



Bay Area Air Quality Management District
Mobile Source Committee

Projects and Contracts with Proposed Grant Awards Over \$100,000 and a Request for a Waiver for Fiscal Year Ending (FYE) 2018 Transportation Fund for Clean Air (TFCA) Regional Fund Policies from the Town of Los Gatos

July 26, 2018

Yu Zhang Liu
Staff Specialist II



Overview

- Background
- Proposed projects with awards over \$100,000
- Request for a Waiver for FYE 2018 TFCA Regional Fund Policies
- Recommendations



Background: CMP & MSIF

❖ Carl Moyer Program (CMP)

- Created in 1998 to reduce emissions from heavy-duty engines
- Voluntary program that funds surplus emission reductions

❖ Mobile Source Incentive Fund (MSIF)

- AB 923 allowed for additional \$2 motor vehicle registration fee surcharge (12/04)
- CMP and Lower Emission School Bus Program (LESBP) projects eligible for MSIF funding



Background: AB 134

❖ Community Health Protection Grant Program (AB 134)

- AB 134 appropriated \$250 million from the Greenhouse Gas Reduction Fund (GGRF) to reduce mobile source emissions including criteria pollutants, toxic air contaminants, and greenhouse gases in AB 617 communities
- Bay Area allocated \$50 million of these funds for emission reduction projects under the CMP, and optionally under the Proposition 1B Goods Movement Emission Reduction Program



Background: TFCA

❖ Transportation Fund for Clean Air (TFCA)

- Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242
- Funding provided by a \$4 surcharge on motor vehicles
 - ✓ 60% of TFCA funds awarded directly by the Air District
 - ✓ Remaining 40% is distributed to the 9-Bay Area Congestion Management Agencies



CMP/MSIF, Community Health Protection Grant Program

❖ On 3/1/17 Air District Board of Directors:

- Approved participation in CMP Year 19
- Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000

❖ On 12/20/17 Air District Board of Directors:

- Approved acceptance of \$50 M in AB 134 funding for the Community Health Protection Grant Program



CMP/MSIF, Community Health Protection Grant Program

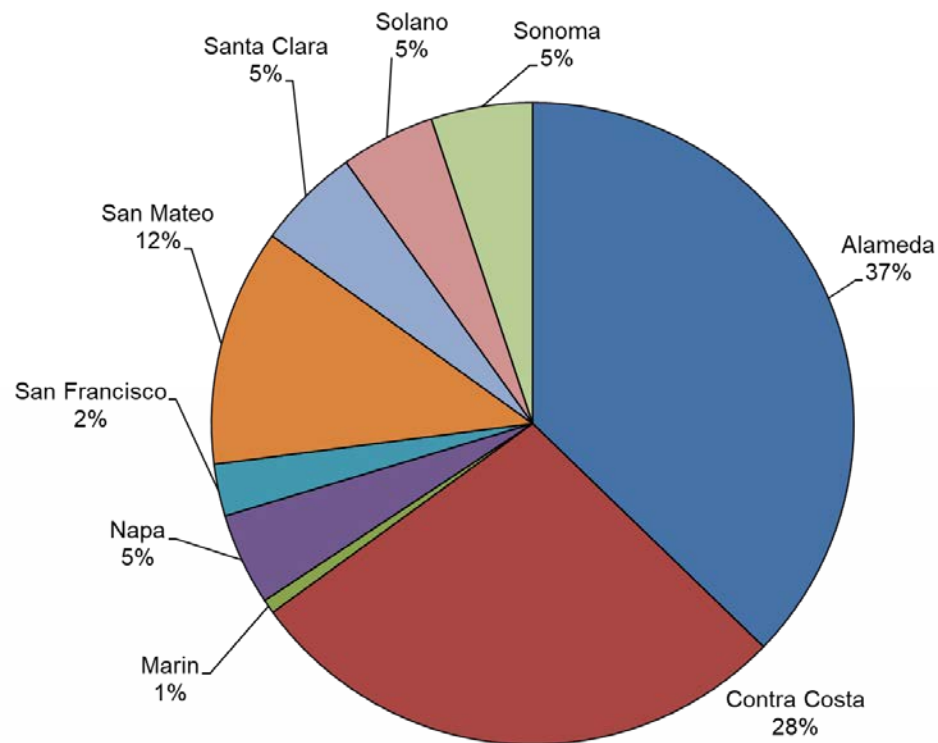
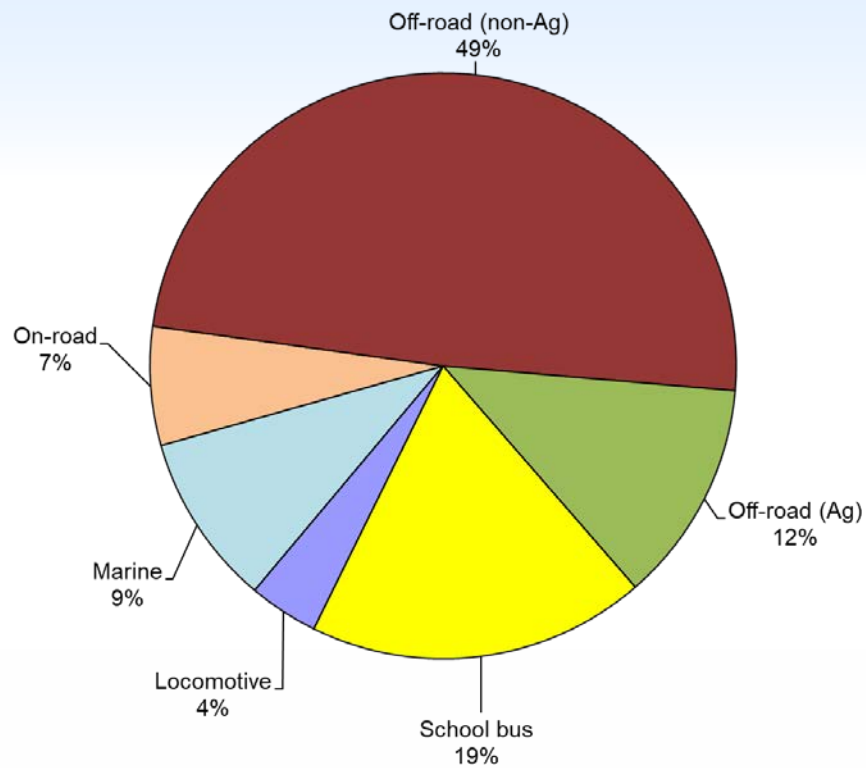
❖ CMP Project Recommendations over \$100k:

- Seven projects to reduce emissions from 8 school buses, 5 transit buses, 9 pieces of agricultural equipment, and 1 piece of off-road equipment
 - ✓ \$2,454,929 in total awards
 - ✓ Emission reductions:
 - over 3.9 Tons Per Year (TPY) of criteria pollutants



CMP/MSIF, Community Health Protection Grant Program Funds

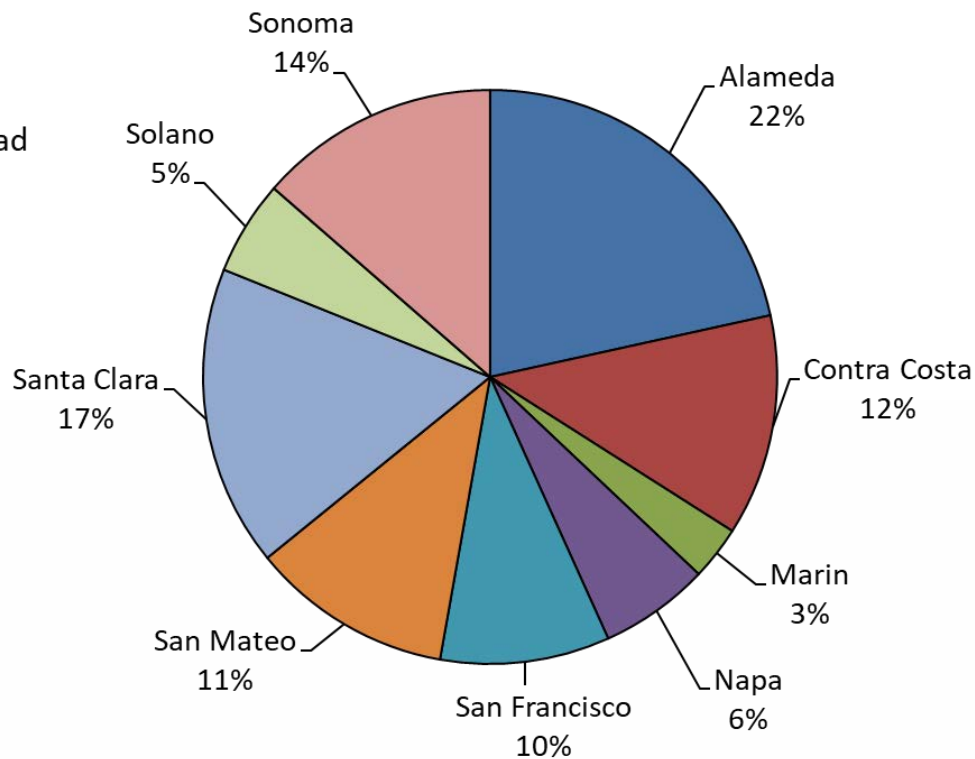
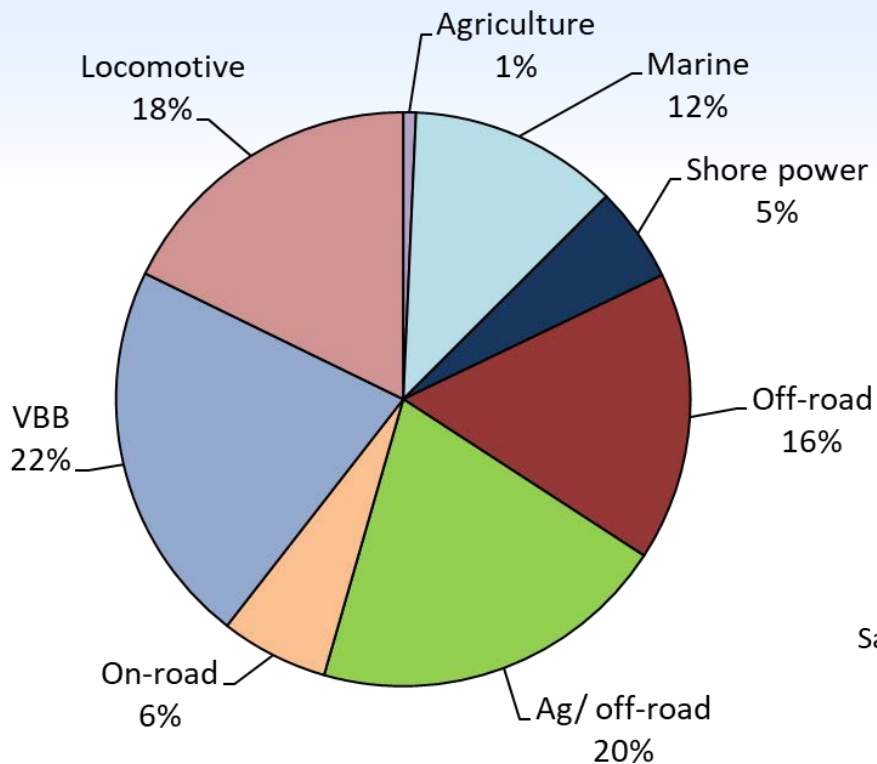
Awarded as of 7/6/18





CMP/MSIF, Community Health Protection Grant Program Funds

Awarded since 2009





❖ Board approval of FYE 2018 TFCA Program

- 4/19/17 – Authorized Executive Officer/APCO to execute contracts and amendments with grant awards up to \$100,000 and allocation of \$29.24 million in TFCA funds
- 8/2/17 - Adopted policies and evaluation criteria

❖ TFCA project recommendations over \$100k:

- One project to install 0.09 miles of new bikeway and upgrade 0.28 miles of existing bikeway in Los Gatos
 - ✓ Requires policy waiver
 - ✓ Proposed total award: \$242,000
 - ✓ Emission reductions:
 - ~0.12 TPY of criteria pollutants



Request for a TFCFA Policy Waiver

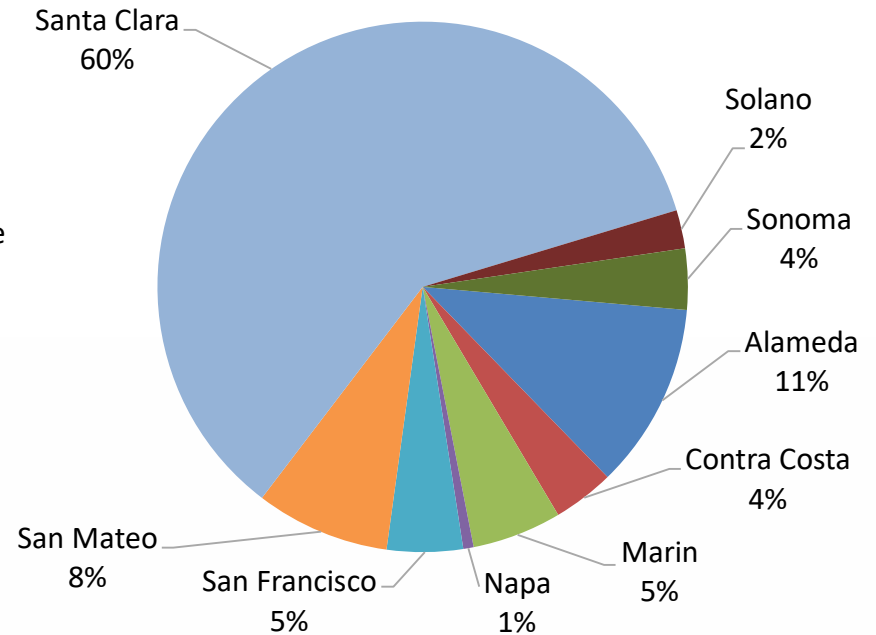
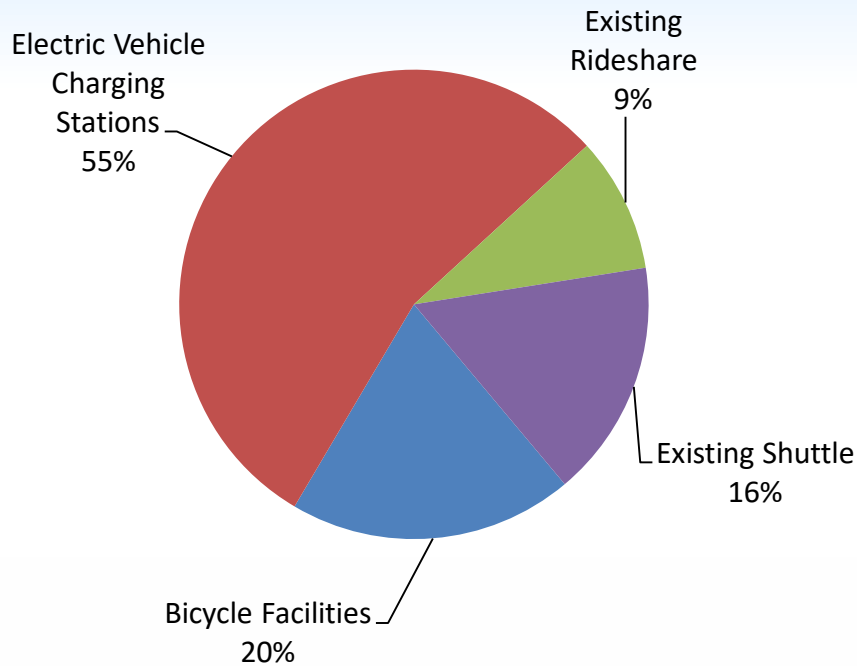
❖ Town of Los Gatos Bikeway Project

- Construct 0.09 miles of Class I bikeway and upgrade 0.28 miles of Class II bikeway to Class IV separated bikeway
- Project is cost-effective and meets all other policy requirements
- FYE 2018 TFCFA Regional Fund Policies do not allow bikeway upgrades; however this project option IS eligible in FYE 2019 policies (adopted by Board in June 2018)
- Waiver to allow this upgrade improvement project to be eligible for FYE2018 TFCFA funding



TFCA Funds Awarded by Project Category and by County (For eligible projects evaluated between 7/1/17 and 7/6/18)

Total = \$12.77 M (out of \$29.24 M)





Recommendations

Recommend the Board of Directors:

1. Approve Carl Moyer Program and Transportation Fund for Clean Air (TFCA) projects with proposed grant awards over \$100,000 as shown in Attachment 1;
2. Approve a policy waiver to allow the Town of Los Gatos to be eligible for funding from the Fiscal Year Ending 2018 TFCA Regional Fund for a bikeway improvement project that will upgrade an existing Class II bicycle lane to a separated Class IV bikeway; and
3. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

Approval of Contract for Clean
Cars for All Program Case
Managers



Mobile Source Committee Meeting
July 26, 2018

Tin Le
Staff Specialist



Electric Vehicle Program – Clean Transportation in Disadvantaged Communities

- Clean Cars For All Program Overview
- Request for Proposals Process and Results
- Staff Recommendation

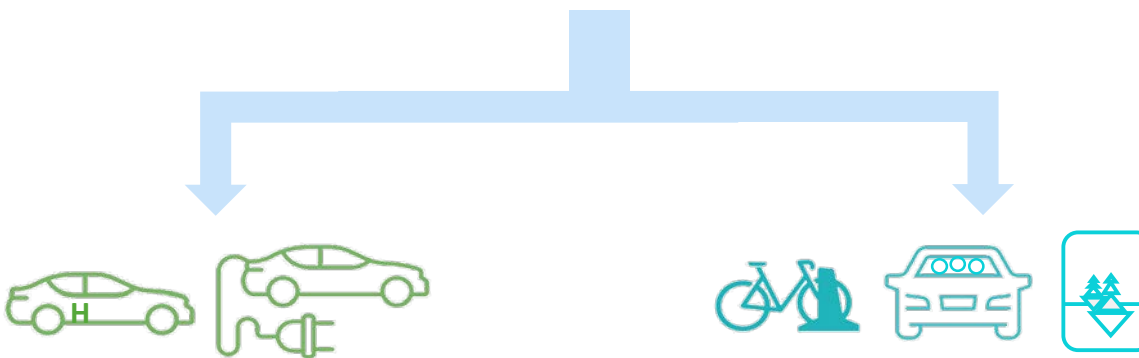
“Clean Cars for All” Program aka Enhanced Fleet Modernization Program (EMFP) Plus-Up



Funding from California Air Resources Board (\$5M over 2 years)



Low-income residents in environmentally disadvantaged areas who turn in older vehicle



Advanced Technology

- Purchase or lease
- Hybrid, plug-in, or electric vehicle
- 8 years old or newer

Alternative Transportation

- Clipper card
- Voucher for bike sharing, car-sharing, vanpooling

Replacement Options and Funding Levels



Income	Hybrid Electric Vehicle*		Plug-In Hybrid	Battery Electric Vehicle	Alternative Transportation Mobility Options
	20+ MPG (Combined)	35+ MPG (Combined)			
Low Income ≤225% FPL	\$6,500	\$7,000	\$9,500	\$9,500 Plus \$2,000 for EVSE	\$4,500
Moderate Income ≤300% FPL	Not Available	\$5,000	\$7,500	\$7,500 Plus \$2,000 for EVSE	\$3,500
Above Moderate Income ≤400% FPL	Not Available	Not Available	\$5,500	\$5,500 Plus \$2,000 for EVSE	\$2,500

*Only available for purchased vehicles

EVSE: Electric Vehicle Supply Equipment, charging infrastructure

Consumer Outreach and Support



Targeted Outreach

- Workshops and mailers targeting low-income residents in disadvantaged communities
- Education about advanced automotive technologies, recalls, battery warranties, consumer protections, and vehicle maintenance

Transaction Assistance

- Provide support for application submission, vehicle selection, financial literacy
- Partner with financial institutions to provide low cost loans

Consumer Protection

- Strict guidelines with partner dealerships
- Connect applicants with organizations that offer credit counseling support
- Systems to protect consumer data

Case Manager Request for Proposals (RFP)



Scope: Provide one-on-one assistance and support eligible consumers that apply to the Clean Cars for All Program.

Budget: 5% of ARB can be used for contracts to support program administration (\$250,000)

Schedule

Released April 3, 2018

Deadline May 17, 2018

Panel review May 18 – June 7

Scoring Panel: Staff from TIO, Community Engagement Office, Strategic Incentives Division, Community Member

Case Manager Request for Proposals (RFP)



Criteria	Total Points Possible	GRID Alternatives	Opus Inspection, Inc.
Expertise	30	24.2	21.6
Approach	30	24.4	18.6
Cost	30	25	17.8
Conflicts of Interests	5	4.4	5
Organization's Specialty Focus Area	5	2.5	0
Total points	100	80.5	63



Expertise working with low income consumers in disadvantage communities in the Bay Area

Thoughtful approach that included anticipated challenges and mitigation strategies

Cost proposal included significant cost sharing

Next Steps



Set up components required for opening program to the public

Application & Website



Case Managers



Partnerships

with dealers, scrappers, alternative transportation, financial institutions



Engagement

with stakeholders in disadvantaged communities





Recommend the Board of Directors:

- 1. Authorize the Executive Officer/APCO to execute a contract with GRID Alternatives not to exceed \$250,000 for case managers to support the Clean Cars For All Program.*



AGENDA: 5

Bay Area Air Quality Management District
Mobile Source Committee

New Grant Program Revenue and Staffing for the Strategic Incentives Division

July 26, 2018

Karen M. Schkolnick
Director, Strategic Incentives



Overview

- Overview of New Grant Program Revenue
 - ✓ VW Environmental Mitigation Trust (VW Trust)
 - ✓ Other recent awards
- Staffing Adjustment
- Recommendations



Volkswagen (VW) Environmental Mitigation Trust

- VW Environmental Mitigation Trust (Trust) \$423 million for California
 - ✓ To mitigate the excess NOx emissions caused by VW's use of illegal defeat devices in certain diesel vehicles
- The Trust is a component of partial settlements with VW
 - ✓ Enumerated in the first Partial Consent Decrees as Appendix D
- The Trust focuses mostly on "scrap and replace" projects for the heavy-duty sector
- Senate Bill (SB) 92 requires at least 35% of California's allocation benefit low-income or disadvantaged communities



VW Beneficiary Mitigation Plan

- The California Air Resources Board (ARB) was designated as Lead Agency
- On 5/25/2018, CARB approved a Beneficiary Mitigation Plan:
 - ✓ Funding to be dispersed over a 4- to 6-year period and administrative funding is estimated over a 10-year period
 - ✓ Staff projects that as much as 33% of funding could go to projects located in the Bay Area
 - ✓ Approx. \$63 million in reserves for administration costs
- Funding administered on a statewide basis by three air districts



VW Project Funding Categories and Allocations

Mitigation Action/Project Category	Project Funding* Allocation (in millions)	Lead Air District
Zero-Emission Transit, School, and Shuttle Buses	\$130	San Joaquin
Zero-Emission Class 8 Freight & Port Drayage Trucks	\$90	South Coast
Zero-Emission Freight and Marine Projects	\$70	Bay Area
Combustion Freight and Marine Projects	\$60	South Coast
Light-Duty Zero-Emission Vehicle Infrastructure	\$10	Bay Area
Total	\$360	

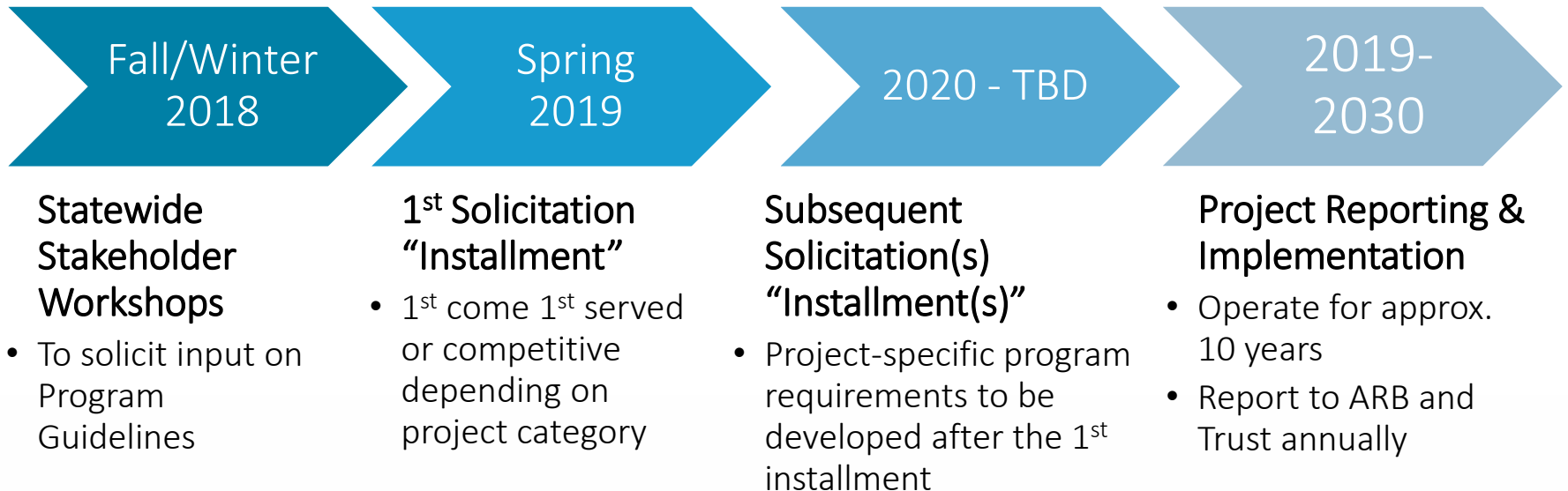
*Approximately 15%, or \$63 million has been placed in reserves for administrative costs





VW Beneficiary Mitigation Plan: Tentative Timeline

Tentative Timeline





US EPA Clean Diesel Funding Assistance Program (DERA)

- April 2018 - US EPA opened solicitation for projects that achieve significant reductions in diesel emissions and exposure
 - ✓ Particularly from fleets operating at or servicing goods movement facilities located in areas designated as having poor air quality
- July 11, 2018 - Air District notified of \$1,160,311 award



US EPA Clean Diesel Funding Assistance Program (DERA) – Cont.

- Funding to replace six non-road material handlers operating in Richmond and Hayward in goods movement service with:
 - ✓ One zero-emission electric unit; and
 - ✓ Five Tier 4 Final diesel units
- Project is highly cost-effective and achieves significant emission reductions in two highly impacted Bay Area communities



Other Recent Awards

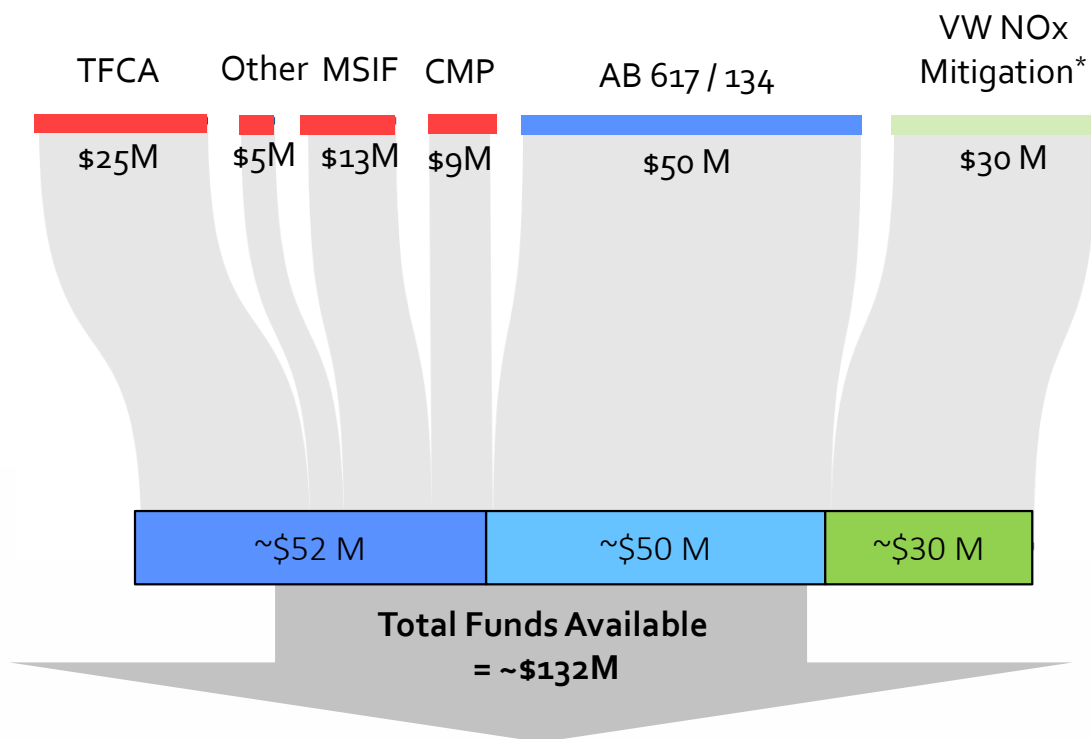
Funding Agency	Project/Program Title	* FYE 2019 Funding (in Millions)
Air Resources Board	Carl Moyer Year 20 - State Reserve (Multi-district)	\$0.55
	Zero Emission Hydrogen Fuel Cell Ferry Demonstration Project	\$1.50
	Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program	\$1.00
	Voluntary NOx Remediation Measure Funding	\$0.65
Reformulated Gasoline (RFG) Settlement Fund	Zero Emission Vehicle/Equipment for Port of Oakland	\$0.65
US EPA	Clean Diesel Funding Assistance Program Funding (DERA)	\$0.58
Total		\$4.93

*** New funding totals ~\$10 million and will be expended over two-year period (FYE 2019 & 2020)**





Estimated Fiscal Year Ending (FYE) 2019 Total Grant Revenue



Key:

TFCA – Transportation Fund for Clean Air

MSIF – Mobile Source Incentive Fund

CMP – Carl Moyer Program

Other – Other federal, state, and settlement funds

VW NOx Mitigation – Volkswagen Environmental Mitigation Trust

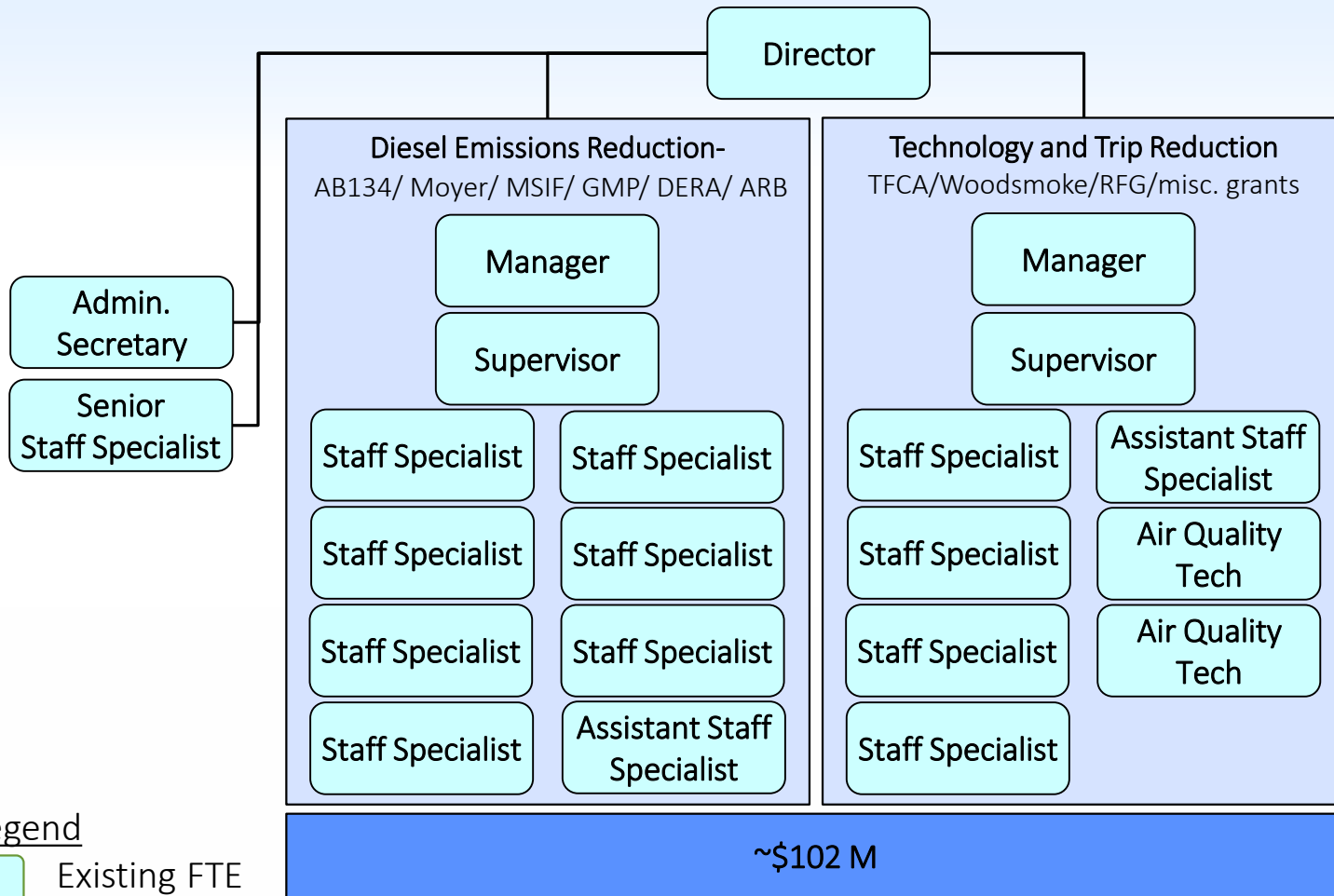
AB 617/134 – Community Air Protection Program

Note: Funding amounts include project and administrative costs.

*Total Volkswagen funding is \$423M statewide, which will be dispersed over a 4- to 6-year period. Staff projects that as much as 33% of funding could go to projects located in the Bay Area.



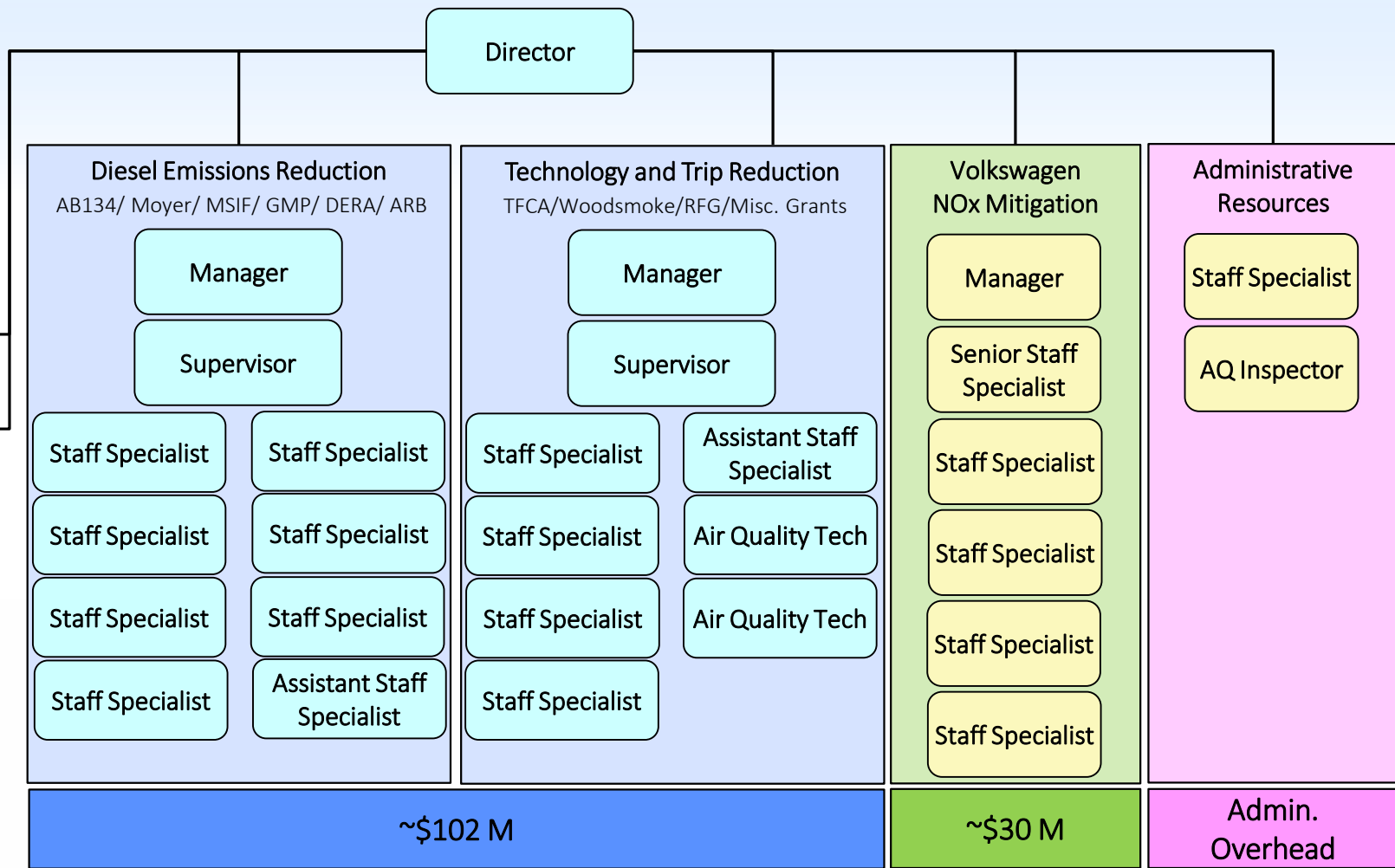
Strategic Incentives Division (SID) 22 Full Time Employee (FTE)s





Strategic Incentives Division (SID) & Administration Resources Division

22 FTE Existing + 8 Proposed



Admin. Secretary
Senior Staff Specialist

Legend
Existing FTE
Proposed FTE



Strategic Incentives Division (SID) & Administration Resources Division

8 Proposed FTE

Division/Title	Division/Title	Salary	Benefits	Total	FTE
Strategic Incentives	Manager	\$147,630	\$56,099	\$203,729	1
	Senior Staff Specialist	\$112,303	\$42,675	\$154,978	1
	Staff Specialist	\$369,568	\$140,436	\$510,004	4
Finance	Staff Specialist	\$92,392	\$35,109	\$127,501	1
Compliance & Enforcement	AQ Inspector	\$79,812	\$30,329	\$110,141	1
Total				\$1,106,353	8



Staffing Evaluation Process

- Recruiting and Staffing Audit
- Evaluation of positions – as openings occur
- Evaluating Automation to increase efficiency and to reduce or repurpose head count
- Salary Survey



Recommendations

Recommend the Board of Directors:

1. Authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend up to \$130 million in funding from the Volkswagen Environmental Mitigation Trust (VW Trust) and \$1,160,311 in funding from the United States Environmental Protection Agency; and amend the Fiscal Year Ending 2019 budget to account for this new funding;
2. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding; and
3. Authorize the creation of eight additional full-time equivalent (FTE) positions in the Strategic Incentives Division and Administrative Resources Division.