



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE AND 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**

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- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE
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<https://bayareametro.zoom.us/j/87255577922>

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

WEBINAR ID: 872 5557 7922

- **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
APRIL 22, 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 MARCH 25, 2021

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Mobile Source and Climate Impacts Committee meeting of March 25, 2021.

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

A. Shapiro/8441

ashapiro@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the award of the Carl Moyer 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. **TRANSPORTATION FUND FOR CLEAN AIR (TFCA) AUDIT #21 RESULTS: AIR DISTRICT-SPONSORED PROGRAMS AND COUNTY PROGRAM MANAGER FUND PROJECTS**

K. Mak/8660

kmak@baaqmd.gov

The Committee will receive the second part of an informational report summarizing the findings of the compliance audits (Audit #21) of Transportation Fund for Clean Air (TFCA) Air District-Sponsored Programs and County Program Manager Fund Projects.

5. **TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER EXPENDITURE PLANS FOR FISCAL YEAR ENDING 2022**

H. Cha/8722

hcha@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the award of Fiscal Year Ending 2022 Transportation Fund for Clean Air funds proposed in the County Program Manager Expenditure Plans.

6. **CLEAN CARS FOR ALL PROGRAM FUNDING**

T. Le/8666

tle@baaqmd.gov

The Committee will receive an update on the Clean Cars for All Program and will consider recommending to the Board of Directors adopt a resolution authorizing the Executive Officer/APCO to accept, obligate, and expend up to \$3 million from the California Air Resources Board for the Bay Area Clean Cars for All Program.

7. **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.

8. **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)

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

Thursday, May 27, 2021, at 9:30 a.m. via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

10. **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 Air 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

APRIL 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source and 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 and Climate Impacts Committee	Thursday	22	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

MAY 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting Budget Hearing	Wednesday	5	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	5	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	6	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	17	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	19	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	19	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	28	1:00 p.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: April 14, 2021

Re: Approval of the Minutes of March 25, 2021

RECOMMENDED ACTION

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

DISCUSSION

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

AGENDA: 2A – ATTACHMENT

Draft Minutes – Mobile Source and Climate Impacts Committee Meeting of March 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 and Climate Impacts Committee Meeting
Thursday, March 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 and Climate Impacts Committee (Committee) Co-Chairperson, Katie Rice, called the meeting to order at 9:32 a.m.

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

Absent: Directors Margaret Abe-Koga, Davina Hurt, and Lori Wilson.

Also Present: None.

2. Approval of the Minutes of Meeting of February 25, 2021

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 Meeting of February 25, 2021; and the motion carried by the following vote of the Committee:

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

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

Damian Breen, Senior Deputy Executive Officer of Operations, gave the staff presentation *Mission Statement, Climate Agenda, and Schedule for 2021*, including: outcome; outline; requested action; background; previous committees’ mission statements; proposed mission statement; funding for Electric Vehicles (EV), funding for cleaner vehicles and trip reduction, reducing greenhouse gases (GHG) from transportation; statewide and national coordination; Committee calendar; and feedback requested/prompt.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the request to enhance and prioritize EV charging infrastructure; whether the Air District’s EV Action Plan address the decline in driving, due to the pandemic; concerns about poor land use planning impacting desired vehicle miles travel reductions; lack of EV charging infrastructure at multi-family dwellings; the suggestion of adding language regarding equity goals in the proposed mission statement for the Committee; how many Clean Cars for All transactions have occurred through the Air District, how much money has been allocated for that program; and how many low-income households were awarded funds within that program; the request for regular status updates on the Clean Cars for All Program.

Committee Action

Director Mitchoff made a motion, seconded by Director Hudson, to recommend the Board **approves** the proposed Calendar for the Mobile Source and Climate Impacts Committee Meetings for 2021; and the motion carried by the following vote of the Committee:

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

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

Chengfeng Wang, Air Quality Program Manager, gave the staff presentation *Projects and Contracts with Proposed Awards over \$100,000*, including: outcome; outline; requested actions; 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 the estimated emissions reductions for Project No. 22SBP14 (Milpitas Unified School District electric school bus replacement project); whether there are pending project applications or a lack of applications (across all grant programs); and whether the Air District anticipates that all available grant funding will be allocated by the programs' deadlines, and whether that typically happens.

Committee Action

Director Hopkins made a motion, seconded by Director Hudson, to recommend the Board **approves** 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 **authorizes** 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: Canepa, Cutter, Gioia, Hopkins, Hudson, Mitchoff, Rennie, Rice.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Hurt, Wilson.

5. FISCAL YEAR ENDING (FYE) 2022 TRANSPORTATION FUND FOR CLEAN AIR FUNDING ALLOCATION

Ken Mak, Supervising Staff Specialist, gave the staff presentation *TFCA Allocation FYE 2022*, including: outcome; outline; requested action; TFCA background; strategies for reducing emissions; proposed FYE 2022 TFCA funding allocation; trip reduction; clean air vehicles; Air District-sponsored programs; proposed cost effectiveness of Air District-sponsored programs; cost effectiveness evaluation of Air District-sponsored programs; FYE 2022 TFCA timeline; and feedback/requested prompt.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed concerns about some of the proposed updates to the cost-effectiveness limits for the Air District-sponsored TFCA-funded programs and projects; the decline in transit ridership (prior to and during the pandemic; and how much funding to give transit systems when they are not being frequently used.

Committee Action

Director Mitchoff made a motion, seconded by Director Cutter, to recommend the Board **approves** the proposed new funding allocation of the TFCA revenues for FYE 2022, the proposed cost-effectiveness limits for Air District-sponsored TFCA programs, and **authorizes** the Executive Officer/APCO to enter into funding agreements and contracts up to \$100,000 for recommended projects; and the motion carried by the following vote of the Committee:

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

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS

Director Hudson reported that at a League of California Cities’ Roundtable Discussion on March 24, the moderator, Susan Price, Assistant City Manager for the City of Costa Mesa, highlighted specific efforts to address homelessness in Sonoma County.

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 meeting adjourned at 10:48 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 and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 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 (NO_x), 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 March 22, 2021, the Air District had received or evaluated 106 project applications. Of the applications that were evaluated between February 23, 2021 and March 22, 2021, five eligible projects have proposed grant awards over \$100,000. Three off-road agricultural projects will replace four pieces of mobile, diesel-powered equipment. One marine project will replace two propulsion diesel engines of a tugboat. One school bus project will replace four compressed natural gas school buses with cleaner CNG buses. These projects will reduce over 21.4 tons of NOx, ROG, and PM per year. Staff recommends the allocation of \$4,206,270 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 between July 1, 2020 and March 22, 2021, and includes information about equipment category, award amounts, estimated emissions reductions, and county location. To date, approximately 66% 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 the location of projects and program participants becomes available.

¹ For the purpose of determining whether funding was awarded or allocated to low-income residents or to projects that reduce emissions in CARE, SB 535, and/or low-income AB 1550 communities, funds awarded and allocated to date does not include any amounts awarded to regional projects where all communities receive the benefit. It also does not include amounts awarded to projects where the location of the benefit is unknown until additional information 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 March 22, 2021, the Air District had received six project applications. There were no other projects evaluated between February 23, 2021, and March 22, 2021, with proposed grant awards over \$100,000.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2020 and March 22, 2021, including information about the project category, award amount, estimated emissions reduction, and county location. To date, approximately 89% of the funds have been awarded or allocated to low-income residents or to projects that reduce emissions in CARE, 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, Linda Hui, and Chad White

Reviewed by: 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 3/22/21

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

Attachment 4: Summary of funding awarded and allocated between 7/1/20 and 3/22/21

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 2/23/21 and 3/22/21)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
22MOY101	Foss Maritime Company LLC	Marine	Replacement of tugboat's two Tier 2 marine propulsion engines with Tier 4 propulsion engines	\$ 2,886,000	\$ 3,038,487	16.443	1.467	0.548	Contra Costa
22MOY67	Morrison Dairy	Off-Road/Ag	Replace one diesel ag tractor Tier-2 engine with one diesel ag tractor Tier-4 engine. Replace additional diesel ag tractor Tier-1 engine with one diesel ag tractor Tier-4 engine.	\$ 107,400	\$ 170,807.00	0.201	0.026	0.023	Sonoma
22MOY100	Poncia Fertilizer, Inc.	Off-Road/Ag	Replace one diesel ag tractor Tier-0 engine with one diesel ag tractor Tier-4 engine	\$ 166,700	\$ 185,272	1.140	0.111	0.059	Sonoma
22MOY85	Bordessa Family Dairies	Off-Road/Ag	Replace one diesel ag tractor Tier-0 engine with one diesel ag tractor Tier-4 engine	\$ 218,350	\$ 272,991	0.717	0.066	0.041	Sonoma
22SBP9	Napa Valley Unified School District	School Bus	Replace four CNG school buses with four low-NO _x CNG school buses	\$ 827,820	\$ 827,820	0.564	0.055	0.000	Napa
5 Projects				\$ 4,206,270	\$ 4,495,377	19.065	1.725	0.671	

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated
(between 7/1/20 and 3/22/21)*

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 3/22/21)*

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	\$ 258,081.00	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 3/22/21)*

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 3/22/21)*

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	Cornestone 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 3/22/21)*

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	Santa Clara
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
22MOY77	Ag/ off-road	Equipment replacement	1	\$ 41,000.00	Marc Mondavi	0.035	0.008	0.006	APCO	No	No	Napa
22MOY88	Ag/ off-road	Equipment replacement	1	\$ 43,500.00	Anselmo Farms LLC	0.049	0.005	0.005	APCO	No	No	Solano
21MOY185	Ag/ off-road	Equipment replacement	1	\$ 57,300.00	Wente Bros. dba. Wente Vineyards	0.213	0.034	0.026	APCO	Yes	No	Solano
22MOY85	Ag/ off-road	Equipment replacement	1	\$ 218,350.00	Bordessa Family Dairies	0.717	0.066	0.041	TBD	No	No	Sonoma
21MOY222	Ag/ off-road	Equipment replacement	1	\$ 40,950.00	Jack Neal and Son Inc	0.092	0.015	0.011	APCO	No	No	Napa
22MOY87	Ag/ off-road	Equipment replacement	1	\$ 60,000.00	Mike K. Waller	0.092	0.011	0.006	APCO	No	No	Solano
22MOY99	Ag/ off-road	Equipment replacement	1	\$ 60,000.00	Daylight Vineyard Management, inc.	0.062	0.005	0.007	APCO	No	No	Sonoma
22MOY100	Ag/ off-road	Equipment replacement	1	\$ 166,700.00	Poncia Fertilizer, Inc.	1.140	0.111	0.059	TBD	No	Yes	Sonoma
22MOY67	Ag/ off-road	Equipment replacement	2	\$ 107,400.00	Morrison Dairy	0.201	0.026	0.023	TBD	No	No	Sonoma
22SBP9	School Bus	Equipment replacement	4	\$ 827,820.00	Napa Valley Unified School District	0.564	0.055	0.000	TBD	No	Yes	Napa
22MOY101	Marine	Equipment replacement	2	\$ 2,886,000.00	Foss Maritime Company LLC	16.443	1.467	0.548	TBD	Yes	Yes	Contra Costa
106 Projects			163	\$ 20,005,572		88.0	8.1	3.4				

AGENDA 3 - ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/20 and 3/22/21)

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

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

AGENDA 3 - ATTACHMENT 4

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

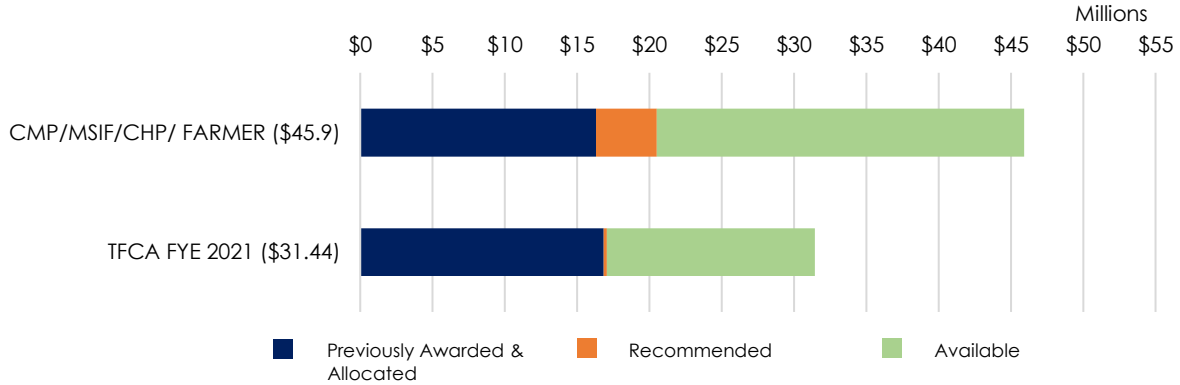


Figure 2. Funding awarded and allocated in FYE 2021 by county:

includes funds awarded & recommended for award

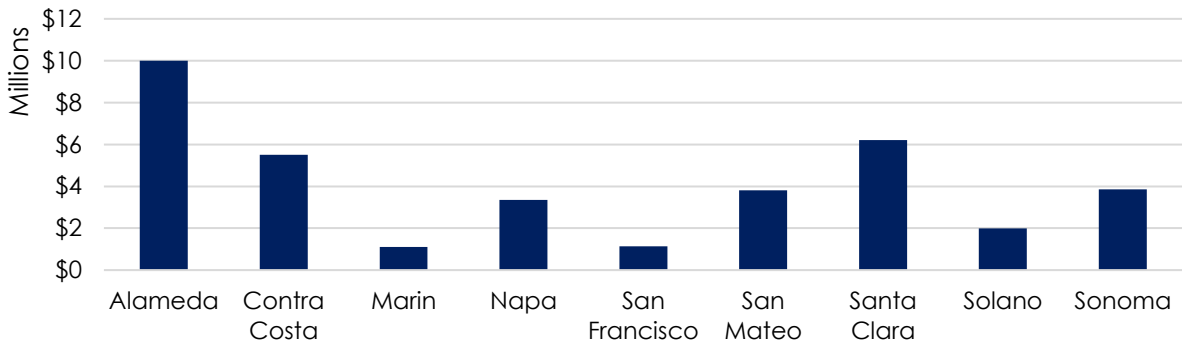
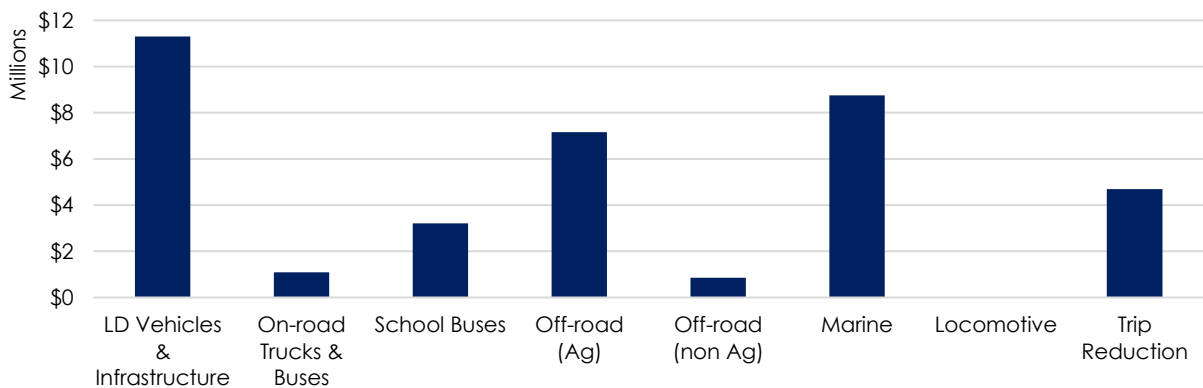


Figure 3. Funding awarded and allocated in FYE 2021 by project category

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: April 14, 2021

Re: Transportation Fund for Clean Air (TFCA) Audit #21 Results: Air District-Sponsored
Programs and County Program Manager Fund Projects

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 1991 the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. Since 1992, the Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) Program to fund eligible projects and programs. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (i.e., Air District-sponsored programs) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to the designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

HSC Section 44242 requires that the Air District conduct an audit of projects and programs funded with TFCA monies, at least once every two years. The Air District typically conducts an audit of Regional Fund projects and Air District-Sponsored programs annually and County Program Manager Fund projects biennially. On October 4, 2017, the Air District's Board of Directors (Board) approved the award of a contract to Simpson & Simpson, LLP for audit services, including a financial and compliance review of TFCA-funded projects and programs. On January 20, 2021, the Board approved an extension of that contract of up to two additional years.

DISCUSSION

The *Audit Summary Reports*, included as Attachments 1 & 2, summarize the results of Audit #21 conducted by Simpson & Simpson covering Regional Fund projects, Air District-sponsored programs, and County Program Manager Fund projects that were completed prior to June 30, 2019. There were no findings for the Regional Fund projects and the results of this audit were presented to the Mobile Source Committee on December 2, 2020.

This staff report focuses only on the results of the audited Air District-sponsored programs and the County Program Manager Fund projects. For the purpose of the TFCA audits, projects and programs are considered “completed” after all funded project equipment has been purchased and placed into service or all contracted services have been conducted and the Air District has approved a project sponsor’s final invoice, which documents the project sponsor’s expenditure of all eligible project funds. ***For the audit of Air District-sponsored projects and County Manager Fund programs no financial findings were identified, but one compliance finding, which is further discussed below in the County Program Manager Fund section, was identified.*** A list of the projects and programs that were reviewed for Audit #21 is available in Appendix B in each of the attached reports.

Audit field work was conducted by Simpson & Simpson, LLP during the months of March 2020 through February 2021. Following the completion of field work, Simpson & Simpson, LLP issued a draft audit report to each of the project sponsors and offered an opportunity to those with any preliminary findings to provide a management response.

Results for TFCA Air District-Sponsored Programs

The Audit Summary Report for the TFCA Air District-Sponsored Programs is included as Attachment 1. Appendix B of this report contains a list of the projects and programs that were audited. **There were no reported findings.**

The lack of findings in Air District-Sponsored Program projects reflects an overall improvement in the Air District’s adherence to program requirements and is the result of actions taken by Air District staff over the years to improve and strengthen its own administrative processes.

Results for TFCA County Program Manager Fund Program

The Audit Summary Report for the County Program Manager Fund is included as Attachment 2. Appendix B of this report contains a list of the projects and programs that were audited. There was one compliance finding reported regarding Contra Costa Transportation Authority’s (CCTA) TFCA County Program Manager administrative funds. The auditors noted that they were unable to verify the administrative funds expended because CCTA historically has allocated hours allowed for this TFCA Program by the budget, which is set annually, instead of by actual expenditures.

The CCTA's management response acknowledges that CCTA has since changed their payroll procedure to timecards and will be able to meet future audit requirements. For this reason, staff considers this audit finding to be corrected and CCTA remains in good standing as long as they continue to abide by the improvements that are described in their own management's response.

Air District staff will continue to work closely with the County Program Managers to improve and strengthen administrative processes and will also be updating the County Program Manager Fund Expenditure Plan Guidance to clarify the audit-compliant requirements.

A discussion of the audit process, results, and the steps that Air District staff has taken to ensure continued compliance with program requirements will be presented at the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Administrative costs for the TFCA audit and staff are provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Hannah Cha and Linda Hui

Reviewed by: Karen Schkolnick, Minda Berbeco and Ken Mak

Attachment 1: TFCA Audit #21 Summary Report for the TFCA Regional Fund and Air District-Sponsored Programs

Attachment 2: TFCA Audit #21 Summary Report for the TFCA County Program Manager Fund Program

04/22/2021 MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE

ATTACHMENT 1

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

**TRANSPORTATION FUND
FOR CLEAN AIR PROGRAM**

AUDIT NO. 21 SUMMARY REPORT



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM**

Table of Contents

	Page
1. Introduction.....	1
2. Project Description	1
3. Audit Process.....	2
4. Project Sponsor Findings.....	3
5. Other Program Compliance Review.....	4
 Appendix:	
A- Health and Safety Code Sections 44241 and 44242.....	6
B- Listing of Audited Projects.....	10

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

1 – INTRODUCTION

The Bay Area Air Quality Management District (Air District) was created by the California legislature in 1955. The Air District's structure, operating procedures and authority are established by Division 26 of the California Health and Safety Code.

The Air District includes seven counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara and portions of two other counties, Southwestern Solano and Southern Sonoma. The Air District is governed by a twenty-two-member Board of Directors that includes representatives from all of the above counties.

The Air District's jurisdiction is limited principally to policing non-vehicular sources of air pollution within the Bay Area, primarily industry pollution and burning. Any company wishing to build or modify a facility in the Bay area must first obtain a permit from the Air District to ensure that the facility complies with all applicable rules.

The Air District also acts as the program administrator for Transportation Fund for Clean Air (TFCA) funds and Mobile Source Incentive funds (MSIF) derived from Assembly Bill 434 and Assembly Bill 923 respectively. TFCA and MSIF funding comes from a \$4 and \$2 surcharge, respectively, on motor vehicles registered within the Air District. TFCA funding may only be used to fund eligible projects that reduce motor vehicle emissions and support the implementation of the transportation and mobile source control measures in the Clean Air Plan in place at time of award. All projects must fall within the categories listed in State Law (Health and Safety Code Section 44241).

The Health and Safety Code requires the Air District to pass-through no less than 40% of the TFCA revenues raised within a particular county, after audit and administrative costs, to that county's designated Program Manager. The remaining 60% is for Regional Fund grants and is being allocated to projects on a competitive basis. Projects are evaluated using the Air District's Board adopted evaluation and scoring criteria.

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and “smart streets.”

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

2 – PROGRAM DESCRIPTION (continued)

- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrapperage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

State law requires that any agency receiving TFCA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct TFCA financial and compliance Audit No. 21, which included Regional Fund projects and Air District-sponsored programs completed prior to June 30, 2019. These audits were conducted during the months of March 2020 through February 2021.

A total of 6 individual project sponsors and 11 projects were audited, with \$3,697,129 total funds expended for projects included in Audit No. 21. A listing of the projects audited is provided in Appendix B.

Unmodified opinions were issued on all 6 financial audit reports.

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's Regional Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which is described below:

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

3 – AUDIT PROCESS (continued)

Procedures performed included, but were not limited to:

- Gaining an understanding of the project sponsors' internal controls over financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the project sponsor's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with project sponsors to inquire about known, alleged or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

The audit includes examining, on a test basis, evidence about the project sponsor's compliance with those requirements and performing such other procedures as considered necessary in the circumstances.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

4 – PROJECT SPONSOR FINDINGS

Audit of the Schedules of Expenditures

No project sponsor findings were identified for the projects audited as part of Audit No. 21.

Compliance Auditing Procedures

No project sponsor findings were identified for the projects audited as part of Audit No. 21.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Audit No. 21 Summary Report**

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the project sponsor's compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report over their results of the procedures performed.

APPENDIX A

HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvned to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
 - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. 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.
 - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
 - (8) Implementation of a smoking vehicles program.
 - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision (c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 21**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
 - (1) Make the audit available to the public and to the affected agency upon request.
 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
 - (1) Notify the agency of its determination.
 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B
LISTING OF AUDITED PROJECTS

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix B – Listing of Audited Projects
For Audit No. 21**

TFCA Project Number	Project Sponsor	Project Description	Final Project Expenses
19R00	BAAQMD	Administration	\$ 1,142,354.00
19R01	BAAQMD	Enhanced Mobile Source & Commuter Benefits Enforcement	89,994.00
19R02	BAAQMD	Vehicle Buy Back Program	117,043.00
19R03	BAAQMD	Spare the Air/Intermittent Control Programs	1,699,041.00
17EV017	601 Marshall Street Owner, LLC	Install 5 dual-port and 1 single-port level 2 (high) charging stations in Redwood City	23,000.00
16R12	Associated Students of San Jose State University	Smart Pass Program	140,000.00
17R12	Associated Students of San Jose State University	Smart Pass Program	139,329.00
18R05	Associated Students of San Jose State University	Smart Pass Program	140,000.00
18R12	City of Emeryville	Emeryville Go-Round Watergate Express Project	67,177.00
17EV004	MPVCA Brisbane, LLC	Install 3 dual-port level 2 charging stations in Brisbane	12,000.00
15R29A	Trillium USA Company, LLC	Upgrade existing CNG refueling station in Berkeley	127,191.00
Final Project Expenses			\$ 3,697,129.00
Total Projects			11
Total Project Sponsors			6

04/22/2021 MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE

ATTACHMENT 2

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR
COUNTY PROGRAM MANAGER FUND
AUDIT NO. 21 SUMMARY REPORT**



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND**

Table of Contents

	Page
1. Introduction.....	1
2. Project Description	1
3. Audit Process.....	3
4. County Program Manager Findings.....	4
5. Other Program Compliance Review.....	5
Appendix:	
A- Health and Safety Code Sections 44241 and 44242.....	7
B- Listing of Audited Projects.....	11

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

1 – INTRODUCTION

The Bay Area Air Quality Management District (Air District), created by the California legislature in 1955, is the state's first regional agency dealing with air pollution. The Air District regulates stationary sources of air pollution within the nine San Francisco Bay Area counties in California. The Air District's jurisdiction includes Alameda County, Contra Costa County, Marin County, Napa County, City/County of San Francisco, San Mateo County, Santa Clara County, southern Sonoma County, and south-western Solano County. The primary mission of the Air District is to achieve ambient air quality standards designed to protect the public's health and the environment. The Air District is governed by a twenty-two-member Board of Directors who has the authority to develop and enforce regulations for the control of air pollution within its jurisdiction

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the County Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrapperage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

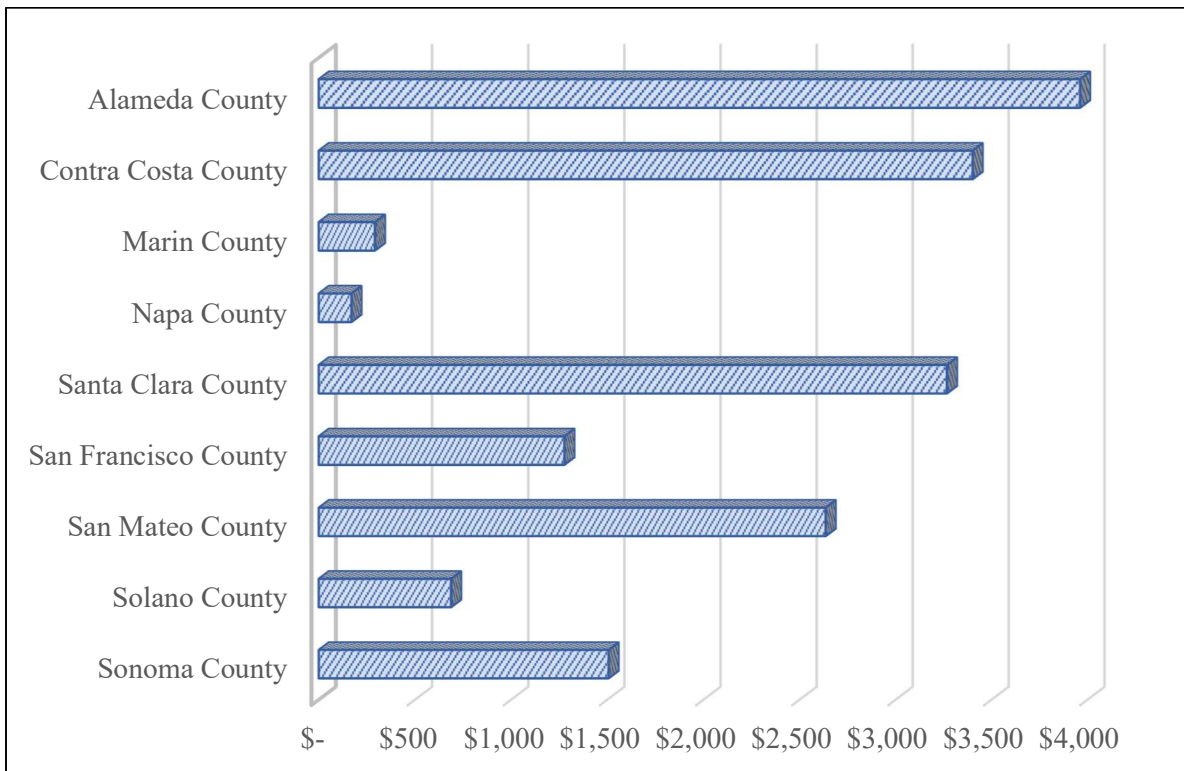
2 – PROGRAM DESCRIPTION (continued)

State law requires that any agency receiving TFCFA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct financial and compliance audits of completed projects funded through the County Program Manager Fund for the project period ended June 30, 2019.

The graph below reports the amount of TFCFA Funds allocated to each of the individual County Program Managers for projects that closed during the period from July 1, 2017 through June 30, 2019. These audits were performed during the period of March 2020 through February 2021. A list of audited projects is provided in Appendix B.

**Total Funds Expended by County Program Manager for Projects Completed
During the Period of July 1, 2017 through June 30, 2019 (in thousands)**



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's County Program Manager Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which is described below.

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Procedures performed included, but were not limited to:

- Gaining an understanding of the County Program Managers' internal controls over financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the County Program Manager's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with County Program Managers to inquire about known, alleged or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

4 – COUNTY PROGRAM MANAGER FINDINGS

Contra Costa Transportation Authority - Finding No. 2019-1 – Program Administration – Payroll Expenditures

TFCA Project Affected

- Project Number: 18CC00
- Project Sponsor: Contra Costa Transportation Authority (Authority)
- Project Description: Program Administration (Material Weakness)

Criteria

Payroll expenditures incurred by the Authority are required to be supported by employee time sheets as stipulated in the funding agreement between the Bay Area Air Quality Management District (Air District) and the Authority:

To maintain, and to require that each Sub-awardee maintain, employee time sheets documenting those hourly labor costs incurred in the implementation of this Agreement, including both administrative and Program Project implementation costs, or to establish an alternative method to document staff costs charged to the funded project.

Time sheets should reflect an employee's hours of actual time incurred on the program.

Condition, Cause and Effect

We reviewed the total expenditures charged to TFCA Project 18CC00, Program Administration (Program), amounting to \$98,530.67 which is made up of payroll charges incurred during the time period of July 16, 2017 through June 30, 2018 for a total of four (4) Authority personnel.

The Authority provided time sheets supporting the total hours charged by the personnel. We identified that the hours charged to the Program was not based on actual hours incurred by the personnel but was based on a budgeted allocation of hours, established in the beginning of the year, which remains fixed throughout the fiscal year. The personnel enters their total hours worked on a daily basis for all of their job duties, but do not specifically track their time worked on the Program.

The Authority's payroll system will allocate a predetermined fixed percentage (estimated amount of time) to the Program and the Authority will evaluate the total payroll costs charged to the Program to ensure it did not exceed the legislatively mandated cap of 6.25% of their respective fiscal year's TFCA revenue distribution.

The Authority does have the capability for its personnel to track hours on a per project basis but have not implemented this requirement specifically over the Program. The Authority's lack of tracking personnel time incurred on the Program establishes an internal control environment in which the Authority would be unable to prevent or detect potential overcharges in payroll time incurred.

Consequently, the supporting documentation provided is not sufficient to support the total payroll costs charged amounting to \$98,530.67.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Audit No. 21 Summary Report**

4 – COUNTY PROGRAM MANAGER FINDINGS (continued)

Questioned Costs

As a result, a total of \$98,530.67 represents unsupported payroll costs charged to TFCA Project 18CC00, Program Administration. The Schedule of Expenditures of Transportation Fund reflects an audit adjustment removing these costs from the Final Project Expenditures as of June 30, 2019.

Recommendation

We recommend that the Authority implement a time keeping system which requires employees who work on the Program to charge time based on actual hours incurred and not based on a fixed budgeted percentage.

Authority's Response

The Authority's Finance Department has historically reviewed and allocated time on the TFCA program administration based on actual time spent by staff implementing and managing the program funds. The Authority's historical role has been to review the list of duties by all staff carrying out the TFCA program. Staff would review on an annual basis and at the midyear budget the amount of time used to deliver the programs. These hours were added into the existing payroll system and allocated over the fiscal year as a percentage of payroll costs to reflect the percentage of time to deliver the program.

The Authority has recently implemented a new payroll timesheet system that has the capabilities to track hours on a bi-weekly basis and will utilize this system moving forward to allocate time spent on the implementation and tracking of the TFCA administrative program management.

The tasks involved by the Authority to deliver on the programs is as follows.

- Reporting to TFCA – Authority Program Manager
- Reading of TFCA reports and coordinating with TFCA staff - Authority Program Manager
- Board Letters prepared to allocate funding and programs - Authority Program Manager and Administrative Staff
- Creating of templates to create contracts and PO's - Authority Program Manager and Finance Staff
- Paying monthly invoices - Authority Program Manager and Finance Staff
- Budget and Financial reporting on the TFCA fund - Authority Program Manager and Finance Staff
- Working with all the county agencies and transportation agencies for updates and reporting and providing guidance - Authority Program Manager

We confirm that we use the timesheet method above to calculate our County Program's Administrative Cost and will consistently follow the administrative procedure.

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the County Program Managers' compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report over their results of the procedures performed.

APPENDIX A

HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 21 Summary Report**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvended to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
 - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. 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.
 - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
 - (8) Implementation of a smoking vehicles program.
 - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 21 Summary Report**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.

- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.

- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.

- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.

- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision(c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 21 Summary Report**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.

- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
 - (1) Make the audit available to the public and to the affected agency upon request.

 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.

- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
 - (1) Notify the agency of its determination.

 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.

 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.

- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B
LISTING OF AUDITED PROJECTS

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Alameda County Transportation Commission:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Alameda County Transportation Commission		
Alameda County GRH and TDM Information Services, Fiscal Years 13/14 - 14/15	14ALA12	\$ 252,092.12
East Bay Greenway	14ALA08	135,146.75
Countywide Bicycling, Transit and Carpool Promotion Programs	16ALA02	205,568.85
Alameda County Guaranteed Ride Home and Countywide TDM Information Services Program	16ALA13	148,054.03
Countywide SR2S Program, Fiscal Years 16/17 & 17/18	17ALA01	83,197.56
Program Administration	18ALA00	123,925.11
Countywide Guaranteed Ride Home and TDM Program, Fiscal Years 17/18 & 18/19	18ALA10	217,646.30
Program Administration	19ALA00	125,263.84
Alameda County Public Works Agency		
Fairmont Class II Bicycle Lanes	14ALA01	90,000.00
California State University, East Bay		
CSUEB Campus Shuttle II, Fiscal Years 15/16 (non-peak) & 15/17 (all hours)	16ALA12	123,000.00
CSUEB - Hayward BART 2nd Shuttle, Fiscal Year 17/18	17ALA09	128,000.00
City of Albany		
Marin Ave Class 2 Bike Lane Gap Closure	16ALA03	95,000.00
City of Berkeley		
Berkeley Citywide Bicycle Parking Program	16ALA04	94,000.00
Hearst Ave Class 2 Bike Lanes	17ALA04	59,394.39
City of Fremont		
Downtown Fremont to I-880 Arterial Management	15ALA04	326,570.12
City of Hayward		
Traffic Signal Controller Upgrade and Synchronization	10ALA04	614,000.00
Post-project Monitoring/Retiming Activities for Arterial Management Project	11ALA07	18,700.00
"A" Street Signal Upgrade and Coordination	14ALA05	190,000.00
West "A" Street Signal Upgrade and Coordination - Video Detection for	15ALA05	26,581.55
City of Oakland		
CityRacks, Phase 12	16ALA07	116,621.27
Oakland Broadway B Shuttle	17ALA06	353,500.00
City of Pleasanton		
Pleasanton Trip Reduction Program, Fiscal Years 15/16 & 16/17	16ALA08	53,000.00
Pleasanton Trip Reduction Program, Fiscal Years 17/18 & 18/19	18ALA07	64,999.98
Livermore Amador Valley Transit Authority (LAVTA)		
LAVTA Rte 30 BRT Operations, Fiscal Years 17/18-18/19	17ALA10	318,000.00
Total		\$ 3,962,261.87

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Contra Costa Transportation Authority:

Project Sponsor	TFCA Project Number	Final Project Expenditures through 6/30/2019
Contra Costa Transportation Authority		
Central/East SOV Trip/Emissions Reduction Program	17CC02	\$ 801,666.00
Central/East SOV Trip/Emissions Reduction Program	18CC02	821,004.00
West CC Transportation Advisory Committee		
West Contra Costa Commute Incentive Program	14CC01	65,142.00
West County Employer Outreach	14CC02	130,000.00
Countywide Guaranteed Ride Home Program	14CC03	115,000.00
City of San Ramon		
511CC Countywide Vanpool Incentive Program	15CC04	66,475.00
511CC Southwest Student Program	15CC05	122,015.00
West Contra Costa Transportation Advisory Committee		
West Contra Costa County Emissions/Trip Reduction Program	16CC01	396,811.00
West Contra Costa Trip Reduction Program	17CC01	319,677.00
City of San Ramon		
Southwest Contra Costa County Emissions/Trip Reduction Program	16CC03	214,840.00
511CC Countywide Vanpool Incentive Program	16CC04	66,475.00
Southwest Contra Costa County Emissions/Trip Reduction Program	17CC03	283,602.00
Total		<u>\$ 3,402,707.00</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Transportation Authority of Marin:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Transportation Authority of Marin		
Tam Junction Improvements Class 2 Bike Project Gap Closure	16MAR02	\$ 80,000.00
Program Administration	18MAR00	22,602.44
Marin County		
Olive Avenue Class 2 Bicycle Lane Gap Closure	14MAR02	13,923.00
City of Mill Valley		
Miller Avenue Bicycle and Pedestrian Gap Closures	14MAR03	175,000.00
Final Project Expenses		<u>\$ 291,525.44</u>
Total		

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Napa County Transportation and Planning Agency:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
City of Napa		
Tulocay Creek Bridge and Trail	16NAP02	\$ 125,000.00
Solano Napa Commuter Information (SNCI)		
SNCI Napa County Marketing and Commute Incentives	17NAP03	37,262.67
Napa Valley Transportation Authority		
Program Administration	18NAP00	7,573.59
Total		<u>\$ 169,836.26</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Santa Clara Valley Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Santa Clara Valley Transportation Authority		
Capitol Expressway Pedestrian Improvements	15SC12	\$ 198,000.00
Program Administration	18SC00	155,161.69
DASH Shuttle	18SC07	870,000.00
Program Administration	19SC00	160,039.00
City of Santa Clara		
Saratoga Signal Timing & Interconnect Project	15SC07	498,000.00
Tasman Drive Bicycle Lanes	16SC08	95,000.00
City of Sunnyvale		
Mathilda- Sunnyvale Saratoga Corridor Signal Timing Improvements	16SC03	156,284.05
Wolfe Road Corridor Signal Timing Improvements	16SC10	98,329.43
Homestead Road Corridor Signal Timing Improvements	16SC11	105,124.09
Fremond Avenue Signal Timing Improvements	17SC05	55,321.00
Mary Avenue Signal Timing Improvements	17SC06	98,724.00
Hollenbeck Avenue Signal Timing Improvements	17SC07	59,869.00
Remington Drive Signal Timing Improvements	17SC08	38,897.00
Mary Avenue Bicycle and Traffic Calming Project	17SC12	245,000.00
County of Santa Clara Roads and Airports Department		
Weekend Signal Timing Coordination of Capitol Expressway, Foothill Expressway, Lawrence Expressway, and San Tomas Expressway	17SC10	180,000.00
Central, Montague, and Oregon-Page Mill Expressway Weekend Signal Timing Coordination	18SC10	240,000.00
City of San Jose		
Electric Vehicle Charging Stations at Library & Community Centers	18SC11	14,000.00
Total		<u>\$ 3,267,749.26</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

San Francisco County Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
San Francisco County Transportation Authority		
Program Administration	18SF00	\$ 46,003.08
Program Administration	19SF00	47,493.70
San Francisco Department of Public Health		
San Francisco General Hospital Shuttle: BART Loop Expansion Pilot	16SF02	23,105.88
San Francisco Municipal Transportation Agency		
Regional Bicycle Sharing Pilot - Phase 1B	14SF04	388,208.00
Short Term Bicycle Parking	16SF04	366,925.00
Short-Term Bicycle Parking	17SF04	335,988.00
San Francisco Department of the Environment		
San Francisco Emergency Ride Home Program	17SF03	30,924.54
Emergency Ride Home Program	18SF03	38,117.47
Total		<u>\$ 1,276,765.67</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

City/County Association of Governments of San Mateo County:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
City/County Association of Governments of San Mateo County		
San Mateo County Smart Corridor - South San Francisco Expansion	17SM05	\$ 131,871.54
Program Administration	18SM00	45,987.01
Countywide Carpool Incentive Program	18SM04	675,000.00
Program Administration	19SM00	40,206.22
Peninsula Traffic Congestion Relief Alliance		
Countywide Voluntary Trip Reduction Program	18SM01	600,000.00
Countywide Voluntary Trip Reduction Program	19SM01	600,000.00
SamTrans		
SamTrans Bike Racks on Buses	17SM04	160,128.00
SamTrans Shuttle Program	18SM02	110,000.00
SamTrans Shuttle Program	19SM02	110,000.00
SamTrans and City of San Carlos		
San Carlos Transit Connector Shuttle	17SM03	162,860.00
Total		<u>\$ 2,636,052.77</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Solano Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2019
Solano Transportation Authority		
Program Administration	18SOL00	\$ 19,555.00
Solano Transportation Authority/Solano Napa Commuter Information		
Solano Commute Alternatives Outreach and Incentives Program	16SOL01	220,000.00
Solano Commute Alternatives Outreach and Incentives Program	17SOL01	340,664.00
Suisun City		
Driftwood Drive SR2S Path Project	16SOL02	108,076.00
Total		<u>\$ 688,295.00</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 21 Summary Report**

Sonoma County Transportation Authority:

Project Sponsor	TFCA Project Number	Final Project Expenditures through 6/30/2019
Sonoma County Transportation Authority		
Program Administration	15SON00	\$ 29,675.00
Program Administration	18SON00	40,151.56
Program Administration	19SON00	39,679.91
City of Petaluma		
Old Redwood Hwy & East Washington/Washington St. Signal Timing	16SON05	100,000.00
Petaluma Transit - Youth Bus Pass Subsidy Program	17SON06	13,000.00
Petaluma Transit Marketing	17SON07	67,731.00
Petaluma Transit: Transit Signal Priority Project	17SON08	52,724.26
Petaluma Transit Marketing	18SON02	96,514.00
Petaluma Transit Marketing	19SON01	100,786.00
City of Santa Rosa		
Santa Rosa EV Chargers, Public Access Courthouse Square Reunification Project	17SON02	24,995.37
Trip Reduction Incentive Programs	18SON01	280,817.00
City of Santa Rosa - Transit Division		
Santa Rosa Trip Reduction Incentive Programs	17SON01	234,670.00
City of Sebastopol		
Sebastopol Local City Streets Bikeway Gap Closures - Class 2, Class 3, and Sharrows	17SON05	50,000.00
Sonoma County Department of Transportation and Public Works		
Charles M. Schulz - Sonoma County Airport (STS) EV Infrastructure	19SON04	33,000.00
Sonoma County Transit		
Transit Marketing Program	16SON02	140,199.00
Sonoma County Transit - SMART / Airport Area Shuttle	17SON04	70,000.00
Town of Windsor		
Windsor Protective-Permissive Left Turn Phasing	15SON05	132,941.84
Total		<u>\$ 1,506,884.94</u>

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: April 14, 2021

Re: Transportation Fund for Clean Air County Program Manager Expenditure Plans for
Fiscal Year Ending 2022

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue to each of the nine County Program Managers (CPM) for Fiscal Year Ending (FYE) 2022, as listed in Column A of Table 1; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for TFCA revenues to be programmed in FYE 2022 as listed in Column C of Table 1.

BACKGROUND

In 1991 the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions. The legislative requirements that enable the use of the funds are codified in California Health and Safety Code (HSC) Sections 44241 and 44242.

Forty percent of new TFCA revenue is passed through to the designated CPM in each of the nine counties within the Air District's jurisdiction based on each county's proportionate share of vehicle registration fees collected. The Air District awards the other sixty percent to eligible projects and programs it implements directly (e.g., Spare the Air) and to the TFCA Regional Fund program.

Pursuant to HSC Section 44241, CPMs must award TFCA funds to eligible projects within six months of the Air District Board of Directors' (Board) approval of their expenditure plans. Annually, CPMs submit expenditure plans to the Air District specifying the status of their prior year funding that is available for reprogramming and interest accrued. The Board adopted the policies and cost-effectiveness criteria for expenditure of CPM TFCA funds in FYE 2022 on November 18, 2020.

DISCUSSION

The Air District received proposed expenditure plans from all nine CPMs. Table 1 shows the TFCA monies that are estimated to be available to CPMs in FYE 2022:

- **Column A** shows the new revenue projected to accrue from Department of Motor Vehicles (DMV) revenue from each county's proportionate share of vehicle registration fees collected.
- **Column B** shows TFCA carry-over funds available for reprogramming as reported by CPMs in their expenditure plans. Carry-over funds include TFCA monies from projects that were recently completed under budget and/or canceled, and any interest earned.
- **Column C** shows total amount of TFCA funds that are estimated to be available to CPMs in FYE 2022 (sum of values in columns A and B).

Table 1: Proposed Allocation of Funding for County Program Managers in FYE 2022

	A	B	C
County Program Manager	Estimated New TFCA Revenue	Reprogrammed TFCA Funds	Total FYE 2022 TFCA Funds
Alameda County Transportation Commission	\$1,907,600	\$488,347	\$2,395,947
Contra Costa Transportation Authority	\$1,541,700	\$110,838	\$1,652,538
Transportation Authority of Marin	\$335,800	\$21,146	\$356,946
Napa Valley Transportation Authority	\$191,700	\$15,489	\$207,189
San Francisco County Transportation Authority	\$672,700	\$101,754	\$774,454
San Mateo City/County Association of Governments	\$1,055,800	\$193,328	\$1,249,128
Santa Clara Valley Transportation Authority	\$2,362,600	\$531,044	\$2,893,644
Solano Transportation Authority	\$376,200	\$10,956	\$387,156
Sonoma County Transportation Authority	\$542,900	\$13,262	\$556,162
TOTAL	\$8,987,000	\$1,486,164	\$10,473,164

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through to the CPMs. Administrative costs for the CPMs and the Air District are reimbursed by TFCA program revenue.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Hannah Cha
Reviewed by: Ken Mak, Minda Berbeco, and Karen Schkolnick

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 14, 2021

Re: Clean Cars for All Program Funding

RECOMMENDED ACTIONS

Recommend the Committee:

1. Adopt a resolution authorizing the Executive Officer/APCO to accept, obligate, and expend up to \$3 million from the California Air Resources Board for the Bay Area Clean Cars for All Program; and
2. Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding.

BACKGROUND

Through the Clean Cars for All Program (Program or CCFA) the Air District provides incentives for low-income households (up to 400% of the Federal Poverty Level) to retire older, high-polluting vehicles and replace them with a newer, cleaner vehicle or with alternative transportation options (e.g. Transit card or e-bikes). Vehicles eligible for purchase or lease include hybrid electric, plug-in hybrid, or electric vehicles. The Program reduces criteria pollutants and greenhouse gas emissions throughout the Bay Area and supports the goal of equitable access to electric vehicles and clean transportation.

The Program was launched in March 2019 through an initial \$5 million grant from the California Air Resources Board (CARB) from the California Climate Investments (CCI) initiative that puts Cap-and-Trade dollars to work reducing greenhouse gas emissions. CARB requirements focused Program funding for disadvantaged communities (based on CalEnviroScreen) which limited program eligibility to 76 zip codes in the Bay Area.

On February 6, 2019, the Air District's Board of Directors authorized the acceptance of additional CARB funding from the Volkswagen settlement fund. This agreement between the Air District and CARB was finalized in June 2019 and provided an additional \$5 million over two years. In December 2019, the Air District Board of Directors authorized the acceptance of an additional \$4 million in CARB CCI funds for the Program. These funds were quickly allocated and in the absence of new state funding the Air District allocated \$10 million in Transportation Fund for

Clean Air (TFCA) funds to continue support and operations for the Program in 2020. The Air District allocates TFCA program funds under the statutory authority and requirements set forth in the California Health and Safety Code Sections 44241 and 44242.

The demand for the CCFA incentives has steadily increased since the Program began. As of early April 2021, over 1,760 applications have been awarded in the Bay Area. The projects completed to date reduce more than 13 tons of criteria pollutants and more than 3,400 tons of tailpipe Carbon Dioxide (CO₂) emissions per year. The Program quickly allocates new funding to qualified low-income residents and is an important tool in achieving our air quality and climate goals.

DISCUSSION

In January 2021, CARB notified the Air District that up to \$3 million was available in Air Quality Improvement Program (AQIP) funds for the Air District's Clean Cars for All Program. CARB requires the Air District Board of Directors adopt a resolution to accept these funds before it will enter into a contract with the Air District for the additional Program funds.

This funding will allow the Air District to continue providing incentives to low-income residents in disadvantaged communities. Up to 15% of the funds may be used by the Air District to administer the Program, with 10% available to support Air District staff costs to manage applications and cases. The remaining 5% may be used to subcontract with third party entities to help increase participation from low-income consumers in disadvantaged communities. Additional updates about the Clean Cars for All Program will be shared as part of the staff presentation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. These funds from CARB are considered "pass-through" funds, which are offered to grantees directly or to reduce the purchase or lease costs for vehicles. Funds from CARB also cover Air District staff and other program costs.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tin Le
Reviewed by: Anthony Fournier

Attachment 6A: Resolution Accepting Clean Cars for All Program funds from the California Air Resources Board

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION NO. 2021-_____

**A Resolution Accepting Clean Cars for All Program Funds
From the California Air Resources Board**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend up to \$3 million, in funding from the California Air Resources Board (CARB), to administer the Bay Area Clean Cars for All Program; and to authorize the Executive Officer/Air Pollution Control Officer to execute all necessary agreements, required documents, and amendments required to expend this funding;

WHEREAS, item 3900-101-3119 of the California Budget Act of 2020 (Senate Bill 74, Mitchell, Chapter 6, Statutes of 2020) directed Air Quality Improvement Program (AQIP) funds for Mobile Source programs like the Clean Cars for All Program (previously named the EFMP and EFMP Plus-up Program), a vehicle retirement and replacement program;

WHEREAS, in January 2021, CARB staff notified the Air District that CARB will award at least \$3 million in FY 2020-21 AQIP Funds to the Air District to support the Bay Area Clean Cars for All Program;

WHEREAS, CARB will authorize a grant of up to \$3 million to the Air District to continue to implement the Clean Cars for All program, upon approval by the Board of Directors to accept such grant of funds;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the Air District's acceptance of CARB funds and commits the Air District to comply with the CARB Clean Cars for All regulatory requirements.

BE IT FURTHER RESOLVED that the Board of Directors hereby approves the Executive Officer/Air Pollution Control Officer to accept, obligate, and execute all agreements, required documents, and any amendments thereto to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2021 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

Cindy Chavez
Chair of the Board of Directors

ATTEST:

John Bauters
Secretary of the Board of Directors