application and at the time of issuance of the grant, they are in compliance with all local, State, and federal air quality regulations. Applicants who have an unresolved violation of District, state or Federal air quality rules or regulations are not eligible for funding. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from project sponsors who were not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

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

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

14. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

    Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements, which includes the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

INELIGIBLE PROJECTS

16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are both: 1) directly related to the implementation of a specific project or program, and 2) directly contribute to the project's emissions reductions.
17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare grant applications are not eligible.
18. **Duplication:** Projects that have previously received TFCA Regional or County Program Manager funds and do not propose to achieve additional emission reductions are not eligible.

USE OF TFCA FUNDS

19. **Combined Funds:** Unless otherwise specified in policies #22 through 32, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
20. **Administrative Costs:** Unless otherwise specified in policies #22 through 32, TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant). In cases where administrative costs may be paid for by TFCA Regional Funds, they are limited to a maximum of five percent (5%) of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. To be eligible for reimbursement, administrative costs must be clearly identified in the project budget at the time of application and in the funding agreement between the Air District and the project sponsor.

21. **Expend Funds within Two Years:** Project sponsors have up to two (2) years from the effective date of their grant agreement to expend the awarded funds. Applicants may request a longer period in the Application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

ELIGIBLE PROJECT CATEGORIES

To be eligible for TFCA Regional funding, a proposed project must meet the purposes and requirements for the particular category's type of project.

Clean Air Vehicle Projects

22. **On-Road Truck Replacements:** The project will replace Class 6, Class 7, or Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA)) with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction, and must be scrapped after replacement.
23. **Light-Duty Zero- and Partial-Zero-Emissions Vehicles for Fleets:** The project will accelerate the deployment of zero- and partial-zero-emissions light-duty vehicles in high-mileage fleets:

    a. Each project (fleet deployment) must consist of the purchase or lease of three or more vehicles registered to a single owner;
    b. Each vehicle must be new (2015 model year or newer) and have a GVWR of 14,000 lbs. or lighter;
    c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and of 15,000 miles;
    d. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, and fuel cell vehicles certified by the CARB as meeting super-ultra low emission vehicle (SULEV) or zero-emission vehicle (ZEV) standard; and
    e. Project sponsors may request authorization for up to $5,000 of the TFCA Funds awarded to each vehicle to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the vehicle.

    Non-plug-in hybrid, gasoline, natural gas, diesel vehicles, and retrofit projects that are not approved or certified by the CARB are not eligible.

    The amount of TFCA funds awarded may not exceed the vehicle's "incremental cost" meaning the difference in cost between the purchase or lease price of the new vehicle for the project and its new conventional vehicle counterpart that meets current Federal and State emission standards after all other applicable manufacturer and local/state/federal rebates and discounts are applied.

24. **Heavy-Duty Zero-Emissions Vehicles**: The project will accelerate the deployment of zero-emissions heavy-duty vehicles:

    a. Vehicles must be new (2015 model year or newer), and have a GVWR of greater than 14,000 lbs.;
    b. Vehicles may be purchased or leased;
    c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and of 15,000 miles ;
    d. Eligible vehicle types include zero-emissions (electric and fuel cell technologies) vehicles that are certified by the CARB; and

e. Project sponsors may request authorization for up to $5,000 of the TFCA Funds awarded to each vehicle to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the vehicle.

In addition, projects that seek to replace an equivalent weight-class model year 2000-2006 vehicle and have documented at least two consecutive years of annual mileage records, may qualify for up to an additional $25,000 in TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

Gasoline, natural gas, diesel, and hybrid vehicles, and retrofit projects that are not approved or certified by the CARB are not eligible.

The amount of TFCA funds awarded may not exceed a vehicle's "incremental cost" meaning the difference in cost between the purchase or lease price of the new vehicle for the Project and its new conventional vehicle counterpart that meets current Federal and State emission standards after all other applicable manufacturer and local/state/federal rebates and discounts are applied.

25. **Hydrogen Stations:** These projects are intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

    a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;

    b. 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; and

    c. Each station must be maintained and operated for a minimum of three years.

    TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.

    TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of $250,000 per station.

    Additionally, proposed stations must have received at least a passing score and/or received approval for funding from a State or Federal agency.

26. **Reserved.**

27. **Reserved.**

<u>Trip Reduction Projects</u>

28. **Shuttle/Feeder Bus Services:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hub or employment centers:

    a. The service must provide direct service between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport) and a distinct commercial or employment location;

    b. The service's schedule must be coordinated to have a timely connection with the corresponding mass transit service;

    c. The service must be available for use by all members of the public;

    d. TFCA Regional Funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed "comparable" to an existing service that brings passengers from a mass transit hub to within 1/3 mile of the employment location or commercial hub if the passengers' proposed travel time will be at least 15 minutes less than and will be at least 33% shorter than the existing service's travel time to the proposed destination;

e. Shuttle/Feeder Bus Service projects that were awarded Regional Funds in FYE 2014 or FYE 2015 may request an exemption from the requirements of Policy 28.d until December 31, 2016, provided that they meet the following requirements:

   i. The proposed service must serve the identical transit hub and commercial or employment locations as the previously funded project; and

   ii. A plan to either achieve financial self-sufficiency from TFCA funds by January 1, 2017, or to come into compliance with Policy 28.d and all other eligibility criteria must be submitted along with the Application.

f. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;

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

h. 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; and

i. Shuttle/feeder bus service applicants must submit a letter of concurrence from the transit district or transit agency that provides service in the area of the proposed route, certifying that the service does not conflict with existing service.

Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a cost-effectiveness limit of $200,000 per ton.

29. **Pilot Trip Reduction:** The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital for the startup of Pilots, with the goal of transitioning the project to be financially self-sustaining within two years from the project's start date:

   a. The proposed project must be located in a Highly Impacted Community or Episodic Area as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in a Priority Development Area (PDA);

   b. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants;

   c. The proposed service must be available for use by all members of the public;

   d. Applicants must attend a mandatory pre-application workshop to discuss their proposed project with the Air District; and

   e. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining in 2 years.

   In addition, for pilot service projects:

   f. Applicants must demonstrate that they have attempted to have the service provided by the local transit agency. Applicants must provide the transit agency's evaluation of the need for service to the proposed area, and a letter denying service to the project's proposed area, including the basis for denial of service;

g. Applicants must provide data and/or other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;

h. Shuttle/Feeder Bus service and Ridesharing service projects must comply with all applicable requirements in policies #28 and #30.

30. **Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

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

Bicycle Facility Projects

31. **Electronic Bicycle Lockers:** The project will expand the public's access to new electronic bicycle lockers. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan, and must serve a major activity center (e.g. transit station, office building, or school). The electronic bicycle lockers must be publicly accessible and available for use by all members of the public.

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

    The maximum award amount is based on the number of lockers, at the rate of $2,500 per locker.

    Monies expended for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible matching funds for electronic bicycle lockers. Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible as matching funds.

32. **Bikeways:** The project will construct and/or install new bikeways that are included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan.

    Projects must reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use.

    All bikeway 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.

    Projects must meet one of the following conditions:

    a. Be located within one-half mile (1/2) from a public transit station/stop (e.g., local, county- wide or regional transit stops/stations/terminals, Bay Area Bike Share); or
    b. Be located within one-half mile (1/2) from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts); or
    c. Be located within one-half mile (1/2) from three activity center(s) (e.g., employment centers, schools, business districts); or
    d. Provide a gap closure in, or an extension to, an existing bicycle network located within one-half mile (1/2) from a public transit station/stop (e.g., local, county- wide or regional transit stops, stations, terminals, Bay Area Bike Share); a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts); or from three activity center(s) (e.g., employment centers, schools, business districts).

    Projects are limited to the following types of bikeways:

    a. New Class-I bicycle paths;

b. New Class-II bicycle lanes;
c. New Class-III bicycle routes; or
d. New Class-IV cycle tracks or separated bikeways.

REGIONAL FUND EVALUATION CRITERIA:

1. Projects must meet all of the applicable TFCA Regional Fund policies.
2. Applications will also be evaluated using the evaluation process listed in table 4:

Table 4: Evaluation Process by Project Category

<table>
<tr><th>Policy #</th><th>Project Category</th><th>Evaluation Process</th></tr>
<tr><td>22</td><td>On-Road Truck Replacements</td><td rowspan="3">Applications will be reviewed on a first-come, first-served basis, and funding amounts for eligible projects will be determined based on a project's cost-effectiveness and responsiveness to their respective project specific Policy requirements.</td></tr>
<tr><td>23</td><td>Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets</td></tr>
<tr><td>24</td><td>Heavy-Duty Zero Emissions Vehicles</td></tr>
<tr><td>25</td><td>Alternative Fuel Infrastructure</td><td>Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to Policy #25.</td></tr>
<tr><td>26</td><td>Reserved</td><td>Reserved</td></tr>
<tr><td>27</td><td>Reserved</td><td>Reserved</td></tr>
<tr><td>28</td><td>Shuttle/Feeder Bus Services</td><td rowspan="3">Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to their respective project specific Policy requirements.</td></tr>
<tr><td>29</td><td>Pilot Trip Reduction</td></tr>
<tr><td>30</td><td>Regional Ridesharing Services</td></tr>
<tr><td>31</td><td>Electronic Bicycle Lockers</td><td>Applications will be reviewed on a first-come, first-served basis, and eligible projects will be recommended for funding until funding has been depleted.</td></tr>
<tr><td>32</td><td>Bikeways</td><td>Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and responsiveness to Policy #32. Projects that serve regional or county-wide transit stops/stations/terminals (e.g., BART, Caltrain, Capitol Corridor, ferry terminals) and Bay Area Bike Share stations will receive a higher priority.</td></tr>
</table>

3. Up to sixty percent (60%) of TFCA Regional Funds will receive a higher priority for projects that meet one or more of the following criteria:
   a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
   b. Projects in Priority Development Areas (PDAs).

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2015

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

BASIC ELIGIBILITY

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

   Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2015.

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

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

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

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

Project Category	Policy #	C-E Level Maximum ($/weighted ton)
On-Road Truck Replacement	21	$90,000
Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets	22	$250,000
Heavy-Duty Zero Emissions Vehicles	23	$250,000
Alternative Fuel Infrastructure (Hydrogen and CNG)	24	$500,000
Reserved	25	Reserved
Reserved	26	Reserved
Shuttle/Feeder Bus Service—Existing	27	$175,000
Shuttle/Feeder Bus Service—Pilot	28	Year 1 - $200,000 Year 2 - $175,000
Shuttle/Feeder Bus Service—Pilot in CARE areas or Priority Development Areas (PDAs)	28	Year 1 - $500,000 Year 2 - $200,000 Year 3 - $175,000
Regional Ridesharing	29	$90,000
Electronic Bicycle Lockers	30	$90,000
Reserved	31	Reserved

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

4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #11 and #12).

   a. **Eligible Recipients**:

      i. **Public agencies** are eligible to apply for all project categories.

      ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241b(7).

   b. **Authority to Apply**: Applications must include either: 1) a signed letter of commitment from the applicant's representative with authority to enter into a funding agreement and to carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors) authorizing the submittal of the application and authorizing the project to be carried out.

5. **Viable Project and Matching Funds:** Unless provided for otherwise in the policies and priorities for the specific project category (which are listed below), project applicants must include in the application evidence of available matching funds from a non-Air District source that equal or exceed at least 10% of the total eligible project costs.

   The project must be financially viable, which means that the project sponsor has adequate funds to cover all stages of the project from its commencement through project completion. Applications must include evidence of financial resources sufficient to undertake and complete the project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.

6. **Minimum Grant Amount:** $10,000 per project.

7. **Maximum Grant Amount:** Maximum award per calendar year:

   a. **Each public agency** may be awarded up to $1,500,000, and

   b. **Each non-public entity** may be awarded up to $500,000, except for project sponsors who propose projects in category 24. Alternative Fuel Infrastructure Deployment, which may be awarded up to $1,250,000.

8. **Readiness:** Projects must commence by the end of calendar year 2015. "Commence" includes any preparatory actions in connection with the project's operation or implementation. For purposes of this policy, "commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.

9. **Maximum Two Years Operating Costs:** Service-based projects such as shuttle/feeder bus and ridesharing programs, may receive TFCA Regional Funds for up to two (2) years of operation or implementation. Projects that request up to $100,000 annually in TFCA Regional Funds are eligible to apply for two (2) years of funding. Projects that request more than $100,000 annually in TFCA Regional Funds are eligible for only one (1) year of funding.

10. **Project Revisions:** Project revisions initiated by the project sponsor that significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable to carry out the purposes of the project, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are within the eligible project category as the original project, meet the same cost-

effectiveness as that of the original project application, comply with all TFCA Regional Fund Policies applicable for the original project, and are in compliance with all federal and State laws applicable to the revised project and District rules and regulations.

APPLICANT IN GOOD STANDING

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

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

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

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

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

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

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

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies and other planning studies are not eligible for funding by the Air District. Funding may not be used for any planning activities that are not directly related to the implementation of a specific project or program. In addition, land use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.

16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare grant applications are not eligible for TFCA Regional Funds.

17. **Duplication:** Projects that have previously received TFCA-generated funds and therefore do not achieve additional emission reductions are not eligible.

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

USE OF TFCA FUNDS

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

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

21. **On-Road Truck Replacement Projects:** Eligible projects will replace Class 6 , Class 7, or Class 8 (19,501 lb. GVWR or greater) diesel-powered trucks with new or used trucks that have an engine certified to the 2010 California Air Resources Board (CARB) emissions standards or cleaner. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to a Bay Area address, and must be scrapped after replacement.
22. **Light-Duty Zero and Partial-Zero Emissions Vehicles for Fleets:** These projects are intended to accelerate the deployment of high mileage zero and partial zero-emissions light-duty vehicles in medium- and large-sized fleets. The following additional conditions must also be met :

    a. Each project (fleet deployment) must consist of the purchase or lease of three or more new vehicles registered to a single owner;

    b. Each vehicle must be a 2014 model year or newer and have a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter;

    c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and placed into a service route that meets the required minimum average annual mileage; and

    d. Eligible vehicle types include the plug-in hybrid-electric, plug-in electric, and fuel cell certified by the CARB as meeting super-ultra low emission vehicle (SULEV) or zero-emission vehicle (ZEV) standard.

    Non-plug-in hybrid gasoline, compressed natural gas, and diesel vehicles, and non-CARB approved or certified retrofit projects are not eligible.

    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.

    The maximum award amount per vehicle is listed below:

		Average Annual Mileage/Vehicle			
GVWR	**Vehicle Type**	**15,000 – 24,999 miles per year**	**25,000 – 34,999 miles per year**	**35,000 – 44,999 miles per year**	**45,000 or more miles per year**
8,500 or lighter	**SULEV**	$1,250	$2,500	$3,500	$4,500

	ZEV	$4,000	$6,500	$8,500	$10,500
8,501 – 14,000	**SULEV**	$6,000	$8,000	$10,000	$12,000
	ZEV	$10,000	$12,000	$14,000	$16,000

23. **Heavy-Duty Zero Emissions Vehicles**: These projects are intended to accelerate the deployment of high mileage zero emissions heavy-duty vehicles. The following additional conditions must also be met:

    a. Only new purchases or leases qualify;

    b. Each vehicle must be a 2014 model year or newer and have a GVWR of greater than 14,000 lbs.;

    c. Each vehicle must be maintained and operated within the Air District's jurisdiction for a minimum of three years and placed into a service route that meets the required minimum average annual mileage; and

    d. Eligible vehicle types include zero emissions (electric or fuel cell technologies) that are certified by the CARB.

    Gasoline, compressed natural gas, diesel, hybrid vehicles, and non-CARB approved or certified retrofit projects are not eligible.

    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.

    The maximum award amount per vehicle is listed below:

	Average Annual Mileage/Vehicle		
GVWR/Intended Service Class	**15,000 – 29,999 miles per year**	**30,000 – 44,999 miles per year**	**45,000 or more miles per year**
14,001 – 33,000	$12,500	$25,000	$40,000
33,000+	$20,000	$40,000	$60,000
URBAN BUS	$15,000	$30,000	$45,000

24. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the deployment of hydrogen and compressed natural gas (CNG) fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

    a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;

    b. 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; and

    c. Each station must be maintained and operated for a minimum of three years.

    TFCA funding may not be used to pay for fuel or on-going operations and maintenance costs.

    TFCA funding is limited to 25% of the total project cost and may not exceed a maximum award amount of $300,000 per station for hydrogen projects and $200,000 per station for CNG projects.

    Additionally, for hydrogen stations: proposed stations must have received at least a passing score and/or received approval for funding from a State or Federal agency.

25. **Reserved.**

26. **Reserved.**

Shuttle/Feeder Bus Service Projects

27. **Shuttle/Feeder Bus Service:** These projects are intended to reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hub or employment centers. All of the following conditions must be met for a project to be eligible for TFCA Regional Funds:

    a. The project's route must provide connections only between mass transit hubs, e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport, and distinct commercial or employment areas.

    b. The project's schedule must coordinate with the transit schedules of the connecting mass transit service.

    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.

    e. The project must include only commuter peak-hour service, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM.

    f. Applicants must submit a written transit service financial plan to achieve financial self-sufficiency or reduced reliance on TFCA funding within five years. The plan must document 1) the funding source(s) that will be targeted and the bases for eligibility of such funding, 2) 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.

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

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

    Project applicants that were awarded FYE 2014 TFCA Regional Funds that propose identical routes in FYE 2015 may request an exemption from the requirements of Policy 27. D provided they meet the following requirements: (1) No further TFCA project funding as of January 2017; and (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 Regional Funds. The plan must document: 1) the funding source(s) that will be targeted and the bases for eligibility of such funding, 2) 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.

28. **Pilot Shuttle/Feeder Bus Service:** Pilot projects are defined as routes that provide service to locations that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the requirements listed in Policy #27 for shuttle/feeder bus service, pilot shuttle/feeder bus service project applicants must also comply with the following:

    a. Applicants must provide data and other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users;

    b. 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. .

c. Applicants must provide written documentation of a financial plan for transitioning to a self-sustaining service and/or for reducing reliance on TFCA funding within five years. The plan needs to clearly identify 1) the funding source(s) that will be targeted, 2) the amounts from each source that will be pursued, 3) the process for securing each funding source, and 4) the status or timeline of the process for securing funds.

d. 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 Regional Funds under the Pilot designation and must meet the following requirements:

   i. During the first year of operation, projects must not exceed a cost-effectiveness of $500,000/ton,

   ii. By the end of the second year of operation, projects must not exceed a cost-effectiveness of $200,000/ton, and

   iii. By the end of the third year of operation, projects must not exceed a cost-effectiveness of $175,000/ton (see Policy #2) and meet all of the requirements of Policy #27 (existing shuttles).

e. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Regional Funds under this designation and must meet the following requirements:

   i. By the end of the first year of operation, projects shall cost $200,000 or less per ton (cost-effectiveness rating), and

   ii. By the end of the second year of operation, projects shall cost $175/000 or less per ton (cost-effectiveness rating) (see Policy #2) and shall meet all of the requirements of Policy #27 (existing shuttles).

Regional Ridesharing

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

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

Bicycle Facility Projects

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

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

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

    TFCA County Program Manager funds may not be used towards fulfilling the matching funds requirement. Monies expended for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant) are eligible matching funds for electronic bicycle lockers. Monies expended by the Project

Sponsor to maintain, repair, upgrade, rehabilitate, or operate the electronic lockers are not eligible as matching funds.

REGIONAL FUND EVALUATION CRITERIA:

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

   The Air District will evaluate all shuttle/feeder bus service and ridesharing project applications received after the submittal deadline on a first-come, first-served basis, based on the TFCA Regional Fund policies.
2. **Electronic Bicycle Locker(s) Projects: Applications will be evaluated on a first-come, first-served basis.**

Agenda Item 7 – Attachment C:
Comments Received and Staff Responses to Proposed FYE 2016 TFCA Regional Fund Policies

Commenter and Agency	Comment	Staff Response
Janet Chang, City of Piedmont	(In reference to Policy #32.Bikeways): According to BAAQMD's definition of "close proximity" (1/3 to 1/2 mile from major transit station), the city is not located in "close proximity" to any regional transit stations. Only AC Transit buses service the area. However, there are a number of identified bike routes that connect to Oakland's bike routes, which are en route to various BART stations (i.e. MacArthur, 19th Street, and Lake Merritt). In Piedmont's case, the city is automatically disadvantaged because it does not have any BART stations located within the city. I would like the guidelines to be flexible and give Piedmont an opportunity to apply for funding. Perhaps, instead, funding prioritization can be focused on whether the bikeway provides access or is en route to a major transit station.	The intent of the program is to provide funding for bikeway projects with the highest priority being for projects that serve the first- and last mile- connection to regional public transportation. Qualifying projects that serve activity centers (that are not transit stations) are also eligible for funding. Additionally, more funding for bikeway projects is available through the TFCA County Program Manager program and applicants are encouraged to contact their County Program Mangers about that funding.
David Worthington, County of Sonoma	(In reference to Policy #23.e, Light Duty Zero and Partial-Zero Emission Vehicles for Fleets): Our experience of installing EV Charging Stations over the last 7 years is that the average cost for infrastructure is $16,000 per station, not including the purchase price of the station. It would be very helpful for the amount to be raised to $15,000 from $5,000. Current proposed Building Code Revisions related to accessibility will most likely increase the average cost above $20k if the charging station is also designed to be available to the public for use when a Fleet vehicle is not utilizing the station. An alternative funds award plan would be to provide a higher dollar amount of $15,000 per EV Charging Station for those stations that will also be available to the Public.	The referenced policy is designed to primarily provide funding for the purchase/lease of new light duty clean vehicles ***in high mileage fleets***. The prior year's policy did not allow funds to be used for related infrastructure expenses. For FYE 2016, staff is proposing that the policy be revised in order to allow a portion of the awarded funds to be used to offset the cost of acquiring charging equipment needed to operate the new vehicles. As with all TFCA projects, award amounts are based on the cost-effectiveness of the emissions reductions achieved during the implementation of the project. The award amount suggested would far exceed the $250,000 per ton of emissions reduced cap for this category.

Commenter and Agency	Comment	Staff Response
	(In reference to Policy #23, Table 2): Government fleets will have a difficult time meeting the minimum mileage of 15,000 miles per year requirement. A majority of government fleet vehicles travel within a confined geographical area where there high engine utilization without an equal amount of miles traveled. A different chart with lower vehicle miles traveled data would be helpful. I suggest the lowest range should be 5,000 – 25,000 miles per year. A chart with engine hours data as an alternative metric to miles traveled would also be helpful for those fleets that track engine hours. ZEV Fuel Cell Vehicles (FCV's) should have a higher Award amount because of the significantly higher differential costs between a standard vehicle and FCV as compared to electric ZEV and a standard vehicle. The amounts for a GVWR of 8,500 or lighter should be $26K, $28K, $30k, and $34k. The amounts for a GVWR of 8,501 – 14,000 should be $32K, $34K, $36k, and $40k.	The referenced policy is designed to primarily provide funding to operators ***of high-mileage fleets***. While public agencies with high-mileage fleets are eligible to apply for funds under this category, the Air District currently offers funding that was specifically designed for public agencies (that typically have lower-mileage fleets) that want to purchase/lease of zero & partial-zero emissions vehicles. Funding amounts are based on the cost-effectiveness of the emissions reductions achieved during the implementation of the project. The Plug-in Electric Vehicle (PEV) Rebate Program for Public Agencies opened in November 2014 and provides up $2,500 per zero-emission light duty vehicle, $1,000 per plug-in hybrid electric light duty vehicle, $500 per zero-emission neighborhood electric vehicle, and $2,500 per zero-emission motorcycle. Staff is working to expand this program to be able to offer funding for low-mileage medium and heavy- duty vehicles and urban buses.
	(In reference to Policy #24.e, Heavy-Duty Zero Emissions Vehicles): Our experience of installing EV Charging Stations over the last 7 years is that the average cost for infrastructure is $16,000 per station, not including the purchase price of the station. It would be very helpful for the amount to be raised to $15,000 from $5,000. Current proposed Building Code Revisions related to accessibility will most likely increase the average cost above $20k if the charging station is also designed to be available to the public for use when a Fleet vehicle is not plugged in.	See above

Commenter and Agency	Comment	Staff Response
	(In reference to Policy #24, Table 3): Government fleets will have a difficult time meeting the minimum mileage of 15,000 miles per year requirement. A majority of government fleet vehicles travel within a confined geographical area where there high engine utilization without an equal amount of miles traveled. A different chart with lower vehicle miles traveled data would be helpful. I suggest the lowest range should be 5,000 – 25,000 miles per year. A chart with engine hours data as an alternative metric to miles traveled would also be helpful for those fleets that track engine hours. An example of a Heavy Duty Truck that has high engine hour utilization with low vehicle mileage is an aerial/bucket truck where the engine is operated to power the aerial boom without the vehicle accumulating vehicle miles traveled.	See above
Michael Keating, Scoot Networks	The requirement that the vehicle cover more than 15,000 miles in a year, or that a pilot project be first rejected by a public transit authority and yet still be "available for use by all members of the public" limits the types of vehicles that can be funded to long-distance vehicles and vehicles with drivers, both of which drive up the cost of offering a zero-emission transportation service unnecessarily. More economically and environmentally efficient grant recipients exist in vehicles that replace short, high-pollution city trips, and that members of the public can operate themselves (without having to pay a shuttle, taxi, or bus driver). I ask BAAQMD to look beyond bikes, cars, buses, and trucks to consider affordable, light electric vehicles and related services that could make better use of the agency's grant dollars.	TFCA grant funding amounts are based on the cost-effectiveness of the emissions reductions achieved during the implementation of the project. The Air District currently provides funding for neighborhood electric vehicles (NEVs) and zero-emissions motorcycles under its PEV Rebate Program for Public Agencies. In its effort to reduce emissions from on-road vehicles, the Air District will continue to monitor the development and progress of new zero-emissions technology. NOTE: The requirement that pilot projects be first rejected by public transit authority is applicable to those entities requesting funds for Pilot Trip Reduction Projects.

Commenter and Agency	Comment	Staff Response
Timm Borden, City of Cupertino	Item #32, "Bicycle Facilities," states, "The project will construct and/or install new bicycle facilities..." Recent research has shown that upgrading existing bicycle facilities to more visible or protected facilities results in a measured increase in observed ridership, and that the increase is greater on these facilities than the overall increase in bicycle commuting. Within Cupertino, the recent enhancement of existing bike lanes with green pavement treatment on several of our major roadways has been received very favorably by the bicycling community, and many residents have indicated that further enhancement of the bicycle network would encourage them to consider bicycling instead of driving. As a result, there seem to be clear air quality benefits to be achieved by the conversion of existing bike lanes to enhanced bike lanes. Bicycle projects funded through the TFCA program should therefore not be limited only to new facilities, but should consider the air quality benefits of upgrading existing facilities and allow these projects to be eligible for funding. Item #32, "Bicycle Facilities," also states that projects must be located within one-half mile of at least three major activity centers. Because bicycle trips are typically longer than one-half mile, there are significant benefits to be gained by improving bicycle facilities further from activity centers than one-half mile. Limiting eligible projects to a one-half mile radius may preclude funding projects that could provide encouragement to bicyclists and improve air quality.	Currently TFCA funding is only focused on expanding the region's current bicycle network. There appears to be little quantitative data on the benefits of repainting bicycle paths or lanes. The Air District will continue to evaluate this project category and may choose to include it as eligible in future years if the emissions benefits can be quantified. Funding is designed to give a higher priority to projects that serve the first- and last mile- connection to regional public transportation. In response to public comment, staff is proposing to also allow bikeways that are located within one-half mile of a single activity center to be funded, so long as that activity center serves at least 2,500 people per day. Additional opportunities for grant funding may be available through the TFCA County Program Manager program. Staff encourages applicants to contact their County Program Mangers about funding.

Commenter and Agency	Comment	Staff Response
Steve McClain, SCVTA	(In reference to Policy #28, Shuttle/Feeder Bus Services): The first 3 items make perfect sense and are easy to verify. The part declaring that "TFCA Regional Funds may be used to fund only shuttle services to locations that are under-served and lack adequate transit service" is too restrictive with its definition of "adequate transit service" that follows it. The language in the current policy about "duplication of service" is equally restrictive and confusing. I recommend using the following language: "TFCA Regional funds may only be used to fund last-mile commuter shuttle services that connect a mass transit hub, e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport, to a distinct commercial or employment area to an employment or commercial center. The service's schedule must be aligned with the schedule of the corresponding mass transit service. The service must be available for use by all members of the public. To ensure that shuttle routes are not affecting local bus transit ridership, the shuttle service operator must obtain a letter of concurrence from the public transit operator(s) within its service area, certifying the service does not impact existing fixed route bus service."	In response to public comment, staff held multiple meetings with representatives of SCVTA, SJRRC, and PCJPB to discuss their proposals for Policy 28. In response, staff has made modifications to policy #28d, using the suggested language of "comparable service," rather than "lack adequate service." Staff has also proposed to reduce the 0.5 mile exclusive radius to one-third (1/3) mile, and reworked the frequency of service requirement with a requirement of similar average travel time. In addition, in response to the suggestions, staff has revised the proposed policies to include a requirement (28h) that requires Applicants to obtain a letter of concurrence from the public transit operator in the proposed project's area of service. In prior years, this requirement was a part of the Application process.
Stacey Mortensen, SJRRC	The current definition of shuttle services (Section 28d of the Draft TFCA Regional Fund Policies and Evaluation Criteria for FYE 2016) does not capture the separate and distinct nature of the commuter shuttles when compared to fixed route bus service or local circulators (e.g. shopper shuttles). Rather the criterion blurs the line between shuttle service and these other services, leaving the definition open to interpretation. For example, there is no mention of providing direct, timed connections to a regional transit service, or providing the shortest and most direct route possible between the transit station and employment/commercial center. While a transit buses may have portions of its route within the service area of a commuter shuttle, they serve a separate demographic. Local bus service typically strives to serve the greatest number of patrons possible	See above

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	along its route. As a result, they do not typically provide timed connections to regional services or provide the fastest/most direct route possible. As currently defined, many of ACE's commuter shuttle routes could be deemed comparable to LAVTA or VTA bus service, even though those services do not provide convenient connections between ACE and employment/commercial centers. This could have a significant impact on the funding available to the ACE program, which could result in reductions in the level of shuttle service we are able to provide to our riders. If we cannot provide a convenient connection to ACE passenger's place of employment, they will choose to drive to work; a result contrary to goal of the TFCA program. To that end, the SJRRC recommends amendment the current definition of shuttle services with one that is more tailored to the specific types of service the TFCA program is envisioned to fund. The SJRRC suggests the following to replace the language currently proposed in 28d of the Draft TFCA Regional Fund Policies and Evaluation Criteria for FYE 2016: "TFCA Regional funds may only be used to fund last-mile commuter shuttle services that connect a regional transit stop (i.e. BART, ACE, Caltrain) to an employment or commercial center where no such comparable service exists. Comparable service is defined as a public transit service that provides direct, timed connections between a regional transit and local employment/commercial centers during commute hours with similar stops. Service that does not provide direct, timed connections to regional transit or service that has less than 60% of its stops the same as the shuttle service stops, is not considered comparable service. Furthermore, to ensure shuttle routes are not affecting local bus transit ridership, the shuttle service operator must obtain a letter of concurrence from the public transit operator(s) within its service area, certifying the service does not impact existing fixed route bus service."	

Commenter and Agency	Comment	Staff Response
	In addition to suggesting this criterion, the SJRRC encourages Air District staff to work with Bay Area transit operators and their Operations Planning staffs, to ensure the definition of any transit service is appropriately vetted by the agencies operating those services.	
April Chan, Caltrain	The current definition of shuttle services, as outlined in Section 28 C and D of the Draft TFCA Regional Fund Policies and Evaluation Criteria for FYE 2016, would make approximately one half of Caltrain's commuter shuttle routes ineligible for funding, resulting in a decrease in the level of service we provide our riders. The current definition assumes the routes served by shuttles are comparable to fixed route bus service or local circulators (e.g. shopper shuttles). The criterion blurs the line between commuter shuttle service and these other services. For example, there is no mention of providing direct, timed connections to a regional transit service, or providing the shortest and most direct route possible between the transit station and employment/commercial center. While a transit bus may have portions of its route within the service area of a commuter shuttle, it serves a separate demographic. Local bus service typically strives to serve the greatest number of patrons possible along its route. As a result, they do not typically provide timed connections to regional services or provide the fastest/most direct route possible. As noted earlier, if we cannot provide a convenient connection for Caltrain riders to their place of employment, they will likely choose to drive to work, a result contrary to goal of the TFCA program. To that end, we recommend amending the current definition of shuttle services with one that is more tailored to the specific types of service the TFCA program is envisioned to fund: "TFCA Regional funds may only be used to fund last-mile commuter shuttle services that connect a regional transit stop (i.e. BART, ACE, Caltrain) to an employment or commercial center where no such	See above

Commenter and Agency	Comment	Staff Response
	comparable service exists. Comparable service is defined as a public transit service that provides direct, timed connections between regional transit and local employment/commercial centers during commute hours with limited stops. Service that does not provide direct, timed connections to regional transit, is not considered comparable service. To ensure shuttle routes are not affecting local bus transit ridership, the shuttle service operator must obtain a letter of concurrence from the public transit operator(s) within its service area, certifying the service does not impact existing fixed route bus service." We would also welcome the opportunity to continue to work with Air District staff as well as other Bay Area transit operators to ensure the definition of any transit service is appropriately vetted by the agencies operating those services.	
Chad Rathmann, San Francisco County Transportation Authority	Policy 19. Combined Funds: What is the rationale behind the decision to no longer allow leveraging of Regional and County Program Manager TFCA funds? In addition, will CMAs receive new cost effectiveness worksheets for the County Program Fund Manager program as the current forms still include an input for Regional TFCA funding? Policy 28. Shuttle/Feeder Bus Service Projects: We continue to disagree with the Air District's definition of service duplication and "locations that are under-served and lack adequate transit service," specifically regarding frequency of service and distance from employment/commercial/transit hubs, as well as language limiting projects to commuter peak-hours only. The proposed eligibility continues to severely limit opportunities for TFCA-funded shuttles projects in San Francisco. Policy 29. Pilot Shuttle/Feeder Bus Service: We support the addition of Pilot Trip Reduction Services as an eligible project type. We believe that this category will allow for innovative and cost-effective projects to be piloted and duplicated. Could the Air District include a list of likely project types or examples to help project sponsors frame this particular	For Policy 19, while the prior year's policies stated that the Regional and County Program Manager Funds may be combined, the majority of the project specific policies included an exception that disallowed the combination of the two funds. Because the policies have historically mainly disallowed the combining of funds, staff is proposing to clarify policy #19 to accurately reflect the existing condition. For Policy 28, in response to public comment, staff has made modifications using the language of "comparable service," rather than "lack adequate service." Staff has also reduced the 0.5 mile exclusive radius to one-third (1/3) mile, and reworded the frequency of service requirement with a requirement of similar average travel time.

Commenter and Agency	Comment	Staff Response
	project type? Policy 32. Bicycle Facilities: We support the Air District's decision to reincorporate Bicycle Facilities as an eligible project category. Regional Fund Evaluation Criteria: We support the inclusion of the criteria in this format, including the insertion of Table 4. This information will be very helpful to potential applicants. General: We continue to hear a high level of interest from potential applicants for multimodal trip information projects, including wayfinding signs and educational materials for new or existing residents/employees provide comparative information on non-SOV trips. Is this a potential project type under Policy 29?	For Policy 29, in response to public comments, staff has made modifications to this category such that it is no longer limited to only service-based projects.
Drew Hart, Solano Transportation Authority	I want to support the addition of bicycle facilities being an eligible use of funds. I assume this will compete in a separate silo since the cost effectiveness cannot compete with the vanpools of the world. I understand the desire to connect major activity centers, and I recognize that what is listed are only examples, but can housing developments and/or commercial areas be called out as activity centers? Not having bikeshare in Solano County, we're limited on what qualifies as one of our three "major activity centers."	Housing developments and/or commercial areas are considered "major activity centers". Staff will provide a more complete list of examples in the application guidance documents.