



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE & CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

DAVID CANEPA – CO-CHAIR
ROB RENNIE – VICE CHAIR
PAULINE RUSSO CUTTER
LYNDA HOPKINS
DAVINA HURT
LORI WILSON

KATIE RICE – CO-CHAIR
MARGARET ABE-KOGA
JOHN GIOIA
DAVE HUDSON
KAREN MITCHOFF

**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/89554829888>

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

WEBINAR ID: 895 5482 9888

- **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**

**THURSDAY
MARCH 25, 2021
9:30 A.M.**

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Committee Co-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.

***Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

Staff/Phone (415) 749-

2. APPROVAL OF THE MINUTES OF FEBRUARY 25, 2021

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Mobile Source Committee meeting of February 25, 2021.

3. DISCUSSION ON MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE MISSION STATEMENT, CLIMATE AGENDA, AND SCHEDULE FOR 2021

**D. Breen/5041
dbreen@baaqmd.gov**

The committee will review its mission statement, climate agenda, and consider approval of the Calendar for the Mobile Source and Climate Impacts Committee Meetings for 2021.

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

C. Wang/8647

cwang@baaqmd.gov

The Committee will consider recommending the Board of Directors to 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.

5. **FISCAL YEAR ENDING 2022 TRANSPORTATION FUND FOR CLEAN AIR FUNDING ALLOCATION**

K. Mak/8660

kmak@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the proposed new funding allocation of the Transportation Fund for Clean Air (TFCA) revenues for Fiscal Year Ending 2022; the proposed cost-effectiveness limits for Air District-sponsored TFCA programs and authorizing the Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000 for recommended projects.

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

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee.

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, April 22, 2021, 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 Co-Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
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, Terri Levels, at (415) 749-4667 or by email at tlevels@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

MARCH 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source & Climate Impacts Committee	Thursday	25	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

APRIL 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Community Equity, Health & Justice Committee	Thursday	1	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	7	8:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source & Climate Impacts Committee	Monday	19	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	21	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	21	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source & Climate Impacts Committee	Thursday	22	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 15, 2021

Re: Approval of the Minutes of February 25, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Mobile Source and Climate Impacts Committee (Committee) meeting of February 25, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source and Climate Impacts Committee meeting of February 25, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Mobile Source and Climate Impacts Committee Meeting
of February 25, 2021

AGENDA: 2A – ATTACHMENT

Draft Minutes – Mobile Source & Climate Impacts Committee Meeting of February 25, 2021

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 & Climate Impacts Committee Meeting
Thursday, February 25, 2021

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 & Climate Impacts Committee (Committee) Co-Chairperson, David Canepa, called the meeting to order at 9:33 a.m.

Present: Co-Chairpersons David Canepa and Katie Rice; Vice Chair Rob Rennie; and Directors Margaret Abe-Koga, Pauline Russo Cutter, John Gioia, Lynda Hopkins, David Hudson, and Karen Mitchoff.

Absent: Directors Davina Hurt and Lori Wilson.

Also Present: None.

CONSENT CALENDAR

- 2. Approval of the Minutes of the Climate Protection Committee Meeting of November 19, 2020**
- 3. Approval of the Minutes of the Mobile Source Committee Meeting of December 3, 2020**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Hudson made a motion, seconded by Director Cutter, to **approve** the Minutes of the Climate Protection Committee meeting of November 19, 2020 and the Minutes of the Mobile Source Committee meeting of December 3, 2020; and the motion carried by the following vote of the Committee:

AYES: Canepa, Cutter, Gioia, Hudson, Mitchoff, Rennie, Rice.
NOES: None.
ABSTAIN: Abe-Koga, Hopkins
ABSENT: Hurt, Wilson.

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

Alona Davis, Air Quality Program Manager, gave the staff presentation *Projects and Contracts with Proposed Awards over \$100,000*, including: outcome; outline; requested action; Carl Moyer Program (CMP)/Mobile Source Incentive Fund (MSIF), Community Health Protection Program (CHP), and Funding Agricultural Replacement Measures for Emissions Reductions (FARMER); Transportation Fund for Clean Air (TFCA); incentive funding awarded and recommended since July 2020 by revenue source, project category, and county; and feedback requested/prompt.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed what happens to the equipment and vehicles that are replaced with cleaner versions within a given project that is awarded funds; whether the applicants are asked to match the awarded grant amount; the costs savings for school districts that transition from gas to electric buses; and the need to educate the public about the environmental and economic benefits of transitioning from fossil fuels to electrification.

Committee Action

Director Hudson made a motion, seconded by Director Gioia, to **approve** the award of the Carl Moyer Program and Transportation Fund for Clean Air Program funding to projects with proposed grant awards in excess of \$100,000, waiving TFCA policies to fund an electric school bus project, and authorizing the Executive Officer/Air Pollution Control Officer (APCO) to execute grant agreements for the recommended projects; and the motion carried by the following vote of the Committee:

AYES: Abe-Koga, Canepa, Cutter, Gioia, Hopkins, Hudson, Mitchoff, Rennie, Rice.
NOES: None.
ABSTAIN: None.
ABSENT: Hurt, Wilson.

5. REPORT ON AIR DISTRICT GRANT PROGRAMS AND FUNDS AWARDED IN 2020

Damian Breen, Senior Deputy Executive Officer of Operations introduced Karen Schkolnick, Director of Strategic Incentives Division, who gave the staff presentation *Air District Grant Programs Overview*, including: outcome; outline; action requested; background; funds awarded in 2020; emissions reduced and community benefits; grant funds: trends 2011-2021; project grant revenue in Fiscal Year Ending (FYE) 2021; 2021 grant program priorities; opportunities and challenges; and feedback requested/prompt.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed a growing interest in hydrogen fueling stations, the request to prioritize hydrogen bus fueling infrastructure, and whether such projects are eligible for the Air District’s Climate Tech Financing Program; the manner in which new regulation deadlines for different equipment types are phased into the grant programs; the Air District’s position on cities and counties using land use authority to restrict developments to zero emission vehicles (ZEV) only, and whether such project are eligible for grant funding; whether backup generator, solar, or battery backup projects (residential and commercial) are eligible for grant funding, and the suggestion that the Air District’s Legislative Committee prioritizes the development for such legislation, if not; additional full time equivalent Air District staffing needs for 2021 and whether the grants cover additional staffing; and the request for projected available funding for 2022.

Committee Action

None; receive and file.

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS

None.

8. TIME AND PLACE OF NEXT MEETING

Thursday, March 25, 2021, 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 meeting adjourned at 10:42 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 15, 2021

Re: Discussion on Mobile Source and Climate Impacts Committee Mission Statement,
Climate Agenda, and Schedule for 2021

RECOMMENDED ACTION

Recommend the Committee:

1. Approve the calendar for its 2021 Meeting Schedule.

BACKGROUND

At its February 3, 2021, the Board of Directors merged elements of its “Mobile Source” and “Climate Protection Committees” to form the new “Mobile Source and Climate Impacts Committee.”

The description of the Mobile Source Committee stated that it “...*This committee reviews and recommends District policies and positions on transportation planning and funding, on-road and off-road mobile sources, and mobile source fuels. The committee stays informed on current and proposed actions by local, regional, state, and federal agencies related to mobile source emissions...*”

The description of the Climate Protection Committee stated that it “...*reviews the Air District’s climate protection policies, activities, and funding, and makes applicable recommendations to the Board of Directors. The committee stays informed on current and proposed climate protection actions by local, regional, state, federal, and international agencies and organizations...*”

As part of the amendments made to the Air District’s administrative code to establish the Committee, the Board of Directors included the following mission statement:

“...The Mobile Source and Climate Impacts Committee will consider and recommend policies and positions of the District relating to transportation planning and funding, on-road and off-road mobile sources, and mobile source fuels. The Committee will keep itself informed on actions or proposed actions by local, regional, State and Federal agencies affecting air pollutant emissions from mobile sources.”

The Committee will also consider and recommend to the Board of Directors policies and positions of the District relating to climate protection activities and funding relative to mobile sources. The Committee will keep itself informed on actions and proposed actions by local, regional, state, federal, and international agencies and organizations relating to climate protection relative to mobile sources...”

DISCUSSION

As part of this meeting, the Committee will review its new mission statement, how the Air District’s mobile source Climate Agenda will be integrated into the Committee’s 2021 work plan, and a proposed schedule for meetings for 2021.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen

Attachment 3A: Proposed 2021 Mobile Source and Climate Impacts Committee Workplan

Proposed 2021 Mobile Source and Climate Impacts Committee Workplan

Meeting Schedule	Topics
March	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000 • FYE 2022 TFCA Funding Allocation • Committee Calendar, Mission and Climate Focus
April	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000 • FYE 2022 TFCA County Program Manager Expenditure Plans • TFCA Audit (CPM, AD sponsored Programs)
May	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000 • Updates to the TFCA Regional Fund Policies and Evaluation Criteria for FYE 2022 • Plan Bay Area Implementation Plan • Proposed CEQA thresholds for GHG (if not presented in May, can be carried over to June)
June	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000 • Acceptance of 2021 Greenhouse Gas Reduction Funds and other Monies from the California Air Resources Board (FARMER/CAP) • Update on Bay Area Transit Picture • Proposed CEQA thresholds for GHG (if not presented in May, can be carried over to June)
July	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000 <i>(Will go to BOD if meetings are scheduled)</i>
August	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000 <i>(Will go to BOD if meetings are scheduled)</i>
September	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$100,000

AGENDA 3A – ATTACHMENT

	<ul style="list-style-type: none">• Final proposed Plan Bay Area• Preview of TFCA County Program Manager Fund Policies for FYE 2022
October	<ul style="list-style-type: none">• Projects and Contracts with Proposed Grant Awards Over \$100,000• Proposed Updates to the TFCA County Program Manager Fund Policies for FYE 2022• Diesel Free by '33 Update and Case Studies
November/December	<ul style="list-style-type: none">• Projects and Contracts with Proposed Grant Awards Over \$100,000• Report on Transportation Fund for Clean Air Projects Expenditures and Effectiveness for FYE 2020• Transportation Fund for Clean Air Program Regional Fund Projects - Audit #22 Results

Topics to be added later:

- Update on USEPA-NTSB “SAFER” Regulation
- Update on State and Federal Rulemakings
- Incentives and Equity
- EV Action Plan

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 15, 2021

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

RECOMMENDED ACTIONS

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. Since 2018, this funding may also be used to incentivize the installation of infrastructure that will support the deployment of new zero-emissions vehicles and equipment.

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 the 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 reducing air pollution and public health impacts from mobile and stationary sources. Funding for incentives to support the AB 617 effort was approved by the California Legislature beginning in fiscal year ending (FYE) 2018. Funding for the CAPP comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases.

In May 2020, the Governor issued a revised budget that authorized up to \$200 million for a third cycle of CAPP incentive funding. On June 17, 2020, the Board authorized the Air District to accept, obligate, and expend up to \$40 million in year-3 CAPP. 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 begun working with CARB to expand eligibility to include stationary source projects and projects that have been identified and prioritized by communities with a Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

In February 2018, CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines 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 passed through to the designated County Program Manager in each of the nine counties within the Air District's jurisdiction that in turn award TFCA funds to eligible projects within their communities.

On April 15, 2020 and July 15, 2020, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in 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 and Climate Impacts 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 \$45.9 million available in CMP, MSIF, Community Health Protection (CHP) 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 February 22, 2021, the Air District had received or evaluated 95 project applications. Of the applications that were evaluated between January 27, 2021 and February 22, 2021, seven eligible projects have proposed grant awards over \$100,000. Five off-road agricultural projects will replace twelve pieces of mobile, diesel-powered equipment. One marine project will replace two propulsion diesel engines of a charter fishing vessel. One school bus project will replace two diesel school buses with electric school buses and charging infrastructure. These projects will reduce over 7.6 tons of NO_x, ROG, and PM per year. Staff recommends the allocation of \$2,284,004 for these projects from a combination of CMP, TFCA, 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 between July 1, 2020 and February 22, 2021, and includes information about equipment category, award amounts, estimated emissions reductions, and county location. To date, approximately 60% of the funds¹ have been awarded or allocated to low-income residents or to projects that reduce emissions in Air District designated Community Air Risk Evaluation (CARE) areas or disadvantaged (Senate Bill (SB) 535) and/or low-income (AB 1550) communities. This percentage will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about

¹ For the purpose of determining whether funding was awarded or allocated to low-income residents or to projects that reduce emissions in Air District designated Community Air Risk Evaluation (CARE) areas or disadvantaged (SB 535) and/or low-income (AB 1550) communities, the total amount of funds awarded and allocated to date does not include amounts awarded to regional projects where all communities receive the benefit or amounts awarded to projects where the location of the benefit is unknown until additional information becomes available.

the location of projects and program participants becomes available.

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 consisting of new and prior-year revenues. 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 February 22, 2021, the Air District had received six project applications, in addition to a project that is discussed below. Besides this project, there were no other projects evaluated between January 27, 2021, and February 22, 2021, with proposed grant awards over \$100,000.

Staff evaluated one school bus project, which is recommended in the CMP section above, that proposes to replace two diesel school buses with electric school buses and install charging infrastructure (Project #22SBP14). Staff is recommending the allocation of up to \$204,598 in TFCA funding as matching funds for this project because one of the buses does not qualify for full funding under the CMP guidelines. This project benefits AB 1550 communities in Milpitas. Project #22SBP14 is recommended for \$622,556 in CMP, CHP and MSIF funding leaving a shortfall of approximately \$204,598, which is recommended for co-funding from the TFCA.

Table 1 below provides additional information on the proposed awards for this school bus projects.

Table 1: Proposed award for school bus project #22SBP14

Project Description	2 buses and charging infrastructure
Total Project Cost	\$827,154
Proposed CMP/CHP/MSIF Award	\$622,556
Proposed TFCA Award (one bus only)	\$204,598
Total Proposed Award	\$827,154

If the Board approves this recommendation, the emissions reductions would be entirely reported under the CMP program to prevent double counting.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2020 and February 22, 2021, including information about the project category, award amount, estimated emissions reduction, and county location. To date, approximately 89%

of the funds² have been awarded or allocated to low-income residents or to projects that reduce emissions in Air District designated Community Air Risk Evaluation (CARE) areas or disadvantaged (SB 535) and/or low-income (AB 1550) communities. This percentage will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about the location of projects and program participants becomes available.

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 and Linda Hui

Reviewed by: Minda Berbeco, Chengfeng Wang, and Karen Schkolnick

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 2/22/21

Attachment 3: TFCA projects awarded and allocated projects between 7/1/20 and 2/22/21

Attachment 4: Summary of funding awarded and allocated between 7/1/20 and 2/22/21

² For the purpose of determining whether funding was awarded or allocated to low-income residents or to projects that reduce emissions in Air District designated Community Air Risk Evaluation (CARE) areas or disadvantaged (SB 535) and/or low-income (AB 1550) communities, the total amount of funds awarded and allocated to date does not include amounts awarded to regional projects where all communities receive the benefit or amounts awarded to projects where the location of the benefit is unknown until additional information becomes available.

AGENDA 4 - 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 1/27/21 and 2/22/21)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
22MOY5	Golden Eye 2000	Marine	Replacement of two Tier-0 propulsion diesel engines with two Tier-3 propulsion diesel engines on charter fishing vessel Golden Eye 2000	\$ 293,000	\$ 366,493	2.471	-0.025	0.097	Alameda
22MOY64	Joseph Rider	Off-road / Ag	Replacement of one Tier 0 ag excavator and one Tier 1 ag tractor with two Tier 4 final ag tractors	\$ 166,500	\$ 213,451	0.152	0.030	0.022	Napa
22MOY69	Lelmorini Custom Spreading, LLC	Off-road / Ag	Replacement of one Tier 0 ag wheel loader and one Tier 0 ag tractor with two Tier 4 final engines	\$ 276,450	\$ 307,233	2.124	0.200	0.116	Marin / Sonoma
22MOY72	West Marin Compost LLC	Off-road / Ag	Replacement of one Tier-1 ag rubber-tired loader with a Tier 4 rubber-tired loader.	\$ 318,200	\$ 353,631	0.945	0.042	0.024	Marin
22MOY80	Renteria Vineyard Management LLC	Off-road / Ag	Replacement of two Tier 0 ag tractor, two Tier 1 ag tractors, and one Tier 2 ag tractor, with five Tier 4 final ag tractors	\$ 300,900	\$ 383,958	0.699	0.098	0.072	Napa / Sonoma
22MOY81	Stephen Tenbrink	Off-road / Ag	Replacement of one Tier 0 ag tractor and one Tier 2 ag tractor with two Tier 4 final ag tractors	\$ 101,800	\$ 127,436	0.285	0.033	0.022	Solano
22SBP14*	Milpitas Unified School District	School Bus	Replacement of two diesel buses with electric school buses and supporting infrastructure	\$ 827,154	\$ 827,154	0.191	0.018	0.001	Santa Clara
7 Projects				\$ 2,284,004	\$ 2,579,356	6.867	0.395	0.355	

*The award amount includes a total of \$204,598.00 in TFCA funds.

AGENDA 4 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 2/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						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	No	No	Napa
21MOY198	On-road	Equipment replacement	1	\$ 10,000.00	EPP Transport, LLC	0.181	0.015	0.000	APCO	Yes	Yes	Alameda
21MOY206	Ag/ off-road	Equipment replacement	2	\$ 90,840.00	Hudson Vineyards LLC	0.162	0.005	0.009	APCO	No	No	Napa
21MOY210	On-road	Equipment replacement	1	\$ 20,000.00	Samuel's Trucking	0.466	0.039	0.003	APCO	Yes	Yes	Alameda
21MOY217	On-road	Equipment replacement	1	\$ 25,000.00	Daxin Trucking, LLC.	0.566	0.048	0.000	APCO	Yes	Yes	Alameda
21MOY208	Ag/ off-road	Equipment replacement	2	\$ 76,300.00	M. German & Son Partnership	0.345	0.055	0.028	APCO	No	No	Solano
21MOY209	Ag/ off-road	Equipment replacement	1	\$ 48,800.00	Lum Family Farms Inc	0.145	0.026	0.018	APCO	No	No	Solano
21MOY214	Ag/ off-road	Equipment replacement	5	\$ 255,400.00	Robledo Vineyard Mgmt LLC	0.563	0.092	0.061	10/7/2020	No	No	Sonoma/ Napa
21MOY212	On-road	Equipment replacement	1	\$ 55,000.00	Ram Harak & Son Trucking	0.352	0.030	0.002	APCO	Yes	Yes	Alameda
21MOY235	Ag/ off-road	Equipment replacement	1	\$ 51,600.00	Mertens Dairy	0.213	0.038	0.028	APCO	No	No	Sonoma
21MOY228	Ag/ off-road	Equipment replacement	3	\$ 130,200.00	Turnbull Wine Cellars	0.191	0.037	0.026	10/7/2020	No	No	Napa
21MOY239	Ag/ off-road	Equipment replacement	4	\$ 170,100.00	Michael Wolf Vineyard Services Inc.	0.206	0.016	0.021	10/7/2020	No	Yes	Napa
21MOY121	On-road	Equipment replacement	1	\$ 15,000.00	Prabhjit	0.321	0.027	0.000	APCO	No	Yes	San Joaquin
21MOY218	Ag/ off-road	Equipment replacement	2	\$ 76,100.00	Richard A. Zimmerman	0.194	0.030	0.017	APCO	No	No	Solano
21MOY240	On-road	Equipment replacement	1	\$ 20,000.00	Sunny Trucking	0.301	0.025	0.000	APCO	No	Yes	San Joaquin
21MOY227	On-road	Equipment replacement	1	\$ 40,000.00	Streamline Trans Inc., dba DM Trucking	0.836	0.071	0.006	APCO	Yes	Yes	Alameda
21MOY246	On-road	Equipment replacement	1	\$ 30,000.00	Ali Transportation	0.375	0.032	0.000	APCO	Yes	No	Alameda
21MOY241	Ag/ off-road	Equipment replacement	1	\$ 62,950.00	Wight Vineyard Management, Inc.	0.126	0.008	0.008	APCO	No	Yes	Napa
21MOY102	Off-Road	Equipment replacement	1	\$ 48,850.00	San Mateo Union High School District	0.184	0.041	0.033	APCO	No	Yes	San Mateo
21MOY166	Ag/ off-road	2-for-1 Equipment Replacment	1	\$ 39,400.00	Beckstoffer Vineyards Napa Valley	0.250	0.037	0.025	APCO	No	No	Napa
21MOY223	On-road	Equipment replacement	1	\$ 30,000.00	Oakland Container Trucking	0.525	0.038	0.000	APCO	Yes	Yes	Alameda

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 2/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
21MOY265	Ag/ off-road	Equipment replacement	1	\$ 182,700.00	Paul P. Bianchi, Inc	1.251	0.138	0.079	11/18/2020	No	No	Sonoma
21MOY245	Ag/ off-road	Equipment replacement	4	\$ 143,400.00	Ilsley Brothers Farming, LLC	0.209	0.078	0.035	11/18/2020	No	No	Napa
21MOY236	Ag/ off-road	Equipment replacement	1	\$ 604,150.00	Morrison Cazares Boyer Construction Inc.	1.060	0.098	0.056	11/18/2020	No	No	Napa
21MOY232	Off-Road	Equipment replacement	1	\$ 125,000.00	L.H. Voss Materials	0.725	0.036	0.018	11/18/2020	Yes	Yes	Alameda/ Contra Costa
21SBP196	School Bus	Equipment replacement	2	\$ 260,707.00	Fairfield-Suisun Unified School District	0.113	0.001	0.000	11/18/2020	No	Yes	Solano
21MOY249	On-road	Equipment replacement	1	\$ 25,000.00	Jeevan Trucking Inc	0.478	0.040	0.000	APCO	Yes	Yes	Alameda
21MOY221	Ag/ off-road	Equipment replacement	2	\$ 91,650.00	Robert J Camozzi II	0.211	0.024	0.021	APCO	No	No	Sonoma
21MOY257	On-road	Equipment replacement	1	\$ 25,000.00	Harpinderpal Singh	0.466	0.035	0.000	APCO	Yes	Yes	Alameda
21MOY238	Ag/ off-road	Equipment replacement	1	\$ 64,700.00	Foley Family Farms, LLC	0.141	0.018	0.012	APCO	No	No	Sonoma
21MOY281	Ag/ off-road	Equipment replacement	1	\$ 42,200.00	Palm Drive Vineyards LLC	0.044	0.005	0.006	APCO	No	No	Sonoma
21MOY233	Ag/ off-road	Equipment replacement	1	\$ 62,000.00	RR Farms	0.071	0.011	0.008	APCO	No	No	Sonoma
21MOY272	Ag/ off-road	Equipment replacement	1	\$ 58,000.00	StoneMar Properties, LLC	0.100	0.005	0.006	APCO	No	No	Contra Costa
21MOY280	Ag/ off-road	Equipment replacement	1	\$ 64,400.00	Barbour Vineyards Management LLC	0.113	0.007	0.007	APCO	No	No	Napa
21MOY274	Ag/ off-road	Equipment replacement	3	\$ 120,500.00	Green Valley Cattle Co.	0.205	0.035	0.021	12/16/2020	No	No	Solano
21MOY251	Ag/ off-road	Equipment replacement	1	\$ 50,300.00	Wild Oak Vineyards LLC	0.086	0.019	0.015	APCO	No	No	Solano
22MOY2	On-road	Equipment replacement	1	\$ 35,000.00	Mandeep Singh	0.337	0.029	0.000	APCO	Yes	Yes	Alameda
22MOY4	Marine	Engine Replacement	1	\$ 128,000.00	Happy Hooker Sportfishing	0.307	-0.008	0.019	12/16/2020	Yes	Yes	Alameda
21MOY234	On-road	Engine Replacement	1	\$ 35,000.00	Jianye Trucking Inc.	0.674	0.057	0.000	APCO	Yes	Yes	Alameda
21MOY242	On-road	Engine Replacement	1	\$ 30,000.00	OJM Trucking Inc.	0.620	0.053	0.000	APCO	Yes	Yes	Alameda
22MOY3	Marine	Engine Replacement	2	\$ 1,166,000.00	San Francisco Water Emergency Transportation Authority	5.570	0.500	0.190	12/16/2020	Yes	Yes	Alameda/ Contra Costa/ San Francisco
21MOY172	Ag/ off-road	Engine Replacement	2	\$ 512,750.00	George Chiala Farms, Inc.	1.656	0.154	0.089	12/16/2020	No	No	Santa Clara
22MOY6	Ag/ off-road	Engine Replacement	1	\$ 185,400.00	Mazzetta Dairy	1.155	0.106	0.066	12/16/2020	No	No	Sonoma
21MOY226	Off-Road	Engine Replacement	2	\$ 141,000.00	Columbia Electric, Inc.	0.532	0.038	0.035	12/16/2020	Yes	Yes	Alameda/ Contra Costa/ Santa Clara

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 2/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
21MOY277	Off-Road	Engine Replacement	5	\$ 345,500.00	R.J.S. & Associates, Inc.	1.815	0.171	0.107	12/16/2020	Yes	Yes	Santa Clara/ Alameda
22MOY13	Marine	Engine Replacement	1	\$ 140,000.00	Lion Fisheries, LLC.	0.898	-0.013	0.036	12/16/2020	No	No	San Mateo
21MOY237	Ag/ off-road	Engine Replacement	2	\$ 85,300.00	Dirt Farmer & Company, A California Corporation	0.272	0.054	0.037	APCO	No	No	Sonoma
21MOY225	On-road	Engine Replacement	1	\$ 35,000.00	Longs Mach	0.453	0.034	0.000	APCO	Yes	Yes	Alameda
21MOY264	On-road	Equipment replacement	1	\$ 60,000.00	McKim Corp	2.260	0.160	0.014	APCO	No	Yes	Santa Clara
21MOY261	On-road	Equipment replacement	1	\$ 20,000.00	Dhillon Trucking	0.654	0.097	0.029	APCO	Yes	No	Alameda
22MOY15	On-road	Equipment replacement	1	\$ 35,000.00	NCH Trucking	0.635	0.054	0.005	APCO	Yes	No	Alameda
22MOY16	On-road	Equipment replacement	1	\$ 30,000.00	Sahara Logistics INC DBA Ibrahim Trucking	0.410	0.035	0.000	APCO	Yes	No	Alameda
21MOY243	On-road	Equipment replacement	1	\$ 40,000.00	Gill Freightliner	0.684	0.058	0.000	APCO	Yes	Yes	Alameda
22MOY17	Off-Road	Equipment replacement	2	\$ 103,100.00	Robledo Inc.	0.313	0.048	0.028	1/20/2021	No	No	Solano
22MOY34	On-road	Equipment replacement	1	\$ 55,000.00	26 Pawar Corporation	1.117	0.084	0.007	APCO	Yes	Yes	Santa Clara
22MOY1	Ag/ off-road	Equipment replacement	1	\$ 33,000.00	Gerald & Kristy Spaletta	0.046	0.044	0.011	APCO	No	No	Sonoma
21MOY275	Off-Road	Equipment replacement + Infrastructure	2	\$ 90,100.00	Pine Cone Lumber Co., Inc.	0.068	0.011	0.004	APCO	No	No	Santa Clara
21MOY271	On-road	Equipment Replacement	1	\$ 30,000.00	Sarbjit Singh Deol	0.325	0.028	0.000	APCO	Yes	Yes	Alameda
22MOY10	On-road	Equipment Replacement	1	\$ 10,000.00	Lam Le	0.153	0.012	0.000	APCO	Yes	Yes	Alameda
21MOY278	On-road	Equipment Replacement	1	\$ 40,000.00	Gurtej Atwal	0.764	0.052	0.006	APCO	No	No	Alameda
22MOY8	On-road	Equipment Replacement	1	\$ 25,000.00	MP Trucking	0.364	0.031	0.000	APCO	No	No	San Joaquin
22MOY35	On-road	Equipment Replacement	1	\$ 35,000.00	Sahara Logistics INC DBA Ibrahim Trucking	0.391	0.033	0.000	APCO	Yes	No	Alameda
21MOY285	On-road	Equipment Replacement	1	\$ 40,000.00	G S Trucking	0.658	0.056	0.004	APCO	Yes	Yes	Alameda
22MOY38	On-road	Equipment Replacement	1	\$ 20,000.00	Primo Express Transport, Inc	0.394	0.033	0.003	APCO	Yes	Yes	Contra Costa
21MOY283	On-road	Equipment Replacement	1	\$ 40,000.00	Sall Trucking	0.943	0.156	0.008	APCO	Yes	Yes	Alameda
22MOY25	On-road	Equipment Replacement	1	\$ 40,000.00	Sarbjit S Bains	0.687	0.058	0.005	APCO	No	Yes	Santa Clara
22MOY26	On-road	Equipment Replacement	1	\$ 25,000.00	Dharmender Singh Barn	0.530	0.045	0.000	APCO	Yes	No	Alameda

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 2/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
22MOY33	Off-Road	Equipment Replacement	3	\$ 153,600.00	Cornerstone Certified Vineyard	0.396	0.068	0.051	1/20/2021	No	No	Sonoma
22MOY43	Off-Road	Equipment Replacement	3	\$ 128,300.00	Atlas Vineyard Management, Inc.	0.158	0.033	0.024	3/3/2021	No	No	Napa
22MOY18	Off-Road	Equipment Replacement	2	\$ 259,100.00	Willotta Ranch	1.073	0.130	0.073	1/20/2021	No	No	Solano
22MOY39	Off-Road	Equipment Replacement	1	\$ 53,200.00	Romero Vineyard Management LLC	0.066	0.016	0.012	APCO	No	No	Napa
22MOY19	Marine	Engine Replacement	6	\$ 3,715,000.00	San Francisco Water Emergency Transportation Authority	16.822	1.500	0.562	1/20/2021	Yes	Yes	Alameda
22MOY30	Marine	Engine Replacement	2	\$ 298,000.00	A.C. Fishing Charters Inc., dba Tigerfish Sportfishing	0.515	0.002	0.027	1/20/2021	No	No	Alameda
22MOY21	Marine	Engine Replacement	1	\$ 120,000.00	Jerry Harold Pemberton	0.244	0.003	0.009	1/20/2021	No	No	San Mateo
22MOY24	Ag/ off-road	Engine Replacement	1	\$ 139,900.00	Stanley J Poncia	0.256	0.047	0.036	1/20/2021	No	Yes	Sonoma
21MOY134	Ag/ off-road	Equipment replacement	1	\$ 34,000.00	Dutton Ranch Corp.	0.061	0.003	0.003	APCO	No	No	Sonoma
22MOY46	Ag/ off-road	Equipment replacement	2	\$ 93,800.00	Shafer Vineyards	0.208	0.057	0.024	APCO	No	No	Napa
22MOY61	Ag/ off-road	Equipment replacement	1	\$ 141,600.00	Larry's Produce LLC	0.360	0.039	0.023	3/3/2021	No	No	Solano
22MOY27	Ag/ off-road	Equipment replacement	1	\$ 223,500.00	Mark and Lisa Shelley	1.205	0.111	0.069	3/3/2021	No	No	Sonoma
21SBP211	School Bus	Equipment replacement + Infrastructure	3	\$ 560,575.00	Menlo Park City School District	0.160	0.011	0.001	3/3/2021	No	Yes	San Mateo
22MOY37	Ag/ off-road	Equipment replacement	1	\$ 347,400.00	Morrison Chopping, LLC	2.073	0.199	0.108	3/3/2021	No	No	Sonoma
22MOY68	Ag/ off-road	Equipment replacement	1	\$ 20,000.00	Roger King	0.013	0.010	0.003	APCO	No	No	Solano
22MOY51	Ag/ off-road	Equipment replacement	1	\$ 30,100.00	Robert Lauritsen	0.024	0.023	0.006	APCO	No	No	Napa
22MOY55	Ag/ off-road	Equipment replacement	1	\$ 56,200.00	Thomas W. Crane	0.137	0.021	0.012	APCO	No	No	Sonoma
22MOY60	Ag/ off-road	Equipment replacement	1	\$ 33,800.00	Karl Bucher	0.019	0.017	0.005	APCO	No	No	Napa
22MOY58	Ag/ off-road	Equipment replacement	1	\$ 42,000.00	Sweetlane Nursery and Vineyards, Inc. dba Grossi Farms	0.031	0.008	0.007	APCO	No	No	Sonoma
22MOY5	Marine	Engine replacement	2	\$ 293,000.00	Golden Eye 2000	2.471	-0.025	0.097	TBD	Yes	Yes	Alameda
22MOY79	Ag/ off-road	Equipment replacement	1	\$ 43,500.00	Loma del sol farming inc.	0.088	0.020	0.015	APCO	No	No	Sonoma
22MOY82	Ag/ off-road	Equipment replacement	1	\$ 40,800.00	Gilardi's Family Farm	0.050	0.008	0.006	APCO	No	Yes	Sonoma
22MOY69	Ag/ off-road	Equipment replacement	2	\$ 276,450.00	Ielmorini Custom Spreading, LLC	2.124	0.200	0.116	TBD	No	Yes	Marin/Sonoma

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 2/22/21)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22MOY72	Ag/ off-road	Equipment replacement	1	\$ 318,200.00	West Marin Compost LLC	0.945	0.042	0.024	TBD	No	Yes	Marin
22MOY80	Ag/ off-road	Equipment replacement	5	\$ 300,900.00	Renteria Vineyard Management LLC	0.699	0.098	0.072	TBD	No	No	Napa/Sonoma
22SBP14	School Bus	Equipment replacement + Infrastructure	2	\$ 622,556.00	Milpitas Unified School District	0.191	0.018	0.001	TBD	No	Yes	Napa/Sonoma
22MOY81	Ag/ off-road	Equipment replacement	2	\$ 101,800.00	Stephen Tenbrink	0.285	0.033	0.022	TBD	No	No	Solano
22MOY64	Ag/ off-road	Equipment replacement	2	\$ 166,500.00	Joseph Rider	0.152	0.030	0.022	TBD	No	No	Napa
95 Projects			147	\$ 15,499,178.00		68.393	6.254	2.707				

AGENDA 4 - ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/20 and 2/22/21)

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	\$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	10/7/20	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	N/A	N/A	Regional
21R04	LD Vehicles	Clean Cars For All	\$10,000,000	BAAQMD	N/A	N/A	N/A	7/15/20	TBD*	Yes	Regional
20R35	On-road Trucks & Buses	Purchase four electric delivery vans and scrap six existing vehicles	\$116,000	Santa Clara VTA	0.061	0.017	0.005	11/18/20	TBD*	TBD*	Santa Clara
20R14	Trip Reduction	State Route 37 Rideshare	\$184,500	Solano Transportation Authority	0.104	0.113	0.169	12/16/20	No	No	Multi-County
21R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	\$850,000	BAAQMD	N/A	N/A	N/A	7/15/20	N/A	N/A	Regional
21R03	Trip Reduction	Spare The Air/Intermittent Control Programs	\$2,290,000	BAAQMD	N/A	N/A	N/A	6/3/20	N/A	N/A	Regional
21RSB01	School Bus	Match funding for Project #21SBP211 for the replacement of two diesel buses with electric school buses	\$732,552	BAAQMD	N/A**	N/A**	N/A**	3/3/21	No	Yes	San Mateo
21RSB02	School Bus	Match funding for Project #22SBP14 for the replacement of one diesel bus with a electric school bus	\$204,598	BAAQMD	N/A**	N/A**	N/A**	Pending	No	Yes	Santa Clara
Total	12 Projects		\$17,049,440		0.548	0.463	0.924				

*Funds have been allocated to these programs and project and results will be determined at the end of proeject period

** Emission reductions are fully reported under the Carl Moyer Program to prevent double counting.

AGENDA 4 - ATTACHMENT 4

Figures 1-3 Summary of funding awarded and allocated between 7/1/20 and 2/22/21 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

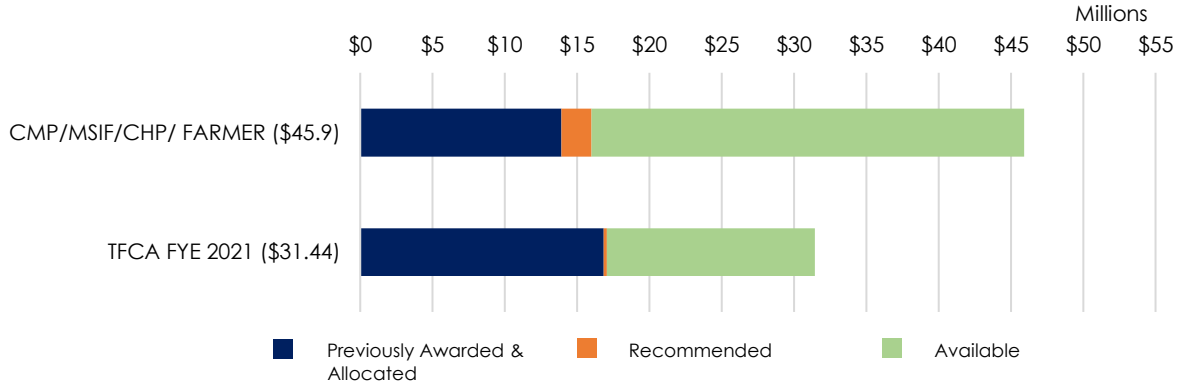


Figure 2. Funding awarded and allocated in FYE 2021 by county:

includes funds awarded & recommended for award

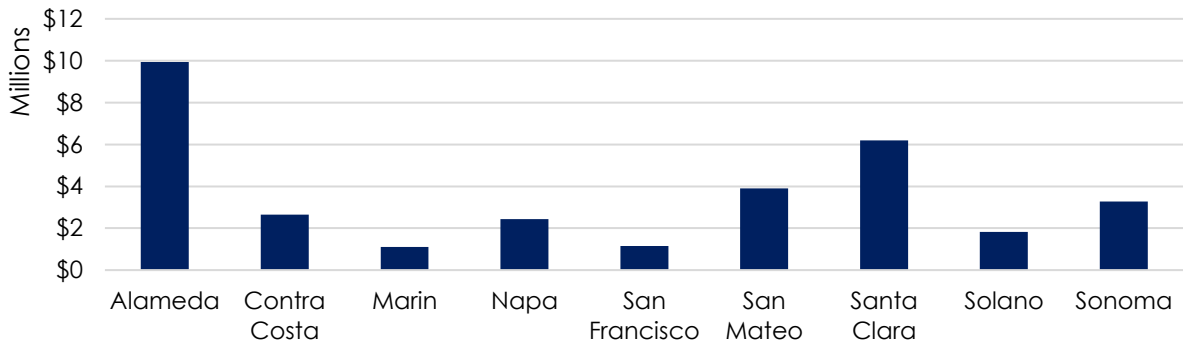
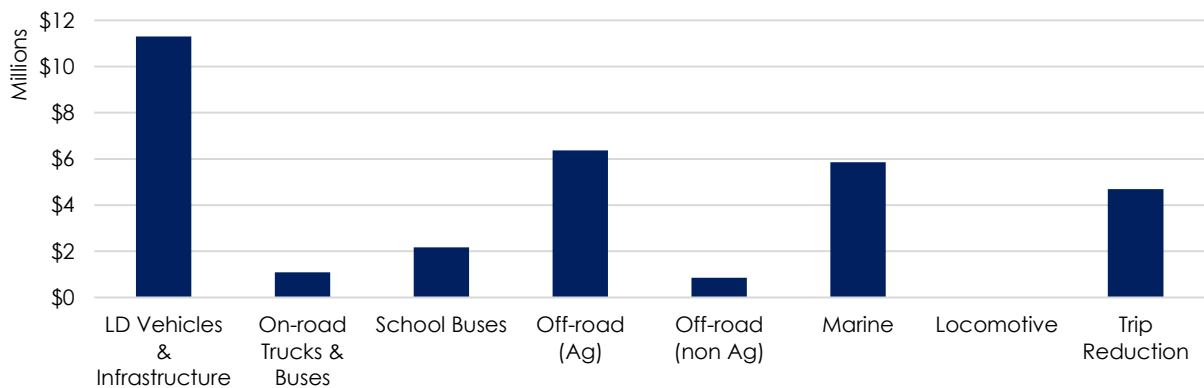


Figure 3. Funding awarded and allocated in FYE 2021 by project category

includes funds awarded & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons David Canepa and Katie Rice, and Members
of the Mobile Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 15, 2021

Re: Fiscal Year Ending 2022 Transportation Fund for Clean Air Funding Allocation

RECOMMENDED ACTIONS:

Recommend Board of Directors:

1. Approve the proposed allocation of the estimated new Transportation Fund for Clean Air, or TFCA, monies to the programs and projects listed in Table 1;
2. Authorize the proposed cost-effectiveness limits for the Air District-sponsored programs and projects listed in Table 2; and
3. Authorize the Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000 for projects and programs listed in Table 1.

BACKGROUND

The approximately six million on-road motor vehicles, including cars, trucks, and buses, in the Bay Area account for more than 40% of the criteria air pollutants and about 36% of greenhouse gases (GHG) emissions in the region^{1, 2}. These on-road motor vehicles constitute the most significant sources of air pollution in the Bay Area, including unhealthful levels of ozone (summertime "smog") and particulate matter. For this reason, emissions reductions from the on-road transportation sector are essential to attaining state and federal ambient air quality standards and meeting the region's GHG reduction commitments.

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 in the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242. Each year, the Air District's Board of Directors (Board) allocates funding and adopts cost-effectiveness criteria that govern expenditure of TFCA funding and maximize emissions reductions and public health benefits.

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

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

The authorizing legislation allows public agencies to be awarded funds for all project categories while non-public agencies including private businesses, non-profits, and residents may only be awarded funds for projects that reduce emissions from vehicle-based projects. Up to sixty percent of TFCA funds may be awarded by the Air District to eligible projects and programs that are implemented directly by the Air District (e.g., Spare the Air) and for distribution to other awardees through the TFCA Regional Fund. The remaining forty percent of TFCA funds are passed through to the County Program Manager Fund based on each county’s proportionate share of vehicle registration fees paid and is awarded by the nine designated agencies within the Air District’s jurisdiction.

This report discusses the proposed allocation of the sixty percent portion of the TFCA monies that will be available in FYE 2022 for distribution by the Air District and the proposed updates to the cost-effectiveness limits for the Air District-sponsored TFCA-funded programs and projects.

DISCUSSION

In developing this recommendation, staff considered input received from stakeholders along with factors such as current demand for funding for certain project categories, regulatory requirements scheduled to be phased-in in the near-term for truck and bus fleets, cost-effectiveness of clean air vehicle projects and trip reduction strategies, and the impacts to last years’ projects from the shelter-in place orders issued in 2020. Staff assessed eligible incentive program options to identify the most effective strategies at reducing on-road motor vehicle criteria emissions in the region to help achieve criteria and GHG emissions reduction goals outlined in both the Air District’s 2017 Clean Air Plan and Diesel Free by ‘33 initiative.

For FYE 2022, approximately \$12.89 million in new TFCA monies will be available for distribution by the Air District for programs and projects, approximately \$1.69 million will be available to cover administrative and audit expenses. Staff is recommending that the \$12.89 million in new TFCA monies be allocated to the program categories listed below in Table 1.

Table 1 - Proposed Programs and TFCA Funding Allocation for FYE 2022 (in Millions)

Program Categories	(A)	(B)	(C)
	Estimated New TFCA Monies	Estimated Carryover	Estimated Total Funds Available in FYE 2022*
Trip Reduction	\$4.25	\$7.00	\$11.25
Clean Air Vehicles	\$6.00	\$9.50	\$15.50
Other Air District Sponsored Programs	\$2.64	\$0.00	\$2.64
Total Funding Available for Projects and Programs:	\$12.89	\$16.50	\$29.39
Admin & Audit**	\$1.69	\$0.00	\$1.69
Total Funding	\$14.58	\$16.50	\$31.08

** HSC Section 44233 authorized up to 6.25% of projected revenues can be used for administrative costs.

In the event a program category is undersubscribed, the Executive Officer/APCO may reallocate up to 20% of each program category’s allocation to other categories based on demand, cost-effectiveness, and technology availability.

The estimate for new revenue shown in column A is based on the amount of DMV revenue received in 2020. Column B shows approximately \$16.5 million in carryover funds available to augment the new monies. Carryover funds include unobligated TFCA funds from prior years as well as projects recently completed under budget or canceled.

The following narrative provides additional information on the proposed programs and projects listed in Table 1.

- ***Trip Reduction***

Reducing single occupancy motor vehicle trips is a key strategy to reducing mobile source emissions. For nearly 30 years, TFCA revenues have been used to fund services, such as last-mile connection services, to help residents and commuters to mode-shift trips to mass transit, as well as construction of new facilities and infrastructure, to support active transportation, e.g., biking and walking as alternatives to driving for short first -and last- mile trips. The authorizing legislation requires that sponsors of trip reduction projects be public agencies.

Trip reduction projects have many co-benefits such as supporting health, safety, equity, and climate protection, however the air quality benefits of these types of projects have been steadily decreasing over time as state and federal regulations have effectively reduced the criteria pollutants emitted from light-duty passenger cars. This erosion of air quality benefits is even more pronounced in projects that replace single-passenger car trips with larger vehicles, such as last-mile commuter-connection feeder buses and shuttles, as the region's fleet of passenger vehicles has become significantly cleaner at a faster rate than the medium - and heavy- duty vehicles typically used to provide transit-connection services. Meanwhile Covid-19 has resulted in fewer people taking transit, further decreasing the effectiveness of services that work in conjunction with trips taken on mass transit.

Air District staff has been working to address these challenges, including examining the methodology used for evaluating a project's cost effectiveness and meeting with transit providers and project sponsors to understand the steps they are taking and timeline for encouraging commuters to return to transit post-shelter in place. During this next year, staff may also seek to evaluate these projects collectively rather than individually and capture this information as part of the evaluation of the Spare the Air program.

For FYE 2022, staff is recommending TFCA funds be allocated to support the following trip reduction project categories:

- ***Bicycle Facilities:*** To support the installation of new bikeways and secure bicycle parking to encourage and enable increased use of active modes of transportation such as walking, biking, and mode shift away from the use of motor vehicles for short first- and last- mile connections to mass transit.
- ***Infrastructure Improvements:*** To expand access and use of alternative transportation modes via design and construction of physical improvements of infrastructure such as ferry or bus terminals.

- ***Last-Mile Commuter Connections:*** To support the return of passengers to last-mile commute-connections, carpooling and rideshare services. The emission reduction benefits of these services may continue to be evaluated separately or may be evaluated as part of the Spare the Air program.

Clean Air Vehicles

Accelerating the adoption of zero-emission vehicles is the other key strategy to reducing on-road motor vehicle emissions, improving air quality, protecting the climate, and reducing reliance on fossil fuels. Electrification of all sectors of transportation, including light-duty passenger cars and heavy-duty trucks and buses, is essential in helping the region achieve local, state, and federal criteria pollutants and GHG emissions reduction targets.

Air District staff identified a key pathway to achieve the goals of Diesel Free by '33 by encouraging a phased-in replacement of diesel-fueled vehicles and equipment, including on-road vehicles with zero-emission technologies, which is advancing rapidly. Air District staff will continue to update the assessments of zero-emissions options that become commercially available and ensure the availability of funding to help incentivize adoption of newly commercialize vehicles as they come on-line.

The TFCA-funded incentive programs are augmented by other Air District efforts to increase adoption of zero emission vehicles and equipment. These include outreach activities and forums that promote new technologies, share best practices, and encourage local agencies to adopt supporting policies and local ordinances. Air District's efforts, in combination with other initiatives, have contributed to the Bay Area's high adoption rate of light-duty EVs and deployment of zero-emission medium- and heavy-duty trucks and buses in the region.

TFCA funds for clean air vehicle projects may be awarded to both public and non-public entities. For FYE 2022, staff is recommending TFCA funds be allocated to support the following project categories to accelerate the region's transition to zero-emission vehicles.

- ***EV Charging Stations:*** To support adoption of passenger EVs by helping to expand access to EV chargers. In FYE 2022, the District's programs will continue to prioritize installation of EV charging stations in multi-family dwellings and impacted communities.
- ***Zero-emissions Light-Duty Fleets:*** To accelerate the adoption of light-duty zero-emission vehicles. In FYE 2022, the District's programs will continue to prioritize high mileage public and private fleets.
- ***Zero-emission Medium- and Heavy- Duty Vehicles and Infrastructure:*** To accelerate the adoption of zero-emission trucks and buses for public and private fleets and the installation of supporting refueling infrastructure.

- ***Clean Cars for All:*** To augment funding from other sources to provide incentives to qualifying low-income residents to purchase new and used light-duty EVs or to transition to clean mobility options. CCFA is currently funded through the state's California Climate Investments (CCI) initiative, Volkswagen Mitigation settlement fund, and TFCA.
- ***Light-duty Vehicle Hydrogen Fueling Stations:*** Approximately \$500,000 from prior year funding is available for awards as a match to complement funding from California Energy Commission or the Volkswagen Environment Mitigation Trust for installation, upgrades, and improvements of hydrogen dispensing facilities.

Other Air District-Sponsored Programs:

For FYE 2022, staff is recommending that TFCA funds also be used to reduce motor vehicle trips and increase the adoption of clean air vehicles via Air District-sponsored programs.

- ***Spare the Air:*** To provide funding to support this public outreach program for the summer ozone season to conduct advertising, media, and educational activities and to reduce vehicle miles traveled and emissions by behavior modification.
- ***Flex Your Commute:*** Flex Your Commute is the new program dedicated to helping reshape employee commutes in the Bay Area and to work with Bay Area employers to encourage them to develop effective commute programs in the workplace.
- ***Commuter Benefits Program:*** To support the Air District's conducting compliance assistance and outreach to companies and government agencies, including education, outreach, monitoring, and tracking of Bay Area employers subject to the legislative requirements.
- ***Enhanced Mobile Source Inspections:*** To support the enhanced inspection patrols for reporting smoking vehicles and enforcement of the state's drayage truck regulation and related truck/mobile source regulations conducted at and adjacent to the Port of Oakland.
- ***Vehicle Buy Back:*** To support administrative and marketing efforts undertaken by the Air District's contractors to implement this voluntary early retirement program that pays \$1,200 to owners of operable and registered model year 1997 or older vehicles. This funding augments approximately \$7 million annually in funding from the Carl Moyer and Mobile Source Incentive Fund programs, which provide the funding that is used for payment to program participants.

TFCA Cost-Effectiveness

The TFCA authorizing legislation requires the Air District to adopt cost-effectiveness criteria to maximize emissions reductions and public health benefits. Cost-effectiveness (C/E) is one of the key criteria used to evaluate and select projects to be funded by TFCA³. In addition to reducing pollutants, TFCA-funded projects provide other co-benefits such as conserving energy and reducing GHG emissions; reducing traffic congestion; improving quality of life for residents and commuters by expanding access to services that provide first- and last-mile connections to rail, ferry, and mass transit; and improving physical fitness and public safety by facilitating active modes of transportation such as walking and biking.

Due to their overlapping target audience and shared goals, staff is exploring the option of evaluating the emissions reductions benefits from all Air District sponsored outreach and education programs collectively including the Spare the Air, Flex Your Commute, and Commuter Benefits programs. This next year the benefits from the last-mile commuter connection services may also be evaluated under the Spare the Air program. Further, staff recommends a temporary increase to the maximum C/E from \$90,000 to \$500,000 for these programs until the Shelter-in-Place ends and ridership on last-mile connection shuttles, rideshare and similar projects returns to pre-pandemic levels. The remaining Project Categories would maintain the same maximum C/E as last year. The proposed cost-effectiveness limits and project operational period (POP) for each of the Air District-sponsored programs is shown in Table 2:

Table 2 – Proposed Cost-Effectiveness and POP for Air District-Sponsored Programs

Program Categories	Max. C/E	POP
	(per ton of emissions reduced)	(in Years)
Spare the Air, Flex Your Commute & Commuter Benefits	\$500,000*	1
Enhanced Mobile Source Inspections	\$500,000	1
Clean Cars for All	\$500,000	3
Vehicle Buy Back**	NA	NA

*Temporary Increase due to Global Pandemic

**Emission reductions would be entirely credited to the Carl Moyer Program.

For programs and projects offered under the Regional Fund, staff will return to the Mobile Source Committee with a recommendation for C/E limits later this Spring.

³ C/E is calculated by dividing TFCA funds awarded by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted particulate matter (PM10) over the project operational period (POP).

Administration

Staff is proposing that the Executive Officer/APCO continue to approve TFCA Grant Agreements with individual grant award amounts up to \$100,000. TFCA projects with grant award amounts over \$100,000 will continue to be brought to the Committee for consideration at least on a quarterly basis.

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
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