BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

DAVID CANEPA – CHAIR
TYRONE JUE – VICE CHAIR
PAULINE RUSSO CUTTER
SCOTT HAGGERTY
DAVID HUDSON
LIZ KNISS
KAREN MITCHOFF
KATIE RICE
LORI WILSON

THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT'S AGENDA WEBPAGE AT**

www.baaqmd.gov/bodagendas

- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE FOLLOWING LINK OR BY PHONE**

https://bayareametro.zoom.us/j/84753056429

(669) 900-6833 or (408) 638-0968

WEBINAR ID: 847 5305 6429

- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A COMMENT CAN USE THE "RAISE HAND" FEATURE BY DIALING "*9". IN ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR APPLICATION IS UP TO DATE**

- **COMMENTS MAY ALSO BE SUBMITTED VIA EMAIL AT**

Comments@baaqmd.gov

MONDAY
OCTOBER 19, 2020
9:30 A.M.

AGENDA

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

PUBLIC MEETING PROCEDURE

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

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

Email Comment on Agenda Items: *The public may comment on each item on the agenda. Email Comments for items on the agenda must be submitted to Comments@baaqmd.gov prior to the Committee taking up the particular item and indicate the agenda item to which the comment relates. Emailed comments will be considered as the agenda item is taken up by the Committee. Emailed comments containing 250 words or less will be read aloud by staff. Emailed comments exceeding 250 words may be summarized during the meeting, if feasible.*

Staff/Phone (415) 749-

2. **APPROVAL OF THE MINUTES OF SEPTEMBER 24, 2020**
Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of September 24, 2020.

3. **PROJECTS AND CONTRACTS WITH PROPOSED GRANT AWARDS OVER $100,000**
K. Schkolnick/5070
kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the award of Carl Moyer Program and Transportation Fund for Clean Air Program funding to projects with proposed grant awards in excess of $100,000 and authorize the Executive Officer/APCO to execute grant agreements for the recommended projects.

4. **PROPOSED UPDATES TO THE TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND POLICIES FOR FISCAL YEAR ENDING (FYE) 2022** **K. Schkolnick/5070**
kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors approve proposed updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending (FYE) 2022.

5. **PROPOSED ALLOCATION OF MOBILE SOURCE INCENTIVE FUNDS FOR ELECTRIC VEHICLE CHARGING PROJECTS** **K. Schkolnick/5070**
kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors approve allocating $1 million in Mobile Source Incentive Funds for electric vehicle charging projects at multi-unit dwellings in Assembly Bill (AB) 617 communities.

6. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Emailed comments indicating the comment pertains to non-agenda matters will be considered under this item. Emailed comments containing 250 words or less will be read aloud by staff. Emailed comments exceeding 250 words may be summarized during the meeting, if feasible.

7. **COMMITTEE MEMBER COMMENTS**

Any member of the Committee, 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)

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

Thursday, November 19, 2020, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

9. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:
MANAGER, EXECUTIVE OPERATIONS **(415) 749-4941**
375 BEALE STREET, SAN FRANCISCO, CA 94105 **FAX: (415) 928-8560**
vjohnson@baaqmd.gov **BAAQMD homepage:**
www.baaqmd.gov

- 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 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CA 94105
FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

OCTOBER 2020

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Mobile Source Committee	Monday	19	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Executive Committee	Wednesday	21	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	21	11:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Budget & Finance Committee – CANCELLED	Thursday	22	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee – CANCELLED AND RESCHEDULED TO MONDAY, OCTOBER 19, 2020 AT 9:30 A.M.	Thursday	22	11:30 a.m.	Webcast only pursuant to Executive Order N-29-20

NOVEMBER 2020

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Nominating Committee - CANCELLED AND RESCHEDULED TO WEDNESDAY, NOVEMBER 18, 2020 AT 9:00 A.M.	Wednesday	4	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting - CANCELLED AND RESCHEDULED TO WEDNESDAY, NOVEMBER 18, 2020 AT 10:00 A.M.	Wednesday	4	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community & Public Health Committee - CANCELLED	Thursday	5	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Ad Hoc Committee on Equity, Access, and Inclusion	Thursday	5	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Advisory Council Meeting	Monday	9	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Thursday	12	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

NOVEMBER 2020

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Nominating Committee	**Wednesday**	**18**	**9:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Special Meeting	**Wednesday**	**18**	**10:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Mobile Source Committee	**Thursday**	**19**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Climate Protection Committee	**Thursday**	**19**	**11:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Budget & Finance Committee	**Monday**	**23**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 14, 2020

Re: Approval of the Minutes of September 24, 2020

RECOMMENDED ACTION

Approve the attached draft minutes of the Mobile Source Committee (Committee) meeting of September 24, 2020.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source Committee meeting of September 24, 2020.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Committee Meeting of September 24, 2020

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, September 24, 2020

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Mobile Source Committee (Committee) Chair, David Canepa, called the meeting to order at 11:32 a.m.

Present: Chairperson David Canepa; Vice Chair Tyrone Jue; and Directors Pauline Russo Cutter, Scott Haggerty, David Hudson, Liz Kniss, Karen Mitchoff, Katie Rice, and Lori Wilson.

Absent: None.

Also Present: Board Chairperson Rod Sinks.

2. APPROVAL OF THE MINUTES OF JUNE 18, 2020

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Kniss made a motion, seconded by Director Mitchoff, to **approve** the Minutes of June 18, 2020; and the motion carried by the following vote of the Committee:

AYES: Canepa, Haggerty, Hudson, Kniss, Mitchoff, Rice, Sinks, Wilson.
NOES: None.
ABSTAIN: None.
ABSENT: Cutter, Jue.

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

Karen Schkolnick, Division Director of Strategic Incentives, introduced Alona Davis, Air Quality Programs Manager, who gave the staff presentation *Projects and Contracts with Proposed Awards Over $100,000,* including: overview; Carl Moyer Program (CMP), Mobile Source Incentive Fund (MSIF), Community Health Protection (CHP), and Funding Agricultural Replacement Measures for Emission Reductions (FARMER) project recommendations over $100,000; Transportation Fund for Clean Air (TFCA) project recommendations over $100,000; incentive funding awarded and recommended since July 2020 by funding source, project category, and county; incentive funding offered by Air District; and recommended actions.

NOTED PRESENT: Director Cutter was noted present at 11:44 a.m., and Vice Chair Jue was noted present at 11:50 a.m.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether all of the available funding (for all funding sources/programs) typically gets allocated by the end of each program's funding cycle; whether there is a lack of applicants for any of the programs; which programs are included in the recommended action; whether the Air District has considered enhancing its Agricultural Waste Chipping program so as to decrease open burning activity, especially in areas nestled in canyons in the Bay Area, and the need for the Air District to be cognizant of the green waste that is produced; and the need for the Air District to play a more active role in fire prevention.

Committee Action

Director Kniss made a motion, seconded by Director Cutter, to recommend that the Board **approve** recommended projects with proposed grant awards over $100,000 and **authorize** the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects;

AYES:	Canepa, Cutter, Haggerty, Hudson, Kniss, Mitchoff, Rice, Sinks, Wilson.
NOES:	None.
ABSTAIN:	Jue.
ABSENT:	None.

4. AMENDMENTS TO THE TRANSPORTATION FUND FOR CLEAN AIR'S REGIONAL FUND AND COUNTY PROGRAM MANAGER FUND POLICIES FOR FISCAL YEARS ENDING (FYE) 2018, 2019, 2020, AND 2021

Ms. Schkolnick introduced Linda Hui, Senior Staff Specialist, who gave the staff presentation *Amendments to Transportation Fund for Clean Air's Regional Fund and County Program Manager Fund Policies for FYE 2018, 2019, 2020, and 2021,* including: overview; TFCA;

COVID-19 effects and timeline; proposed TFCA policy amendments for FYE 2018, 2019, 2020, 2021; and recommended action.

Public Comments

Public comments were given by Michael Stevenson, San Mateo County Transit District; and Andy Burke, Valley Transportation Authority.

Committee Comments

The Committee and staff discussed the reason for the proposed removal of restrictions regarding matching funding for Regional Fund Policy #28, and whether this amendment would impact shuttle operators; and the need to reduce administrative costs where they are not warranted.

Committee Action

Board Chair Sinks made a motion, seconded by Director Cutter, to recommend that the Board **approve** proposed amendments to the Transportation Fund for Clean Air's Regional Fund and County Program Manager Policies for Fiscal Years Ending 2018, 2019, 2020, and 2021, to **allow** up to 24 months for projects to commence, and to **remove** restrictions regarding match funding requirements for the Existing Shuttle/Feeder Bus Service project category; and the motion carried by the following vote of the Committee:

AYES:	Canepa, Cutter, Haggerty, Hudson, Jue, Kniss, Mitchoff, Rice, Sinks, Wilson.
NOES:	None.
ABSTAIN:	None.
ABSENT:	None.

5. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

6. COMMITTEE MEMBER COMMENTS

The Committee and staff discussed Executive Order N-79-20, issued on September 23, 2020 by Governor Newsom. The Order focuses on climate change, vehicular transportation emissions, and fossil fuel production in California.

- Chair Canepa thanked Air District staff for its progressive and bold programs and initiatives, such as Diesel Free by '33.
- Board Chair Sinks appreciated the partnership that the Air District has with the California Air Resources Board and added that people need to transition off of gas-powered kitchen appliances.
- Director Cutter suggested that more funds be allocated to the Air District's Wood Smoke Reduction Incentive program.

- Director Rice requested that Air District staff provide the Board with an analysis of the items in Executive Order N-79-20, specifying whether the aspirations within are aggressive enough, mentioning historical fleet turnover, and how can the Air District can help accelerate adoption.
- Director Kniss asked what authority the Air District has regarding improving indoor air quality, especially with the presence of COVID-19.
- Vice Chair Jue remarked that sustainable, multi-modal transportation options are just as important to prioritize as vehicle electrification.

7. TIME AND PLACE OF NEXT MEETING

Originally, the next meeting of the Mobile Source Committee was to be on Thursday, October 22, 2020, at 11:30 a.m. At the conclusion of the meeting, the next meeting was scheduled for Monday, October 19, 2020, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

8. ADJOURNMENT

The meeting adjourned at 12:35 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 14, 2020

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

RECOMMENDED ACTION

Recommend Board of Directors:

1. Approve recommended projects with proposed grant awards over $100,000 as shown in Attachment 1; and

2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants 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 (CARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of nitrogen oxides (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 (AB) 923 (Firebaugh), enacted in 2004 (codified as Health and Safety Code (HSC) 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 under the CMP.

On March 4, 2020, the Board of Directors (Board) authorized Air District participation in Year 22 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 2017, AB 617 directed CARB, in conjunction with local air districts, to establish the Community Air Protection Program (CAPP). AB 617 provides a new community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for both mobile and stationary sources. Funding for incentives to support the AB 617 effort was approved by the California Legislature beginning in fiscal year ending 2018. In May 2020, the Governor issued a revised budget that authorized up to $200 million for a third cycle of CAPP incentive funding. Funding for the CAPP comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce emissions including criteria pollutants, toxic air contaminants, and greenhouse gases. On June 17, 2020, the Board authorized the Air District to accept, obligate, and expend up to $40 million in year-3 CAPP funding. These funds are primarily distributed through the Air District's Community Health Protection Grant Program to implement projects eligible under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Staff has also been working with CARB to expand eligibility to potentially include both non-regulated stationary source projects that will result in direct reductions of toxic air contaminants and/or criteria air pollutants and projects that are identified as priorities by communities with a State-approved Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines in February 2018 that outlines requirements for eligible equipment, e.g., agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. On October 21, 2019, CARB's Executive Officer approved an update to the FARMER Program Guidelines to include eligibility criteria for demonstration projects. The 2020 California State Budget appropriated $65 million in Fiscal Year 2019-20 GGRF funds to the CARB for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector through the FARMER Program. On November 20, 2019, the Board authorized the Air District's participation in the current cycle of the FARMER program.

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 and requirements for the Transportation Fund for Clean Air (TFCA) are set forth in the HSC Sections 44241 and 44242. Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air program) and to a program referred to as the Regional Fund. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. The remaining forty percent of TFCA funds are pass-through funds that are awarded to the designated County Program Manager in each of the nine counties within the Air District's jurisdiction.

On April 15, 2020 and July 15, 2020, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in Fiscal Year Ending (FYE) 2021, cost-effectiveness limits for Air District-sponsored FYE 2021 programs, and the Executive Officer/APCO to execute grant agreements and amendments for projects with individual grant award amounts up to $100,000. On June 3, 2020, the Board adopted policies and evaluation criteria for the FYE 2021 Regional Fund program.

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 grant applications based upon the respective governing policies and guidelines established by the CARB, the Board, and other funding agencies.

DISCUSSION

Carl Moyer Program and Community Health Protection Grant Program:

For the FYE 2021, the Air District had approximately $42 million available from CMP, MSIF, Community Health Protection Grant Program, and FARMER funds for eligible projects, including approximately $3.4 million from prior year funds. The Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

As of September 25, 2020, the Air District had received or evaluated 27 project applications. Of the applications that were evaluated between July 1, 2020 and September 25, 2020, six eligible projects have proposed grant awards over $100,000. Four off-road projects will replace six pieces of mobile, diesel powered agricultural equipment and one diesel powered rubber-tired construction loader. One school bus project will replace two diesel school buses with two Low NOx compressed natural gas (CNG) school buses and supporting infrastructure. One on-road project will replace two older diesel trucks with cleaner diesel options. These projects will reduce over 6.3 tons of NOx, ROG and PM per year. Staff recommends the allocation of $1,435,957 for these projects from a combination of CMP, FARMER, Community Health Protection, and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been awarded by the Air District as of September 25, 2020, and includes information about equipment category, award amounts, estimated emissions reductions, and county location. To date, approximately 12% of the funds have been awarded to projects that reduce emissions in Air District designated Community Air Risk Evaluation, or CARE areas, and approximately 32% have been awarded to projects benefitting disadvantaged (Senate Bill (SB) 535) and low-income (AB 1550) communities.

Transportation Fund for Clean Air Program:

For the FYE 2021, the Air District had approximately $31.44 million in TFCA monies available for eligible projects and programs. The Air District accepts project applications for certain project categories on a rolling basis and evaluates them on a first-come, first-served basis.

As of September 25, 2020, the Air District had received five project applications. Of the applications that have been evaluated between August 25, 2020 and September 25, 2020, there is one project with proposed grant award over $100,000. This project will replace six older gasoline vehicles with four zero-emission vans and will reduce over 0.08 tons of NOx, ROG, and PM per year. Staff recommends allocating $116,000 in TFCA funds for this project. Attachment 1, Table 2, provides additional information on this project.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2019 and September 25, 2020, including information about project category, award amount, estimated emissions reduction, and county location. To date, approximately 34% of the funds have been awarded to projects that reduce emissions in Air District designated Community Air Risk Evaluation, or CARE areas, and approximately 42% have been awarded to projects benefitting disadvantaged (SB 535) and low-income (AB 1550) communities.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, and TFCA funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alona Davis, Linda Hui, and Ken Mak
Reviewed by: Karen Schkolnick, Chengfeng Wang

Attachment 1: Projects with grant awards greater than $100,000
Attachment 2: CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated between 7/1/20 and 9/25/20
Attachment 3: TFCA projects awarded and allocated projects between 7/1/20 and 9/25/20
Attachment 4: Summary of funding awarded and allocated between 7/1/20 and 9/25/20

AGENDA 3 - ATTACHMENT 1

Table 1 - Carl Moyer Program/ Mobile Source Incentive Fund, FARMER, and Community Health Protection Grant Program projects with grant awards greater than $100k (Evaluated between 8/25/20 and 9/25/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO_x	ROG	PM	
21SBP196	Fairfield-Suisun Unified School District	School Bus	Replacement of two diesel buses with Low-NOx CNG school buses and supporting infrastructure	$ 260,707	$ 355,209	0.113	0.001	0.000	Solano
21MOY265	Paul P. Bianchi, Inc.	Ag/ off-road	Replacement of one diesel powered agricultural wheel loader with a Tier 4 final	$ 182,700.00	$ 228,405.00	1.251	0.138	0.079	Sonoma
21MOY245	Ilsley Brothers Farming, LLC	Ag/ off-road	Replacement of three diesel powered agricultural tractors and one tractor/crawler with Tier 4 finals	$ 143,400.00	$ 179,502.00	0.209	0.078	0.035	Napa
21MOY232	L.H. Voss Materials	Off-road	Replacement of one diesel rubber-tired construction loader with a Tier 4 final	$ 125,000	$ 310,576	0.725	0.036	0.018	Contra Costa
21MOY236	Morrison Cazares Boyer Construction Inc.	Off-road	Replacement of one diesel agricultural double-link plow with a Tier 4 final	$ 604,150	$ 755,212	1.060	0.098	0.056	Napa
21MOY264	McKim Corp	On-road	Replacement of (1) 2008 & (1) 2009 diesel trucks with (2) 2021 model	$ 120,000	$ 261,604	2.260	0.160	0.014	Santa Clara
			6 Projects	**$ 1,435,957**	**$ 2,090,508**	**5.618**	**0.511**	**0.201**	

Table 2 - Transportation Fund for Clean Air projects with grant awards greater than $100k (Evaluated between 8/25/20 and 9/25/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO_x	ROG	PM	
20R35	Santa Clara VTA	On-road Trucks & Buses	Purchase four electric delievery vans and scrap six existing vehicles	$ 116,000	$ 433,766	0.061	0.017	0.005	Santa Clara
			1 Project	**$ 116,000**	**$ 433,766**	**0.061**	**0.017**	**0.005**	

AGENDA 3 - ATTACHMENT 2

CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 9/25/20)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County	CARE Area	AB1550/ SB535 Area
						NOx	ROG	PM				
21MOY203	Ag/ off-road	Equipment replacement	1	$ 60,000.00	Rider Vineyards dba Joseph Rider	0.104	0.005	0.006	APCO	Napa	No	No
21MOY198	On-road	Equipment replacement	1	$ 10,000.00	EPP Transport, LLC	0.181	0.015	0.000	APCO	Alameda	Yes	Yes
21MOY206	Ag/ off-road	Equipment replacement	2	$ 90,840.00	Hudson Vineyards LLC	0.162	0.005	0.009	APCO	Napa	No	No
21MOY210	On-road	Equipment replacement	1	$ 20,000.00	Samuel's Trucking	0.466	0.039	0.003	APCO	Alameda	Yes	Yes
21MOY217	On-road	Equipment replacement	1	$ 25,000.00	Daxin Trucking, LLC	0.566	0.048	0.000	APCO	Alameda	Yes	Yes
21MOY208	Ag/ off-road	Equipment replacement	2	$ 76,300.00	M. German & Son Partnership	0.345	0.055	0.028	APCO	Solano	No	No
21MOY209	Ag/ off-road	Equipment replacement	1	$ 48,800.00	Lum Family Farms Inc.	0.145	0.026	0.018	APCO	Solano	No	No
21MOY214	Ag/ off-road	Equipment replacement	5	$ 255,400.00	Robledo Vineyard Mgmt LLC	0.563	0.092	0.061	TBD	Sonoma/ Napa	No	No
21MOY212	On-road	Equipment replacement	1	$ 40,000.00	Ram Harak & Son Trucking	0.352	0.030	0.002	APCO	Alameda	Yes	Yes
21MOY235	Ag/ off-road	Equipment replacement	1	$ 82,580.00	Mertens Dairy	0.213	0.038	0.028	APCO	Sonoma	No	No
21MOY228	Ag/ off-road	Equipment replacement	3	$ 130,200.00	Turnbull Wine Cellars	0.191	0.037	0.026	TBD	Napa	No	No
21MOY239	Ag/ off-road	Equipment replacement	4	$ 170,100.00	Michael Wolf Vineyard Services Inc.	0.206	0.016	0.021	TBD	Napa	No	Yes
21MOY121	On-road	Equipment replacement	1	$ 15,000.00	Prabhjit	0.321	0.027	0.000	APCO	San Joaquin	No	Yes
21MOY218	Ag/ off-road	Equipment replacement	2	$ 76,100.00	Richard A. Zimmerman	0.194	0.030	0.017	APCO	Solano	No	No
21MOY240	On-road	Equipment replacement	1	$ 20,000.00	Sunny Trucking	0.301	0.025	0.000	APCO	San Joaquin	No	Yes
21MOY227	On-road	Equipment replacement	1	$ 40,000.00	Streamline Trans Inc., dba DM Trucking	0.836	0.071	0.006	APCO	Alameda	Yes	Yes
21MOY246	On-road	Equipment replacement	1	$ 30,000.00	Ali Transportation	0.375	0.032	0.000	APCO	Alameda	Yes	No
21MOY241	Ag/ off-road	Equipment replacement	1	$ 62,950.00	Wight Vineyard Management, Inc.	0.126	0.008	0.008	APCO	Napa	No	Yes
21MOY102	Off-Road	Equipment replacement	1	$ 62,830.00	San Mateo Union High School District	0.184	0.041	0.033	APCO	San Mateo	No	Yes
21MOY166	Ag/ off-road	2-for-1 Equipment Replacment	1	$ 39,400.00	Beckstoffer Vineyards Napa Valley	0.250	0.037	0.025	APCO	Napa	No	No

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award		Applicant name	Emission Reductions (Tons per year)			Board approval date	County	CARE Area	AB1550/ SB535 Area
							NOx	ROG	PM				
21MOY223	On-road	Equipment replacement	1	$	30,000.00	Oakland Container Trucking	0.525	0.038	0.000	APCO	Alameda	Yes	Yes
21MOY265	Ag/ off-road	Equipment replacement	1	$	182,700.00	Paul P. Bianchi, Inc.	1.251	0.138	0.079	TBD	Sonoma	No	No
21MOY245	Ag/ off-road	Equipment replacement	4	$	143,400.00	Ilsley Brothers Farming, LLC	0.209	0.078	0.035	TBD	Napa	No	No
21MOY236	Ag/ off-road	Equipment replacement	1	$	604,150.00	Morrison Cazares Boyer Construction Inc.	1.060	0.098	0.056	TBD	Napa	No	No
21MOY232	Off-Road	Equipment replacement	1	$	125,000.00	L.H. Voss Materials	0.725	0.036	0.018	TBD	Alameda/ Contra Costa	Yes	Yes
21SBP196	School Bus	Equipment replacement	2	$	260,707.00	Fairfield-Suisun Unified School District	0.113	0.001	0.000	TBD	Solano	No	Yes
21MOY264	On-road	Equipment replacement	2	$	120,000.00	McKim Corp.	2.260	0.160	0.014	TBD	Santa Clara	Yes	Yes
		27 Projects	**44**	**$**	**2,821,457.00**		**12.225**	**1.226**	**0.493**				

AGENDA 3 - ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/20 and 9/25/20)

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board/ APCO Approval Date	CARE Area	AB1550 / SB535 Area	County
					NO_X	ROG	PM				
20R30	Bicycle Facilities	Upgrade 12.6 miles of Class II bikeways to Class IV in Fremont	$130,000	City of Fremont	0.005	0.006	0.014	7/15/20	No	No	Alameda
20R31	Bicycle Facilities	Install and maintain 520 electronic bicycle locker spaces at 22 Caltrain stations in San Francisco, San Mateo and Santa Clara counties	$1,041,000	Peninsula Corridor Joint Powers Board	0.097	0.139	0.306	7/15/20	No	No	Multi-County
20R32	Bicycle Facilities	Install 1.9 miles of Class IV bikeways in Hayward	$200,790	City of Hayward	0.040	0.055	0.134	Pending	Yes	Yes	Alameda
21HMF01	LD Vehicles	Lease and operate 200 light-duty electric vehicles	$1,000,000	Flexdrive Services, LLC	0.241	0.132	0.297	7/15/20	Yes	Yes	Regional
21R02	LD Vehicles	Vehicle Buy Back Program	$300,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	No	Regional
21R04	LD Vehicles	Clean Cars For All	$5,000,000	BAAQMD	N/A	N/A	N/A	7/15/20	TBD*	TBD*	Regional
20R35	On-road Trucks & Buses	Purchase four electric delievery vans and scrap six existing vehicles	$116,000	Santa Clara VTA	0.061	0.017	0.005	Pending	TBD	TBD	Santa Clara
21R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	$850,000	BAAQMD	N/A	N/A	N/A	7/15/20	No	No	Regional
21R03	Trip Reduction	Spare The Air/Intermittent Control Programs	$2,290,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	No	Regional
Total	**9**	**Projects**	**$10,927,790**		**0.444**	**0.350**	**0.755**				

*Funds have been allocated to the Clean Cars for All Program and will be awarded to eligible individuals on a first-come, first-served basis.

AGENDA 3 - ATTACHMENT 4

Figures 1-3 Summary of funding awarded and allocated between 7/1/20 and 9/25/20 from the following revenue sources:

- Carl Moyer Program (CMP)
- Community Health Protection Program (CHP)
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)
- Mobile Source Incentive Fund (MSIF)
- Transportation Fund for Clean Air (TFCA)

Figure 1. Status of FYE 2021 funding by source

includes funds awarded, recommended for award, and available

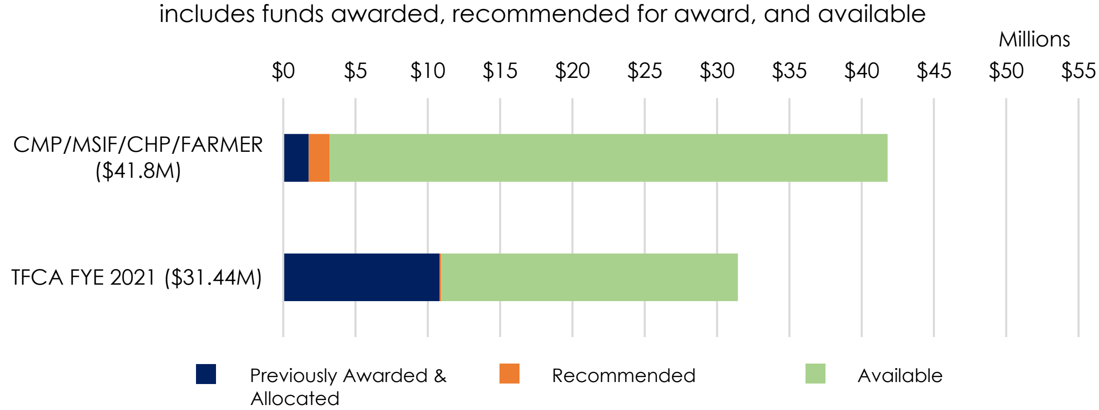


Figure 2. Funding awarded and allocated in FYE 2021 by county:

includes funds awarded & recommended for award

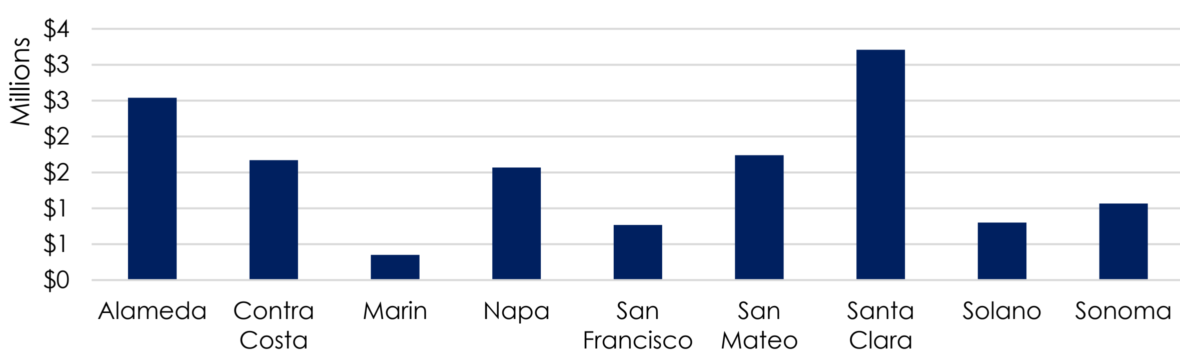
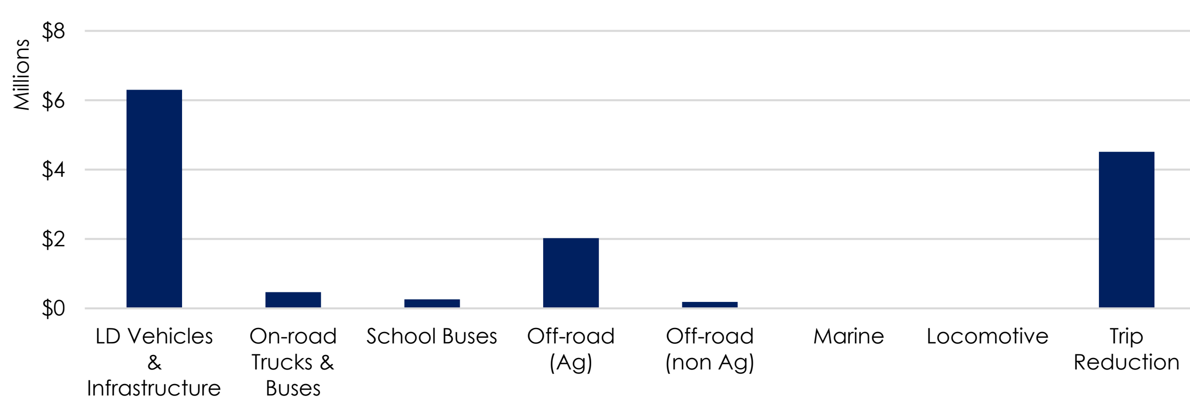


Figure 3. Funding awarded and allocated in FYE 2021 by project category

includes funds awarded & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 14, 2020

Re: Proposed Updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending (FYE) 2022

RECOMMENDED ACTION

Recommend Board of Directors approve the proposed updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending (FYE) 2022.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a $4 surcharge on motor vehicles registered within the Air District's jurisdiction to fund projects that reduce on-road motor vehicle emissions. This surcharge is used to fund eligible projects through the Air District's Transportation Fund for Clean Air (TFCA) program. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Forty percent of TFCA revenue is passed through to the County Program Manager (CPM) Fund, based on each county's proportionate share of vehicle registration fees paid, and are awarded by the nine designated CPMs. Each year the Air District Board of Directors adopts proposed updates to the TFCA CPM Fund Policies to maximize emissions reductions and public health benefits.

DISCUSSION

The annual update to policies is a highly collaborative process that began early this year. This process involved Air District staff developing a draft that reflected both recent updates made to the TFCA Regional Fund Policies and feedback and comments received during the past year from the CPMs. On May 29, 2020, Air District staff issued a draft to the CPMs for comment. The CPMs also distributed the policies for feedback from project sponsors within their respective jurisdictions. The Air District held four meetings, on May 4, 2020, June 30, 2020, September 10, 2020, and September 24, 2020, with CPM representatives to discuss the proposed policy updates, and followed up with the CPMs on specific questions and issues related to the proposed updates. Written comments were submitted by six of the nine CPMs.

In addition to minor text revisions to provide clarification on existing policies, the following is a high-level summary of key proposed updates to the TFCA CPM Policies for FYE 2022:

- Increased cost-effectiveness (C/E) threshold (provided more flexibility) in policy #2 ***TFCA Cost-Effectiveness*** for several project categories and standardized C/E requirement for ***Alternative Fuel Infrastructure projects*** across all charging location types.
- Relaxed policy #6 **Readiness** to allow more time for sponsors to commence their projects.
- Removed restriction that requires funded vehicles to be maintained and operated solely within the Air District's jurisdiction under policies #22 **Alternative Fuel Light- and Medium- Duty Vehicles** and #24 **Alternative Fuel Heavy-Duty Trucks and Buses**.
- Broadened definition of eligible vehicles under policy #25 ***On-Road Truck Replacements*** to include all on-road trucks.
- Updated policy #30 **Bicycle Projects** to align with requirements of other infrastructure improvements projects by requiring funds to be committed only after projects have completed all applicable environmental reviews. Additionally, for policy #31 **Bike Share,** clarified that purchase of bicycles are eligible as part of a bikeshare services.
- Renamed policy #33 to ***Infrastructure Improvements for Trip Reduction*** to clarify the intent, which is to support improvements that result in motor vehicle emission reductions.
- Added policy #34 ***Telecommuting*** as a new project category.

The proposed CPM Policies for FYE 2022 are shown in Attachment A and a redlined version in Attachment B. Attachment C shows the written comments received and the responses from staff.

<u>BUDGET CONSIDERATION/FINANCIAL IMPACT</u>

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Hannah Cha and Linda Hui
Reviewed by: Karen Schkolnick and Chengfeng Wang

Attachment A: Proposed TFCA CPM Fund Policies for FYE 2022 (clean version)
Attachment B: Proposed TFCA CPM Fund Policies for FYE 2022 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2021)
Attachment C: Comments Received from CPMs on the Draft Proposed Updates to TFCA CPM Fund Policies for FYE 2022 and Air District Staff's Responses

PROPOSED UPDATES TO THE TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FYE 2022

The following Policies apply to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) 2022.

BASIC ELIGIBILITY

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

   Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and these Air District Board of Directors adopted TFCA County Program Manager Fund Policies.

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

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit specified in Table 1. Cost-effectiveness ($/weighted ton) is the ratio of TFCA funds awarded to the sum of surplus emissions reduced, during a project's operational period, of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller). All TFCA-generated funds (e.g., reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route), each component must achieve this cost-effectiveness requirement.

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

Table 1: Maximum Cost-Effectiveness for TFCA County Program Manager Fund Projects

Policy No.	Project Category	Maximum C-E ($/weighted ton)
22	Alternative Fuel Light- and Medium-Duty Vehicles	500,000
23	Reserved	Reserved
24	Alternative Fuel Heavy-Duty Trucks and Buses	500,000
25	On-Road Truck Replacements	90,000
26	Alternative Fuel Infrastructure	500,000
27	Ridesharing Projects – Existing	150,000

28	Shuttle/Feeder Bus Service – Existing	200,000; 250,000 for services in CARE Areas or PDAs
29.a.	Shuttle/Feeder Bus Service – Pilot shuttle projects **not** in CARE Areas or PDAs. *These projects will be evaluated every year.*	Year 1 - 500,000 Year 2 and beyond - see Policy #28 *shuttle is considered existing*
	Shuttle/Feeder Bus Service – *Pilot shuttle projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive TFCA Funds under the Pilot designation. These projects will be evaluated every year.*	Years 1 & 2 - 500,000 Year 3 and beyond - see Policy #28 *shuttle is considered existing*
29.b.	Pilot Trip Reduction	500,000
30.a.	Bicycle Parking	250,000
30.b.	Bikeways	500,000
31	Bike Share	500,000
32	Arterial Management	250,000
33	Infrastructure Improvements for Trip Reduction	250,000
34	Telecommuting	150,000

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.

4. **Consistent with Existing Plans and Programs:** All projects must comply with the Transportation Control and Mobile Source Control Measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards (2017 Clean Air Plan), those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.

5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).

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

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

6. **Readiness:** Projects must commence by the end of calendar year 2022 or within 24 months from the date of execution of the funding agreement with the subgrantee. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

7. **Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through #33, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, shuttle and feeder bus service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the financial statement audit or the compliance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for three (3) years from the date of the Air District's final audit determination in accordance with HSC section 44242 or for a duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed financial statement audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed compliance audit means an uncorrected audit finding that confirms a program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

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

9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District's award of County Program Manager Funds. County Program Managers may incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) only after the Funding Agreement with the Air District has been executed.

10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

11. **Duplication:** Projects that have previously received any TFCA funds, e.g., TFCA Regional Funds or County Program Manager Funds, and that do not propose to achieve additional emission reductions are not eligible.

12. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Planning activities are not eligible unless they are directly related to the implementation of a specific project or program.

13. **Reserved.**

14. **Cost of Developing Proposals and Grant Applications:** The costs to prepare proposals and/or grant applications are not eligible.

USE OF TFCA FUNDS

15. **Combined Funds**: TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a County Program Manager Fund project. Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from other funding sources that claim emissions reduction credits. However, County Program Manager-funded projects may be combined with funds that do not require emissions reductions for funding eligibility.

16. **Administrative Costs**: The County Program Manager may not expend more than 6.25 percent of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.

17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.

18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

19. Reserved.

20. Reserved.

21. Reserved.

ELIGIBLE PROJECT CATEGORIES

<u>Clean Air Vehicle Projects</u>

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

    These projects are intended to accelerate the deployment of zero- and partial-zero emissions motorcycles, cars, and light-duty vehicles. All of the following conditions must be met for a project to be eligible for TFCA funds:

    a. Vehicles must have a gross vehicle weight rating (GVWR) of 8,500 lbs. or lower;

b. Vehicles may be purchased or leased;

c. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, fuel cell vehicles, and neighborhood electric vehicles (NEV) as defined in the California Vehicle Code. Vehicles must also be approved by the CARB;

d. Vehicles that are solely powered by gasoline, diesel, or natural gas, and retrofit projects are not eligible;

e. The total amount of TFCA funds awarded may not exceed 90% of the project's eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;

f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and

g. Projects that seek to replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

23. **Reserved.**

24. **Alternative Fuel Heavy-Duty Trucks and Buses:**

These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction by encouraging the replacement of older, compliant trucks and buses with the cleanest available technology. If replacing heavy-duty vehicles and buses with light-duty vehicles, light-duty vehicles must meet Policy #22. All of the following conditions must be met for a project to be eligible for TFCA Funds:

a. Each vehicle must be new and have a GVWR greater than 8,500 lbs.;

b. Vehicles may be purchased or leased;

c. Eligible vehicle types include plug-in hybrid, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;

d. Vehicles that are solely powered by gasoline, diesel, or natural gas and retrofit projects are not eligible;

e. The total amount of TFCA funds awarded may not exceed 90% of the project's eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;

f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and

g. Projects that seek to replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

25. **On-Road Truck Replacements:** These projects will replace Class 6, Class 7, and 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 CARB emissions standards or cleaner. The existing

truck(s) to be replaced 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.

26. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the adoption of zero-emissions vehicles through the deployment of alternative fuel infrastructure, i.e., electric vehicle charging sites, hydrogen fueling stations.

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

    Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and as approved by the local/state authority.

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

<u>Trip Reduction Projects</u>

27. **Existing Ridesharing Services:** The project provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the grantee are not eligible.

28. **Existing Shuttle/Feeder Bus Service:**

    The project reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All the following conditions must be met for a project to be eligible for TFCA funds:

    a. The service must provide direct connections 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, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.
    c. The service must be available for use by all members of the public.
    d. TFCA 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 if the passengers' proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service's travel time to the proposed destination.
    e. Reserved.

f. Grantees 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.

g. Applicants must submit a letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route, certifying that the service does not conflict with existing service.

h. Each route must meet the cost-effectiveness requirement in Policy #2. 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 higher cost-effectiveness limit (see Policy #2).

29. **Pilot Projects:**

a. **Pilot Shuttle/Feeder Bus Service:**

The project provides new shuttle/feeder bus service that is at least 70% unique and operates where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28 for shuttle/feeder bus service, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

i. Demonstrate the project will reduce single-occupancy vehicle trips and result in a reduction in emissions of criteria pollutants.

ii. Provide data and/or other evidence demonstrating the public's need for the service, such as a demand assessment survey and letters of support from potential users.

iii. Provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation after the pilot period.

iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;

v. Projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of two years of TFCA County Program Manager Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of $500,000/ton

2. Projects entering a third year of operation and beyond are subject to all of the requirements, including cost-effectiveness limit, of Policy #28 (existing shuttles).

vi. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA County Program Manager Funds under this designation. For these projects, the project applicant understands and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. By the end of the first year of operation, projects shall meet a cost-effectiveness of $500,000/ton, and
2. By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28 (existing shuttles).

b. **Pilot Trip Reduction:**

The project reduces single-occupancy commute 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 that will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital to a public agency for the start-up of a pilot project so that by the end of the third year of the trip reduction project's operation, the project will be financially self-sustaining or require minimal public funds, such as grants, to maintain its operation.

i. Applicants must demonstrate the project will reduce single-occupancy commute vehicle trips and result in a reduction in emissions of criteria pollutants;
ii. The proposed service must be available for use by all members of the public;
iii. Applicants must provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation by the end of the third year;
iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
v. Applicants must provide data and any other evidence demonstrating the public's need for the service, such as a demand assessment survey and letters of support from potential users;
vi. Pilot trip reduction projects that propose to provide ridesharing service projects must comply with all applicable requirements in policy #27.

30. **Bicycle Projects:**

These projects expand public access to bicycle facilities. New bicycle facility projects or upgrades to an existing bicycle facility that are included in an adopted countywide bicycle plan, Congestion Management Program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission's (MTC) Regional Bicycle Plan are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion.

a. **Bicycle Parking:**

The project expands the public's access to new bicycle parking facilities (e.g., electronic bicycle lockers, bicycle racks), which must be publicly accessible and available for use by all members of the public. Eligible projects are limited to the purchase and installation of the following types of bike parking facilities that result in motor vehicle emission reductions:

i. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;

ii. Electronic bicycle lockers; and

iii. Capital costs for attended bicycle storage facilities.

b. Bikeways:

The project constructs and/or installs bikeways for the purpose of reducing motor vehicle emissions or traffic congestion. Bikeways for exclusively recreational use are ineligible. Projects are limited to the following types of bikeways:

i. Class I Bikeway (bike path), new or upgrade improvement from Class II or Class III bikeway;

ii. New Class II Bikeway (bike lane);

iii. New Class III Bikeway (bike route); and

iv. Class IV Bikeway (separated bikeway), new or upgrade improvement from Class II or Class III bikeway.

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 have completed all applicable environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

31. **Bike Share:**

Projects that make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips are eligible for TFCA funds, subject to all the following conditions:

a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.

b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.

c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:

i. Projects that do not require membership or any fees for use;

ii. Projects that were provided funding under MTC’s Bike Share Capital Program to start a new or expand an existing bike share program; or

iii. Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

TFCA funds may be awarded to pay for up to five years of operations, including the purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.

32. **Arterial Management:**

Arterial management grant applications must identify a specific arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funds. Incident management projects on arterials are eligible to receive TFCA funds. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. Signal timing projects are eligible to receive TFCA funds. Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

33. **Infrastructure Improvements for Trip Reduction:**

The project expands the public's access to alternative transportation modes through the design and construction of physical improvements that support development projects that achieve motor vehicle emission reductions.

a. The development project and the physical improvement must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.

b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.

c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

34. **Telecommuting:** Implementation of demonstration projects in telecommuting. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.

PROPOSED UPDATES TO THE TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FYE 2022

The following Policies apply to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) ~~2021~~2022.

BASIC ELIGIBILITY

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

   Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and these Air District Board of Directors adopted TFCA County Program Manager Fund Policies.

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

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit specified in Table 1. Cost-effectiveness ($/weighted ton) is the ratio of TFCA funds awarded to the sum of surplus emissions reduced, during a project's operational period, of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller). All TFCA-generated funds (e.g., reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route), each component must achieve this cost-effectiveness requirement.

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

Table 1: Maximum Cost-Effectiveness for TFCA County Program Manager Fund Projects

Policy No.	Project Category	Maximum C-E ($/weighted ton)
22	Alternative Fuel Light- and Medium-Duty Vehicles	500,000
23	Reserved	Reserved
24	Alternative Fuel Heavy-Duty ~~Vehicles~~Trucks and Buses	500,000
25	On-Road ~~Goods Movement~~ Truck Replacements	90,000
26	Alternative Fuel Infrastructure	~~250,000~~ 500,000~~*~~

27	Ridesharing Projects ~~-~~– Existing	150,000
28~~.a.-h.~~	Shuttle/Feeder Bus Service – Existing	200,000; 250,000 for services in CARE Areas or PDAs
29.a.	Shuttle/Feeder Bus Service ~~-~~– Pilot shuttle projects **not** in CARE Areas or PDAs. *These projects will be evaluated every year.*	Year 1 - ~~250~~500,000 Year 2 and beyond - see Policy #28~~.a.-h.~~ *shuttle is considered existing*
	Shuttle/Feeder Bus Service – *Pilot shuttle projects located in Highly Impacted Communities as defined in the Air District CARE ~~Areas~~ Program and/or ~~PDAs~~* *a Planned or Potential PDA may receive TFCA Funds under the Pilot designation. These projects will be evaluated every year.*	Years 1 & 2 - 500,000 Year 3 and beyond - see Policy #28~~.a.-h.~~ *shuttle is considered existing*
29.b.	Pilot Trip Reduction	500,000
30.a.	~~Bicycle Projects~~ ~~Bikeways~~ Bicycle Parking	 ~~500,000~~ 250,000
30.b.	Bikeways	500,000
31	Bike Share	500,000
32	Arterial Management	~~175~~250,000
33	~~Smart Growth/Traffic Calming~~Infrastructure Improvements for Trip Reduction	~~175~~250,000
34	Telecommuting	150,000

~~*This higher C-E limit is for projects that install electric vehicle charging stations at multi-dwelling units, transit stations, and park-and-ride lot facilities.~~

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.

4. **Consistent with Existing Plans and Programs:** All projects must comply with the Transportation Control and Mobile Source Control Measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards~~,~~ (2017 Clean Air Plan), those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.

5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).
   a. **Public agencies** are eligible to apply for all project categories.
   b. **Non-public entities** are ~~only~~ eligible to apply for only new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).
6. **Readiness:** Projects must commence by the end of calendar year ~~2021~~2022 or within 24 months from the date of execution of the funding agreement with the subgrantee. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.
7. **Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through #33, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, shuttle and feeder bus service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the financial statement audit or the compliance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for three (3) years from the date of the Air District's final audit determination in accordance with HSC section 44242 or for a duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed financial statement audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed compliance audit means an uncorrected audit finding that ~~the~~confirms a program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

   A failed financial statement or compliance audit of the County Program Manager or its grantee may subject the County Program Manager to a reduction of future revenue in an amount equal to the amount which was inappropriately expended pursuant to the provisions of HSC section 44242(c)(3).
9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District's award of County Program Manager Funds. County Program Managers may incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) only after the Funding Agreement with the Air District has been executed.
10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance

as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

11. **Duplication:** Projects that have previously received any TFCA funds, e.g., TFCA Regional Funds or County Program Manager F~~f~~unds, and that do not propose to achieve additional emission reductions are not eligible.

12. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Planning activities are not eligible unless they are directly related to the implementation of a specific project or program.

13. **Reserved.**

14. **Cost of Developing Proposals and Grant Applications:** The costs to prepare proposals and/or grant applications are not eligible.

USE OF TFCA FUNDS

15. **Combined Funds**: TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a County Program Manager Fund project. Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from other funding sources that claim emissions reduction credits. However, County Program Manager-funded projects may be combined with funds that do not require emissions reductions for funding eligibility.

16. **Administrative Costs**: The County Program Manager may not expend more than 6.25 percent of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.

17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.

18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

19. Reserved.

20. Reserved.

21. Reserved.

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

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

    These projects are intended to accelerate the deployment of ~~qualifying alternative fuel~~zero- and partial-zero emissions motorcycles, cars, and light-duty vehicles~~ that operate within the Air District's jurisdiction~~. All of the following conditions must be met for a project to be eligible for TFCA funds:

    a. Vehicles must ~~be new (model year 2020 or newer) and~~ have a gross vehicle weight rating (GVWR) of 8,500 lbs. or lower~~.~~;

    b. Vehicles ~~must be:~~ may be purchased or leased;

        ~~i.~~ Eligible vehicle types include plug-in hybrid-electric, plug-in electric, ~~or~~ fuel cell vehicles~~ that are approved by the California Air Resources Board (CARB) for on-road use~~

    c. , and neighborhood electric vehicles (NEV) as defined in the California Vehicle Code. Vehicles must also be approved by the CARB;

    Vehicles that are solely powered by gasoline, diesel, or natural gas, and retrofit projects are not eligible~~.~~;

    d. ~~Vehicles must be maintained and operated within the Air District's jurisdiction;~~

    e. The total amount of TFCA funds awarded may not exceed 90% of the project's eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;

    ~~d.~~f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle~~.~~; and

    ~~e.~~g. Projects that seek to replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

23. **Reserved.**

24. **Alternative Fuel Heavy-Duty ~~Vehicles~~Trucks and Buses:**

    These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction by encouraging the replacement of older, compliant trucks and buses with the cleanest available technology. If replacing heavy-duty vehicles and buses with light-duty vehicles, light-duty vehicles must meet Policy #22. All of the following conditions must be met for a project to be eligible for TFCA Funds:

    a. Each vehicle must be new and have a GVWR greater than 8,500 lbs.;

    b. Vehicles may be purchased or leased;

    ~~b.~~c. Eligible vehicle types include plug-in hybrid, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB~~.~~;

Vehicles that are solely powered by gasoline, diesel, or natural gas and retrofit projects are not eligible;

~~c.~~d. ~~Vehicles must be maintained and operated within the Air District's jurisdiction.~~;

~~d.~~e. The total amount of TFCA funds awarded ~~combined~~may not exceed 90% of the project's eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed ~~90% of the project's eligible cost~~total project costs;

~~Vehicles that are solely powered by gasoline, diesel, or natural gas and retrofit projects are not eligible.~~

~~e.~~f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle~~.~~; and

g. Projects that seek to replace a vehicle in the same weight-class as the proposed new vehicle~~,~~ may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

25. **On-Road ~~Goods Movement~~ Truck Replacements:** These projects will replace Class 6, Class 7, and 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 CARB emissions standards or cleaner. ~~Eligible vehicles are those that are used for goods movement as defined by CARB.~~ The existing truck(s) to be replaced 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.

26. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the adoption of zero-emissions vehicles through the deployment of alternative fuel infrastructure, i.e., electric vehicle charging sites, hydrogen fueling stations.

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

    Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and as approved by the local/state authority.

    TFCA funds may not be used to pay for fuel, electricity, operation, and maintenance costs. ~~Projects that include installation of charging stations at multi-dwelling units, transit stations, and park-and-ride lot facilities qualify for funding at a higher cost-effectiveness limit (see Policy #2).~~

Trip Reduction Projects

27. **Existing Ridesharing Services:** The project ~~will~~ provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also

eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the grantee are not eligible.

28. **Existing Shuttle/Feeder Bus Service:**

The project ~~will~~ reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All ~~of~~ the following conditions must be met for a project to be eligible for TFCA funds:

a. The service must provide direct connections 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, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.

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

d. TFCA 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 if the passengers' proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service's travel time to the proposed destination.

e. Reserved.

f. Grantees 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.

g. Applicants must submit a letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route, certifying that the service does not conflict with existing service.

h. Each route must meet the cost-effectiveness requirement in Policy #2. 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 higher cost-effectiveness limit (see Policy #2).

29. **Pilot Projects:**

a. **Pilot Shuttle/Feeder Bus Service ~~Projects~~:**

The~~se~~ project~~s~~ ~~are~~provides new shuttle/feeder bus service ~~routes~~ that ~~are~~is at least 70% unique and operates where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28~~.a.-h.~~ for shuttle/feeder bus service, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

i. Demonstrate the project will reduce single-occupancy vehicle trips and result in a reduction in emissions of criteria pollutants.

ii. Provide data and/or other evidence demonstrating the public's need for the service, ~~including~~such as a demand assessment survey and letters of support from potential users.

iii. Provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation after the pilot period~~;~~.

iv. ~~Provide a letter from~~If 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~~ provider is not a partner, the applicant must demonstrate that ~~the project applicant has~~they have attempted to ~~coordinate~~have the service ~~with the local service provider and has~~ provided ~~the results of the demand assessment survey to~~by 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. Pilot projects~~provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;

v. Projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of ~~three~~two years of TFCA County Program Manager Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of $500,000/ton~~, and~~
2. ~~By the end of the~~Projects entering a third year of operation~~, projects must meet~~ and beyond are subject to all of the requirements, including cost-effectiveness limit, of Policy #28~~.a.-h.~~ (existing shuttles).

vi. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA County Program Manager Funds under this designation. For these projects, the project applicant understands and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. By the end of the first year of operation, projects shall meet a cost-effectiveness of $~~250~~500,000/ton, and
2. By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28~~.a.-h.~~ (existing shuttles).

b. **Pilot Trip Reduction:**

The project ~~will~~ reduces 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 that will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital to a public agency for the start-up of a pilot project so that by the end of the third year of the trip reduction project's operation, the project will be financially self-sustaining or require minimal public funds, such as grants, to maintain its operation. ~~All the following conditions must be met for a project to be eligible for TFCA funds:~~

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

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

iii. Applicants must provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA ~~-~~funds to maintain its operation by the end of the third year;

iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;

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

vi. Pilot trip reduction projects that propose to provide ridesharing service projects must comply with all applicable requirements in policy #27.

30. **Bicycle Projects:**

These projects expand public access to bicycle facilities. New bicycle facility projects or upgrades to an existing bicycle facility that are included in an adopted countywide bicycle plan, Congestion Management Program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission's (MTC) Regional Bicycle Plan are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion.

a. **Bicycle Parking:**

The project ~~will~~ expands the public's access to new bicycle parking~~. The~~ facilities (e.g., electronic bicycle lockers~~ and~~, bicycle racks), which must be publicly accessible and available for use by all members of the public.

Eligible projects are limited to the purchase and installation of the following types of bike parking facilities that result in motor vehicle emission reductions:

i. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;

ii. Electronic bicycle lockers; and

iii. Capital costs for attended bicycle storage facilities.~~; and~~

~~iv. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.~~

b. **Bikeways:**

The project constructs and/or installs bikeways for the purpose of reducing motor vehicle emissions or traffic congestion. Bikeways for exclusively recreational use are ineligible. Projects are limited to the following types of bikeways:

i. Class I Bikeway (bike path), new or upgrade improvement from Class II or Class III bikeway;

ii. New Class II Bikeway (bike lane);

iii. New Class III Bikeway (bike route); and

~~iv.~~ Class IV Bikeway (separated bikeway), new or upgrade improvement from Class II or Class III bikeway.~~;~~

~~v.~~iv.

All ~~bicycle facility~~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 have completed all applicable environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

31. **Bike Share:**

Projects that make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips are eligible for TFCA funds, subject to all ~~of~~ the following conditions:

a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.

b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.

c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:

i. Projects that do not require membership or any fees for use~~, or~~ ;

ii. Projects that were provided funding under MTC's Bike Share Capital Program to start a new or expand an existing bike share program; or~~.~~

iii. Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

~~Projects~~TFCA funds may be awarded ~~FYE 2021 TFCA funds~~ to pay for up to five years of operations~~.~~, including the purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.

32. **Arterial Management:**

Arterial management grant applications must identify a specific arterial segment and define what improvement(s) will be made to affect traffic flow on the identified arterial segment. Projects that provide routine maintenance (e.g., responding to citizen complaints about malfunctioning signal equipment) are not eligible to receive TFCA funds. Incident management projects on arterials are eligible to receive TFCA funds. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. Signal timing projects are eligible to receive TFCA funds. Each arterial segment must meet the cost-effectiveness requirement in Policy #2.

33. **~~Smart Growth/Traffic Calming~~ Infrastructure Improvements for Trip Reduction:**

~~Physical improvements~~The project expands the public's access to alternative transportation modes through the design and construction of physical improvements that support development projects ~~and/or calm traffic, resulting in~~that achieve motor vehicle emission reductions~~, are eligible for TFCA funds, subject to the following conditions:~~.

a. The development project and the physical improvement~~s~~ must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.

b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.

c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

~~Traffic calming projects are limited to physical improvements that achieve motor vehicle emission reductions by designing and improving safety conditions for pedestrians, bicyclists or transit riders in residential retail, and employment areas.~~

34. **Telecommuting:** Implementation of demonstration projects in telecommuting. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.

Commenter and Organization	Comments received from CPMs (CPMs) between May 29 – August 31, 2020	Air District Staff's Responses
Bill Hough, Santa Clara Valley Transportation Authority	**Policy 2. TFCA Cost-Effectiveness** Currently, the cost-effectiveness limit for Arterial Management projects is $175,000 while similar limits for other project categories, such as Bicycle and Shuttle projects is $250,000 and up. VTA urges the C-E limits for Arterial Management projects be increased to $250,000 for consistency. Arterial management projects are some of the most cost-effective projects funded with TFCA County Program Manager Funds, especially in Santa Clara County which historically has had an automobile-dependent suburban development pattern. It will take some time to see an increase in the use of alternative-fueled, cleaner vehicles. Until then, excessive delay/idling and stop-start driving of gasoline-powered motor vehicles will continue to be a major source of pollutants in Santa Clara County. Through arterial management/signal timing projects, the air pollutant emissions created by the great majority of travelers in Santa Clara County are reduced. It is these far-ranging impacts that make signal timing projects one of the best investments for TFCA funds and why we recommend an increase in C-E limits for these projects.	Staff is recommending a proposed increase to the maximum cost-effectiveness threshold for Arterial Management project category, up to $250,000 from $175,000.
	Policy 2. TFCA Cost-Effectiveness The existing wording relating to cost-effectiveness requirements for pilot shuttle projects is very confusing, difficult to understand, and should be rewritten for clarity: *Pilot shuttle projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive TFCA Funds under the Pilot designation. These projects will be evaluated every year. Cost-effectiveness requirements for these projects are as follows:* *Years 1 and 2: $500,000* *Years 3 and beyond; shuttle is considered existing: $250,000* *Cost-effectiveness requirements for pilot shuttle projects located outside of CARE areas and/or PDAs are as follows:*	As requested, staff is recommending proposed updates to clarify the language for Policy 2.

	Year 1: $250,000 *Years 2 and beyond: $200,000*	
	Policy 17. Expend Funds within Two Years There is a conflict with this policy in the TFCA CPM program guidance which says, "*Beginning in FYE 2017, the Air District and the CPMs were directed to enforce the two-year time limit for bicycle projects (i.e., any projects under Policy #30), the CPMs should cancel any projects that are not completed within the two-year time limit, and the Air District will not consider any extension requests for bicycle projects that have already been granted a two-year extension from the County Program Manager."* This guidance is justified by direction to BAAQMD staff provided by the Air District's Mobile Source Committee members on October 22, 2015. This guidance from the Mobile Source Committee was never adopted by the BAAQMD Board and is therefore not legally binding on the CPMs. If BAAQMD wants to implement this "no time extensions for bike projects" policy, there needs to be a formal revision to Policy 17 approved by the full BAAQMD Board of Directors. VTA does **not** support such a change and recommends that the MSC language be removed from the guidance.	Noted. Staff will be working with County Program Managers (CPMs) over this next year to review the requirement and update the Guidance document and/or policy.
	Policy 18. Unallocated Funds This policy states that *any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District.* In order to comply with the "program within six months" rule, sponsors need to be able to perform cost-effectiveness calculations using the current spreadsheets. Since the revised spreadsheets are issued late every year, this policy needs to be deleted or modified to allow for more time.	Staff will work with the CPMs to develop a streamlined process to update and release the cost-effectiveness worksheets to help address this concern.
	New Policy: Consider new Trip Reduction policy for projects that encourage telecommuting. Possible examples might include projects that improve networks, bandwidth or telecommuting software.	Noted. Staff has included a recommendation for a new policy, Policy 34, to offer funding to these types of projects.

Peter Engel, Contra Costa Transportation Authority	**Policy 22.c. Alternative Fuel Light-Duty Vehicles** Who will be required to verify if a vehicle is approved by CARB?	Staff will work with the CPMs to clarify this question in the Guidance.
	Policy 22.e. Alternative Fuel Light-Duty Vehicles Can a vehicle be operated outside BAAQMD area at any time or at some percentage?	Yes. Staff will work with the CPMs to clarify this question in the Guidance.
	Policy 27. Existing Ridesharing Services We have a real issue with this added language. "Ride Matching services" needs to be very clearly defined. We provide rideshare incentives to encourage mode shift from SOVs. To my knowledge MTC does not provide funding to counties; they used to but stopped about 5 years ago. We have provided successful rideshare programs for many years, recently MTC has presented regional rideshare initiatives without an engagement of our CPM programs. I have feared for a while this activity would lead to the addition of the proposed paragraph. I think prior to imposing this there needs to be a regional discussion on this issue. I'm not disputing the requirement that we cannot double count or pay twice for the same trip.	Staff has removed this proposed language and will work with CPMs and MTC to develop additional guidance as needed.
	Policy 31. Bike Share The part moved from Bicycle facilities. We would like to find a way to provide rebates to individuals to purchase e-bikes/scooters. Bikeshare programs are difficult in rural and suburban areas and we believe rebates will get clean micromobility options into use to replace car trips. Can this be made an option outside of the "bikeshare" program/policy?	Although there are some legal limitations to use of TFCA, staff will continue to work with the CPMs to explore potential options for funding projects that involve e-bikes.
Dana Turrey, Sonoma County Transportation Authority	**Policy 24.f. Alternative Fuel Heavy Duty Trucks and Buses** The restriction of 90% of project costs coverage with a combination of all grants should not apply to transit. Transit regularly funds vehicle purchases exclusively through grants and local operators often do not have other general funds available for capital projects.	Staff is recommending proposed language to provide additional clarity on this requirement.
	Policy 26. Alternative Fuel Infrastructure This policy should include fueling infrastructure for public transit vehicles, as it is permitted for light duty personal vehicles.	Noted. Staff will provide clarification in the Guidance.
	Policy 27. Existing Rideshare Services	Staff has removed this proposed language and will work with CPMs and

	There is not enough clarity on MTC's program to exclude funding of a similar program. We currently do not have details on where MTC will be focusing their outreach efforts and would not want to exclude local and targeted outreach efforts or incentives.	MTC to develop additional guidance as needed.
Mike Pickford, San Francisco County Transportation Authority	**Policy 22. Alternative Fuel Light- and Medium-Duty Vehicles** We agree with the idea of encouraging leveraging by restricting TFCA funds to cover up to 90% of a project's cost, however, we recommend that TFCA policies be agnostic as to the source of the remaining funds. We think it is counterproductive to make implementation of projects more difficult by imposing additional requirements on the source of the additional 10% of a project's cost. This issue applies to both light-duty and heavy-duty vehicles.	Staff is recommending proposed language to provide additional clarity on this requirement
	Policy 27. Existing Rideshare Services Please provide a definition of what is included in MTC's TFCA-funded regional ridesharing program and additional clarification on how the Air District would determine whether a ridesharing project is in conflict with MTC's program, so that CPM fund applicants can have confidence that their proposed projects will be eligible.	Staff has removed this proposed language and will work with CPMs and MTC to develop additional guidance as needed.
	Policy 29. Pilot Projects • Policy 29a.iv.: We support the proposed modifications to requirements on the involvement of local transit providers in proposed TFCA projects. The proposed language includes a more realistic process for advancing a project without requiring extensive investment that a transit provider may be unwilling to provide. • Policy 29b.i.: We recommend eliminating the requirement that projects reduce "commute-hour" trips. The policies do not provide a definition of "commute-hour", so this requirement is not clear. Additionally, all projects are required to meet cost effectiveness thresholds, regardless of time of day of operation, so this requirement unnecessarily disqualifies projects that serve major employers, such as hospitals, that may not conform to traditional notions of peak commuting behavior. The Air District could address this issue by eliminating the word "hour", so that the policy would still focus on "single-occupancy commute vehicle trips".	Noted. Staff is recommending proposed language to clarify the intent of Policy 29b.i.

	Policy 30. Bicycle Projects • We recommend that the Air District not strike the language permitting purchase of bicycles and related equipment, but instead move this language under a new subsection of Policy 30 specifically intended to facilitate bicycle purchase and subsidy projects (e.g. projects that subsidize the purchase, or long-term loan/rental of bicycles for police departments, school districts, or individuals). Further, we recommend that e-bikes be specifically called out as eligible. • Policy 30b.: We recommend eliminating the proposed language stating that bikeways cannot be used exclusively for recreational use. This requirement appears difficult to enforce and unnecessary, as project sponsors are already required to demonstrate a cost effective emissions reduction, regardless of trip purpose. Additionally, this requirement could have a chilling effect on project proposals that may result in a mixture of recreational and utilitarian trips. • Policy 30b.: We recommend eliminating the proposed requirement that projects must have completed environmental review in order to be eligible for TFCA funds. We have consistently opposed the introduction of this requirement since it was originally proposed for the FYE 2016 policies because it is unnecessary and restrictive. CPMs are already required to evaluate project readiness per Policy 6, making the proposed changes to Policy 30 redundant. The added requirement would preclude projects from applying that are otherwise eligible and could be completed within the required time period. From a practical perspective, in San Francisco it would be unusual to devote resources to advance a small bicycle project, of the size likely to be funded with our County Program Manager TFCA funds, through environmental approval without having secured design and construction funding, so this change would reduce the number of small projects likely to be delivered.	Noted. Staff will work with the CPMs to clarify eligible bicycle project types. Staff is recommending proposed language to clarify how bicycle projects are evaluated. Noted. Staff are exploring options with the CPMs to help streamline this process and to ensure that funds are allocated to projects that are ready to be implemented.
	Policy 33. Infrastructure Improvements for Trip Reduction We support the proposal to strike the requirement that projects complete environmental review prior to becoming eligible for TFCA funds. Similar to our comment on environmental review under Policy 30 any projects that would be eligible under this policy may not be advance through environmental review until they have a full funding plan.	Staff are exploring options with the CPMs to help streamline this process and to ensure that funds are allocated to projects that are ready to be implemented.

Jacki Taylor, Alameda County Transportation Commission	**Policy 2. TFCA Cost-effectiveness** Support the proposed increase to several cost-effectiveness maximums, including expanding the current $500K maximum for Alternative Fuel Infrastructure projects to apply to all project locations (removal of "high-priority" locations).	Noted.
	Policy 24. Alternative Fuel Heavy-Duty Trucks and Buses Propose removing "grants" from the 90% of total cost limitation so that it's just rebates and other discounts that are included in the 90% of total cost limit, allowing grants to fund the remaining 10%.	Staff is recommending proposed language to provide additional clarity on this requirement.
	Policy 25. On-Road Truck Replacements Appreciate the clarification that eligible trucks do not need to be for the purpose of goods movement.	Noted.
	Policy 27. Existing Ridesharing Services Request removal of the language regarding MTC's regional rideshare program. It would be helpful if CPM's could be provided with the specific details of the TFCA-funded portion of MTC's regional rideshare program and given an opportunity to respond to the Air District's concerns	The proposed language is intended to clarify a requirement covered in the general policies. Staff has removed this proposed language and will work with CPMs and MTC to develop additional guidance to meet the requirement.
	Policy 30. Bicycle Projects • Bike Parking: Request clarification of newly added language that identifies "project administration" costs as ineligible. Bike parking is the only project type that has this language so this change stands out. Can the Air District provide examples of specific ineligible project administration activities? • Bikeways: Propose revising the newly added language about environmental approval requirements: From: "Projects must have completed all applicable State and environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement."	Staff is recommending proposed language for clarification. Staff will work with the CPMs to help streamline the process.

	To: "Projects must obtain have completed all applicable State and federal environmental reviews approvals (e.g., CEQA; NEPA) prior to implementation. and either have been deemed exempt by the lead applicable agency or have been issued the applicable negative declaration or environmental impact report or statement. Because the Air District's new language is written in the past tense, it could be interpreted as meaning that the environmental review/approval is to be completed prior to the time of the application in order to be eligible for funding. The proposed edit clarifies that the appropriate environmental process/approval is required to be completed prior to implementation of the project. If desired, individual counties could require completion of the environmental phase prior to a TFCA application. • Propose revising the newly added language: "Projects must reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use." It seems the policy language should be addressing the intended purpose of the facility rather than the individual trips. To address, request replacing the new language with a simplified statement that new facilities primarily intended for recreational use (e.g., recreational trails) are not eligible.	Staff is recommending proposed language to clarify how bicycle projects are evaluated.
	Policy 31. Bike Share Request clarification regarding the eligibility of e-bikes for FYE22. Policy 31 includes as eligible the purchase of 2- and 3-wheeled vehicles (self-propelled or electric), but at the last CPM coordination meeting on 6/30/20, the Air District seemed to be questioning the eligibility of e-bikes.	Staff met with the CPMs to clarify this requirement and discuss avenues that are available to offer TFCA funding to encourage the use of active transportation modes. Staff will continue to work with the CPMs to explore potential options for these project types.
Diana Meehan, Napa Valley Transportation Authority	**Policy 5.b. Eligible Recipients** Are new vehicle charging stations eligible under this section for multi-unit housing-if a property owner wanted to apply directly or a non-profit?	Staff will provide clarification in the Guidance.
	Policy 22. Alternative Fuel Light- and Medium-Duty Vehicles • E-Bikes should be included here. Particularly cargo type bikes that serve the purpose of small utility vehicles. I realize the vehicle code does not categorize e-bikes as vehicles,	Staff reviewed the legislation and believes there are several avenues available to offer TFCA funding to encourage the use of active

	which is why it isn't included, but considering the current climate and need for additional roadway space to extend sidewalks and retail/eateries, deliveries could be made using e-bikes that have the capacity. • 22.c. Are Hydrogen vehicles eligible?	transportation modes. Staff will continue to work with the CPMs to explore potential options for these project types. Yes, and staff will clarify in the Guidance that hydrogen fuel cell vehicles are eligible
	Policy 24. Alternative Fuel Heavy-Duty Trucks and Buses Adjust wording to explain this better. Essentially this suggests the total from all sources cannot exceed 90%, so requires a 10% match? Is that what is being said?	Staff revised the proposed language to provide additional clarity on this requirement.
	Policy 27. Existing Ridesharing Services Request that this addition be removed. It is prohibitive to local programs and preferential to regional programs.	The proposed language is intended to clarify a requirement covered in the general policies. Staff has removed this proposed language and will work with CPMs and MTC to develop additional guidance to meet the requirement.
	Policy 30. Bicycle Projects Add "Or upgraded" to "Bicycle Projects: These projects expand public access to new bicycle facilities"	Staff revised the language with the suggested change.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 14, 2020

Re: Proposed Allocation of Mobile Source Incentive Funds for Electric Vehicle Charging Projects

RECOMMENDED ACTION

Recommend Board of Directors allocate $1 million in Mobile Source Incentive Funds (MSIF) for electric vehicle charging projects at multi-unit dwellings in Assembly Bill (AB) 617 communities.

BACKGROUND

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code (HSC) 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 MSIF. AB 923 stipulates that air districts may use the revenues generated by the additional $2 surcharge for projects eligible under the Carl Moyer Program and for funding of alternative fuel and electric infrastructure projects solicited and selected through a competitive bid process.

DISCUSSION

Staff is recommending an allocation of $1 million in MSIF funds to support a pilot program for the purchase and installation of new electric vehicle charging projects at multi-unit dwellings in AB 617 communities. Deploying electric vehicle charging stations at multi-unit dwellings and in AB 617 communities remains challenging due to the lower penetration of electric vehicle adoption at these locations and communities, and the inability of project sponsors to meet the utilization requirements under Transportation Fund for Clean Air (TFCA) funding. As MSIF funding for electric infrastructure projects does not have cost effectiveness requirements, this funding can be used to help encourage more deployment of charging stations in AB 617 communities and support greater adoption of electric vehicles in the Bay Area.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The Air District distributes the MSIF funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mark Tang
Reviewed by: Anthony Fournier