



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MOBILE SOURCE COMMITTEE

COMMITTEE MEMBERS

SCOTT HAGGERTY - CHAIR
TOM BATES
CAROL KLATT
NATE MILEY
GAYLE B. UILKEMA

CAROLE GROOM – VICE CHAIR
JENNIFER HOSTERMAN
ERIC MAR
MARK ROSS

**THURSDAY
MAY 27, 2010
9:30 A.M.**

**4TH FLOOR CONFERENCE ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

AGENDA

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

2. **PUBLIC COMMENT PERIOD**

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

3. **APPROVAL OF MINUTES OF MARCH 25, 2010**

4. **CONSIDERATION OF PROJECTS WITH PROPOSED GRANT AWARDS OVER \$100,000**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of Carl Moyer and TFCA Regional Fund projects requesting grant funding in excess of \$100,000 and authorization for the Executive Officer/APCO to execute Grant Agreements for the recommended projects.

5. **CONSIDERATION OF TRANSPORTATION FUND FOR CLEAN AIR (TFCA) COUNTY PROGRAM MANAGER EXPENDITURE PLANS FOR FISCAL YEAR 2010/2011**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors' approval of the Transportation Fund for Clean Air (TFCA) County Program Manager Expenditure Plans for Fiscal Year 2010/2011.

6. **CONSIDERATION OF PROPOSED TRANSPORTATION FUND FOR CLEAN AIR (TFCA) REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FISCAL YEAR 2010/2011 AND PROPOSED ALLOCATIONS FOR SPECIFIC PROJECT TYPES**

D. Breen/5041

dbreen@baaqmd.gov

The Committee will consider recommending Board of Directors approval of proposed Transportation Fund for Clean Air (TFCA) Regional Fund policies and evaluation criteria for Fiscal Year 2010/2011 and proposed allocations for specific project types.

7. **UPDATE ON AIR DISTRICT TRUCK PROGRAMS**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational update on the Air District's emissions reduction programs for Port Drayage and On-road Trucks.

8. **CONSIDERATION OF PROPOSED BOARD RESOLUTION IN SUPPORT OF AN APPLICATION FOR CALIFORNIA GOODS MOVEMENT BOND FUNDING**

D. Breen/5041
dbreen@baaqmd.gov

The Committee will receive an informational update on the Air District's application for funding from Years 2 and 3 of the California Goods Movement Bond program and a request from staff to recommend Board of Directors approval of a resolution in support of this application.

9. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**

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).

10. **TIME AND PLACE OF NEXT MEETING: JUNE 24, 2010, 9:30 a.m., 939 Ellis Street, 4th Floor Conference Room, San Francisco, CA 94109**

11. **ADJOURNMENT**

**CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET
SAN FRANCISCO, CA 94109**

**(415) 749-5130
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Executive Office should be given at least three working days prior to the date of the meeting so that arrangements can be made accordingly.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the District's website (www.baaqmd.gov) at that time.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000**

**EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS**

MAY 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	27	9:30 a.m.	4 th Floor Conf. Room

JUNE 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	2	9:45 a.m.	City of San Jose Council Chambers 200 East Santa Clara St. San Jose, CA 95113
Advisory Council Regular Meeting	Wednesday	9	9:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	16	Following Board Meeting	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

JULY 2010

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	7	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	14	9:00 a.m.	Board Room
Joint Policy Committee	Friday	16	10:00 a.m.	MTC Auditorium 101 – 8 th Street Oakland, CA 94607

JULY 2010

Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	21	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	22	9:30 a.m.	4th Floor Conf. Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Friday	23	9:30 a.m.	Board Room

HL – 5/24/10 (7:55 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Haggerty and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 20, 2010

Re: Mobile Source Committee Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Mobile Source Committee meeting of March 25, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the March 25, 2010 Mobile Source Committee meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared By: Lisa Harper
Reviewed by: Jennifer Chicconi

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

DRAFT MINUTES

Summary of Board of Directors
Mobile Source Committee Meeting
Thursday, March 25, 2010
9:30 a.m.

CALL TO ORDER: Chairperson Scott Haggerty called the meeting to order at 9:30 a.m.

Roll Call: Scott Haggerty, Chairperson; Vice Chairperson Carole Groom; Directors Tom Bates, Carol Klatt, Nate Miley and Mark Ross

Absent: Jennifer Hosterman, Eric Mar, and Gayle B. Uilkema

Public Comments: There were no public comments

Approval of Minutes: Mobile Source Committee Meeting of February 25, 2010

Committee Action: Director Miley made a motion to approve the February 25, 2010 Mobile Source Committee minutes; seconded by Director Klatt; carried unanimously without objection.

Consideration of Accepting the 3rd and 4th Installments of Goods Movement Bond Funding for the Lower Emission School Bus Program

Environmental Planner, Geraldina Grunbaum, presented the staff report and provided a background on the Lower Emission School Bus Program, noting that it provides financial incentives to replace older public school buses with clean buses and installation of retrofit devices on diesel school buses. The District has expended \$15 million in non-I-Bond state funding for more than 100 replacements and 300 retrofits.

She stated that in May of 2008, the District approved \$8.4 million in I-Bond funds; however, due to the unavailability of funds from bond sales being weak, installments were put into place by the State, and she reviewed the following installment schedule:

- 1st installment: no funds to the Air District
- 2nd installment: (10/09): \$1.3 million, Build America Bonds (BAB) with no administrative costs
- 3rd installment: (2/10): \$2.5 million, Build America Bonds (BAB) with no administrative costs
- 4th installment: (2/10): \$25,200 for administrative costs

Ms. Grunbaum stated that \$25,200 is insufficient for administrative costs to implement the program, and staff salaries in the FY 09/10 budget are based upon receipt of I-Bond funds. However, she reported good news that ARB has approved a 5th installment which will fund administrative costs. Therefore, staff recommends the Committee recommend that the Board of

Directors accept the third (3rd) and fourth (4th) installments of LESBP Bond funding, \$2,462,351 and \$25,200 respectively, from ARB.

Committee Comments/Questions:

Chairperson Haggerty questioned and confirmed that the cost of a school bus is approximately \$140,000, and that the District, in almost all cases, was funding the cost of the entire bus through replacements and retrofits. It was noted that additional funds also provide additional filters and maintenance at facilities, which provides enhanced support to school districts.

Director Bates confirmed that all pre-1977 school buses have been either replaced or retrofitted. The next round of funding will address those between 1977 and 1986 and the program is gauged through demand and funding is only provided for those buses engaged in fleet contracts with public agencies.

Public Comments: None

Committee Action: Director Bates made a motion to recommend that the Board of Directors accept the third (3rd) and fourth (4th) installments of Goods Movement Bond Funding for the Lower Emission School Bus Program (LESBP) of \$2,462,351 and \$25,200 respectively, from the California Air Resources Board (ARB); seconded by Director Groom; carried unanimously without objection.

Consideration of Extension of Contracts and Request for Additional Allocation of Mobile Source Incentive Funds for Vehicle Buy Back Program

Director of Strategic Incentives Division, Damian Breen introduced the staff report, stating earlier in the year the Committee talked about the State program which has been delayed, and staff will discuss its plan to cover that delay until the State program becomes available.

Supervising Environmental Planner, David Wiley, provided a background on the Vehicle Buy Back Program (VBB) which is a voluntary program that “early-retires” older and more polluting light-duty vehicles. Eligible model years are 1989 and older vehicles, and the program pays \$1,000 for qualifying vehicles. In November 2009, the Board of Directors approved funding and contract extensions to operate until April 2010 when an overlapping State Bureau of Automotive Repair (BAR) program was to launch. However, staff learned that the program launch date was pushed to July 2010 at the earliest, and proposes to continue the VBB program until December 31, 2010 or when the BAR program launches. He presented a graph showing retirement trends, and noted that the VBB program continues to be very successful with a cost effectiveness of \$9,900/weighted ton, a 116% increase in rate since July 1, 2009 and strong demand.

Mr. Wiley said continuing the District program will achieve substantial emissions reductions, avoid confusion among vehicle owners, and support the current Air District Smoking Vehicle Assistance Program campaign. Three contract extensions are needed; 2 dismantlers up to \$6.65 million and 1 direct mail company up to \$150,000. There are funds up to \$1.2 million for the rest of FY 2009/10 and up to \$5.6 million will be in the FY 2010/11 budget. Staff will continue to work with BAR and return to the Committee with an update on the VBB program.

Staff recommends that the Committee recommend that the Board of Directors:

1. Authorize the Executive Officer/APCO to execute contract extensions for vehicle scrapping services with Environmental Engineering Studies, Inc. and Pick-N-Pull to

distribute up to \$6.65 million in Mobile Source Incentive Funds for services through December 31, 2010; and

2. Authorize the Executive Officer/APCO to execute a contract extension for \$150,000 with Direct Mail Center, Inc. for program advertising via mail outs through December 31, 2010, and
3. Allocate an additional \$1.2 million in Mobile Source Incentive Funds (MSIF) to fund the Vehicle Buy Back Program during fiscal year 2009/2010, and increase the Air District's Vehicle Buy Back Program FY 2009/10 budget accordingly.

Committee Discussion/Comments:

Director Miley reviewed how the \$1,000 limit was set for qualifying vehicles and suggested it be reviewed for increase in the future. He confirmed that the scrapper does not provide reimbursement to the District for retiring vehicles, and scrapping bids are kept competitive through an RFP process.

Director Ross confirmed that the scrap's worth ranges anywhere from \$50 to \$1,000 per vehicle, much of it goes overseas and is reused, and that approximately 6,000 vehicles were scrapped over the last calendar year, at approximately 2,000 per month given funding. He further discussed the incentive to get polluting cars off the road, as they cause 60%-70% of pollution and having the public understand that a small proportion of vehicles are causing the majority of pollution.

Vice Chair Groom confirmed the balance in the VBB is \$40 million, but this has been encumbered by the Board and available funds are enough to cover the expenditure. Ms. Roggenkamp confirmed that due to the State's financial situation, the District will not enter into any contracts until the funding is in hand.

Director Miley confirmed with Mr. Wiley that the 6,000 qualifying vehicles are evenly distributed amongst the nine Bay Area counties, with scrap yards located throughout the region, as well.

Chairperson Haggerty referred to differences between vehicle years and vehicle types and relative pollution, suggesting that a tiered approach or increase in vehicle age be reviewed in future years. Ms. Roggenkamp said the District has increased model years over time and tend to increase it in the next year where the model year has incurred the next emission control. The state has identified different model years and models which that are more gross emitters, but for simplification, staff has kept it to model years. She also discussed instances where individuals sell their cars for not much more over the \$1,000 buy back amount, and she agreed that staff can review models and model years for future planning purposes.

Public Comments: None

Committee Action: Director Groom made a motion to recommend Board of Directors' authorization of the Executive Officer/APCO to execute contract extensions for vehicle scrapping services with Environmental Engineering Studies, Inc. and Pick-N-Pull to distribute up to \$6.65 million in Mobile Source Incentive Funds for services through December 31, 2010; authorize the Executive Officer/APCO to execute a contract extension for \$150,000 with Direct Mail Center, Inc. for program advertising via mail outs through December 31, 2010, and Allocate an additional \$1.2 million in Mobile Source Incentive Funds (MSIF) to fund the Vehicle Buy Back Program during fiscal year 2009/2010, and increase the Air District's Vehicle Buy Back Program FY 2009/10 budget accordingly; Director Ross seconded the motion; carried unanimously without objection.

Update on Incentives Expenditures and Emissions Reductions for Calendar Year 2009 and Planning for Calendar Year 2010

Director of Strategic Incentives Division, Damian Breen, gave an update on incentives expenditures and emissions reductions for calendar year 2009 and Planning for 2009, stating that the Air District dispenses approximately \$60 million in incentives funding annually to private and public entities to reduce emissions. In order to assess program effectiveness, staff conducted analysis of 2009 calendar year expenditures. He stated staff reviewed a mix of methodologies such as funding spent over the year to get projects on the ground and encumbrances by the Board. He said because encumbrances and payouts are constantly moving, the methodology slightly under-reports projects and funding expended, it prevents re-reporting based on a fiscal year basis, and he presented a pie chart showing grants by equipment type. The chart shows that Port trucks comprise the majority of the \$60 million expended, at 39%. This is followed by Marine at 21%, Vehicle Buy Back at 11%, and thereafter, almost equal shares for on-road, bicycles, school buses, off-road, agriculture pumps, ride-share/shuttles and alternate fuel vehicles.

He stated the pie chart represents 7500 pieces of equipment retired, retrofitted or purchased, emission reductions of 160 tons of PM, 1800 tons of NO_x, 530 tons of reactive organic gases, and 99,000 tons of CO₂. What staff saw was a high demand in equipment categories with regulatory deadlines.

In reviewing impacts, staff is still unfortunately in the fractions of a percent in terms of overall reductions. Inventory is affected by passenger vehicles, but the program still has a good effect and is addressing substantial reductions. Last year, 1,000 Port trucks were retrofitted, representing 1% in emissions reductions. However, in only looking at Port trucks, the emissions reductions is 60%. Similarly, with harbor craft, 1,200 vessels are harbored in the Bay Area, 15% of vessel engines were replaced, which netted 20% in emissions reductions. He said there are not huge impacts overall, but as funding increases and regulatory requirements tightened, more impacts and improvements will be realized.

Regarding upcoming challenges, three deadlines will have impacts on grants funding:

- On-Road Truck and Bus Regulation - 2014 deadline: The ARB is looking that this regulation may be rolled back two years. This will make the Carl Moyer Program and Mobile Source Incentive Funds (MSIF) available to on-road trucks and staff expects to see significant investment by the State through I-Bond funding this year. Based on this fact, staff believes this to be an important area where incentive dollars will flow.
- Shore Power Regulation - 2014 deadline: The systems are complicated and involve generators, underground cabling and transformers that must be ordered and which take a lead time of two years. Staff expects substantial increases in funding this year.
- Agricultural Pumps Regulation - Another regulation affects agricultural pumps, which requires owners to upgrade pre-1977 that are 100-700 horsepower. Equipment includes water pumps, frost pumps used to keep crops alive during winter and spring, and staff expects this will cause an increase on demand, as funded through MSIF.
- Electric Vehicles (EV) and Infrastructure - This winter and early spring of next year the major manufactures of automobiles will bring out their new electric fleets. In terms of the future, it will be important for the District's programs to make an investment into electric

vehicles. Thinking about passenger vehicles overwhelmingly polluting, he believes it will be important to get behind EV and infrastructure.

- Shuttles and Ridesharing - The District sees these as primary results for reducing GHGs and criteria pollutants.

Committee Discussion/Comments:

Chairperson Haggerty confirmed that the report's purpose was to identify last year's incentives expenditures and emissions reduction, identify the potential for shifting of funding structures, and for planning information and discussion purposes.

Mr. Breen discussed the on-road regulation's impact and future I-Bond funding for trucks in CARE areas, which also have impacts throughout the region.

Director Ross referred to shuttles and ridesharing and questioned whether there was a formula used to remove one day of a vehicle's operation on the roads.

Mr. Breen noted the matter is reviewed in the context of the funding stream and resultant impacts for increased shuttles, public transit and ridesharing behaviors. He stated at the next meeting, staff will bring back policies for the next round of ride sharing and shuttle projects, and Ms. Roggenkamp noted that the District provides funding for the 511.org regional ride share program.

Director Ross confirmed that tracking of GHG reduction goals is currently tracked and calculated through reduction of trips and emissions, use of transit, and ridesharing.

Ms. Roggenkamp added that the ARB has not set targets, and will be included in the Communities Strategy.

Director Groom noted the County's experimentation with a hydrogen shuttle for one route, and questioned alternative fuels funding.

Mr. Breen noted that alternative fuels are funded at about 4%, not all funding has been expended, and \$2 million in infrastructure and advanced technology programming comes from the TFCA program. In terms of hydrogen use, the California Energy Commission distributes \$100 million in funding through AB 118 and he believes there is a current solicitation for hydrogen projects.

Director Groom noted she would follow-up with the County's Congestion Management Association.

Director Bates cited walking, biking, and pedestrian access projects as also being very important and in need of funding. Mr. Breen reported that the District funds projects like Safe Routes to School and Safe Routes to Transit and provides \$10 million to partner CMA agencies, which have smart growth components.

Director Miley added that their County also looks at connection to trails and biking and walking, which addresses health impacts relating to obesity and asthma, and he agreed such projects provide multiple benefits.

Public Comment: None

Committee Action: None; Informational only.

Committee Member Comments: None

Next Meeting: 9:30 a.m., Thursday, April 29, 2010
939 Ellis Street, 4th Floor Conference Room

Adjournment: Meeting adjourned at 10:26 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 20, 2010

Re: Consideration of Projects with Proposed Grant Awards Over \$100,000

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve Transportation Fund for Clean Air fiscal year (FY) 2009/2010 projects with proposed grant awards over \$100,000 listed on Attachment 1.
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended TFCA FY 2009/2010 projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (ARB), since the program began in fiscal year 1998/1999. The CMP provides grants to public and private entities to reduce emissions of oxides of nitrogen (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, stationary agricultural pump engines, and forklifts.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional \$2 per vehicle. The revenues from the additional \$2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional \$2 surcharge for projects eligible for grants under the CMP.

Since 1991, the Transportation Fund for Clean Air (TFCA) program has funded projects that achieve surplus emission reductions from on-road motor vehicles. Sixty percent (60%) of TFCA funds are awarded directly by the Air District through a grant program known as the Regional Fund that is allocated on a competitive basis to eligible projects proposed by project sponsors. Funding for this program is provided by a \$4 surcharge on motor vehicles registered within the Bay Area as authorized by the California State Legislature. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242.

CMP and TFCA projects with grant award amounts over \$100,000 are brought to the Committee for consideration at least on a quarterly basis. Staff reviews and evaluates the grant applications based

upon the respective governing policies and guidelines established by the ARB and/or the Air District's Board of Directors.

DISCUSSION

TFCA:

On May 5, 2009, the Board of Directors allocated \$5 million for Alternative Fuel Vehicle and Infrastructure Projects for FY 09/10. The Air District opened the call for Alternative Fuel Vehicle and Infrastructure Projects on October 28, 2009, and as of May 12, 2010, had received 29 grant applications requesting more than \$3.3 million for alternative fuel related projects.

On May 5, 2009, the Board of Directors also allocated \$2 million for Advanced Technology Demonstration projects. The Air District opened the call for Advanced Technology Demonstration projects on March 15, 2010 and as of May 12, 2010, had received 8 grant applications requesting more than \$2.4 million for advanced technology demonstration projects.

Of the applications that have been evaluated between January 16, 2010 and May 12, 2010, two eligible projects have individual grant awards over \$100,000. Attachment 1 lists the two projects that staff recommends be awarded grants for an aggregate of \$678,803 in TFCA funding. Attachment 2 lists all the FY 09/10 TFCA Regional Fund projects that have been awarded funding as of May 12, 2010, and summarizes the allocation of funding by equipment category (Figure 1), and county (Figure 2).

More than 33% of the TFCA funds allocated to eligible projects have been awarded to projects that reduce surplus emissions in highly impacted Bay Area communities.

Carl Moyer:

No CMP applications requesting individual grant awards over \$100,000 received between February 11, 2010, and May 12, 2010, are being forwarded for approval.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Through the CMP and TFCA, the Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for both programs are provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Director/APCO

Prepared by: Michael Neward and Karen Schkolnick
Reviewed by: Damian Breen

Attachment 1: Recommended FY 09/10 TFCA Regional Fund projects with individual grant awards greater than \$100,000

Attachment 2: Summary of FY 09/10 TFCA Regional Fund approved projects (as of 5/12/10)

ATTACHMENT 1: Recommend FY 09/10 TFCA Regional Fund Projects with Grant Awards Greater Than \$100k (as of 5/12/10)

Project #	Project Sponsor	Project Title and Type	TFCA \$ Awarded	CO2 (TPY)	NOX (TPY)	ROG (TPY)	PM (TPY)	C/E	Score	AB 130 Designation	County
09R17	Santa Clara Valley Industries	(11) Compressed Natural Gas Refuse Trucks (Alternative Fuel Vehicle and Infrastructure project)	\$275,000	46.22	2.20	-	-	\$41,656	71%	Not AB1390	Santa Clara
09R44	Pacific Gas & Electric	(46) E-PTO Hybrid Utility Trucks Demonstration (Advanced Technology Demonstration project)	\$403,803	1,011.88	.84	.02	.01	\$159,900	76%	Not AB1390	Contra Costa
2 Projects			\$678,803	1,058.10	3.04	0.02	0.01				

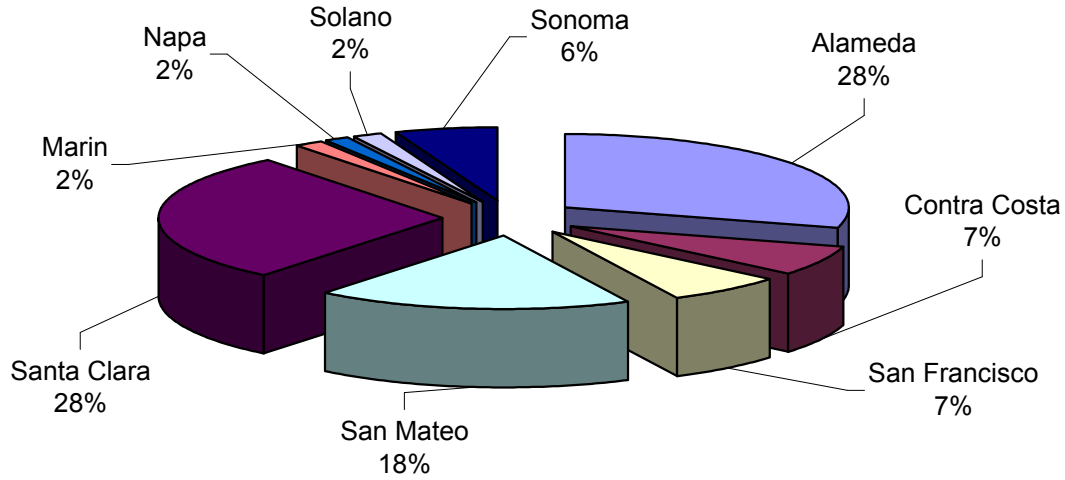
ATTACHMENT 2: Summary of FY 09/10 TFCA Approved Projects (as of 5/12/10)

Project #	Project Sponsor	Project Title	TFCA \$ Awarded	CO2	NOX	ROG	PM	Score %	Board Approval Date	County	Project Type
09R15	Clean Energy	Liquefied Natural Gas Station	\$200,000	28.40	0.30	0.02	-	69%	2/3/10	Alameda	Alt Fuel
09R16	County of Santa Clara	Compressed Natural Gas Station & (3) CNG Sedans	\$204,105	36.15	0.29	0.03	-	67%	2/3/10	Santa Clara	Alt Fuel
09R20	Mission Trail Waste Systems	(23) Compressed Natural Gas Refuse Trucks	\$426,503	171.05	3.84	1.92	-	75%	2/3/10	Santa Clara	Alt Fuel
09R21	Oakland Port Services Corp., dba AB Trucking	(6) Natural Gas Port Trucks	\$297,000	97.95	1.10	-	-	71%	2/3/10	Alameda	Alt Fuel
09R25	WM of Alameda County, Inc.	(31) Compressed Natural Gas Refuse Trucks	\$500,000	683.35	8.40	-	-	91%	2/3/10	Alameda	Alt Fuel
09R18	County of Santa Clara	(1) Compressed Natural Gas Security Transfer Bus	\$36,000	20.69	0.08	-	-	77%	APCO	Santa Clara	Alt Fuel
09R19	Livermore Sanitation	(3) Compressed Natural Gas Refuse Trucks	\$73,497	20.50	0.23	-	-	74%	APCO	Alameda	Alt Fuel
09R22	Sonoma County Transit	(2) Compressed Natural Gas Transit Buses	\$80,000	62.57	0.58	-	-	81%	APCO	Sonoma	Alt Fuel
09R23	South SF Scavenger., INC	(4) Compressed Natural Gas Refuse Trucks	\$80,000	24.87	0.28	-	-	76%	APCO	San Mateo	Alt Fuel
09R24	UC Davis Fleet	(1) Compressed Natural Gas Bus	\$41,350	10.93	0.09	-	-	61%	APCO	ALA, CC, SOL	Alt Fuel
09R26	Yellow Cab/Clean Energy Finance	(25) Compressed Natural Gas Taxis	\$75,000	-	0.11	0.19	-	82%	APCO	San Francisco	Alt Fuel
09R27	Breathe California for Silicon Valley Clean Cities	US Department of Energy - Clean Cities Coalition Outreach (SV)	\$25,000	9.72	0.04	0.02	-	72%	APCO	9 County	Alt Fuel
09R28	East Bay Clean Cities Coalition	US Department of Energy - Clean Cities Coalition Outreach (EB)	\$25,000	9.72	0.04	0.02	-	72%	APCO	9 County	Alt Fuel
09R29	SF Environment	US Department of Energy - Clean Cities Coalition Outreach (SF)	\$25,000	18.93	0.13	0.02	-	72%	APCO	9 County	Alt Fuel
09R30	Better Place	(30) Electric Vehicle Charge Points	\$30,000	101.31	0.00	0.00	0.00	77%	APCO	Santa Clara	Alt Fuel
09R31	City of Palo Alto	(6) Electric Vehicle Charge Points	\$12,000	20.26	0.00	0.00	0.00	68%	APCO	Santa Clara	Alt Fuel
09R32	City & County of San Francisco	(60) Electric Vehicle Public Garage Charge Points	\$100,000	202.62	0.03	0.04	0.01	84%	APCO	San Francisco	Alt Fuel
09R33	City of Santa Rosa	(14) Plug-in Hybrid Electric Vehicle conversions & (20) Electric Vehicle Charge Points	\$45,811	10.54	0.00	0.00	0.00	71%	APCO	Sonoma	Alt Fuel
09R35	County of Santa Clara	(40) Electric Vehicle Charge Points	\$85,720	135.08	0.02	0.03	0.00	75%	APCO	Santa Clara	Alt Fuel
09R36	County of Sonoma	(30) Plug-in Hybrid Electric Vehicle Conversions & Electric Vehicle Charge Points	\$81,173	35.89	0.00	0.00	0.00	69%	APCO	Sonoma	Alt Fuel
09R37	County of Alameda	(15) Hybrid Vehicles & (4) NEV	\$43,816	2.29	0.01	0.02	0.00	66%	APCO	Alameda	Alt Fuel
09R39	County of Alameda	(40) Electric Vehicle Charge Points	\$84,760	135.07	0.02	0.03	0.00	72%	APCO	Alameda	Alt Fuel
09R40	Friendly Cab	(20) Ford Escape Hybrids	\$80,000	220.66	0.04	0.06	0.01	81%	APCO	Alameda	Alt Fuel
09R41	City of Palo Alto	(1) Medium Duty Vehicle	\$16,000	-	0.00	0.00	0.00	60%	APCO	San Mateo	Alt Fuel
09R42	City of Palo Alto	(1) Heavy Duty Vehicle Purchase	\$77,000	4.40	0.12	0.00	-	60%	APCO	San Mateo	Alt Fuel
09R43	East Bay Regional Parks	(3) Medium Duty Vehicle Purchase	\$24,000	-	0.00	-	0.00	68%	APCO	San Mateo	Alt Fuel

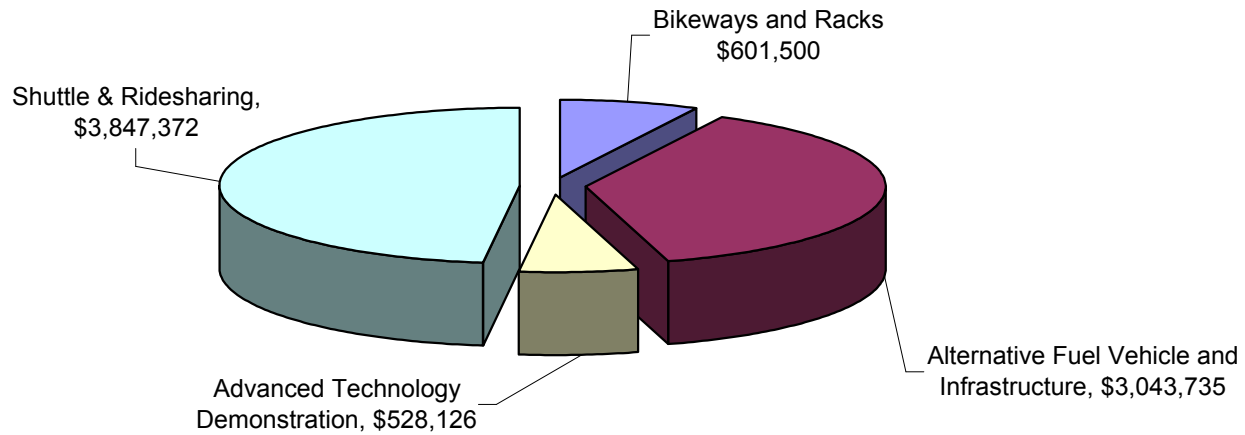
ATTACHMENT 2: Summary of FY 09/10 TFCA Approved Projects (as of 5/12/10)

Project #	Project Sponsor	Project Title	TFCA \$ Awarded	CO2	NOX	ROG	PM	Score %	Board Approval Date	County	Project Type
09R44	City CarShare	New Plug In 10kwh conversion	\$27,600	110.55	0.00	0.00	0.00	71%	APCO	San Francisco	ATD
09R45	Devine Intermodal	(1) Heavy Duty Vehicle Purchase - Hydrogen	\$96,723	146.68	0.19	0.01	0.00	71%	APCO	Alameda	ATD
09BFP02	City of Oakland	Class II and III Bikeways on 14th Street, MacArthur Boulevard, and Fruitvale Avenue	\$57,000	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP03	City of Daly City	Southgate Avenue Class II Bicycle Lane Gap Closure	\$25,500	n/a	n/a	n/a	n/a	n/a	APCO	San Mateo	Bike
09BFP04	City of Petaluma	Class III Bicycle Routes in Petaluma	\$103,311	n/a	n/a	n/a	n/a	n/a	APCO	Sonoma	Bike
09BFP05	City of San Carlos	Class III Bicycle Route on Old County Road	\$18,150	n/a	n/a	n/a	n/a	n/a	APCO	San Mateo	Bike
09BFP06	City of San Jose	San Jose Citywide Bicycle Racks Installation	\$14,880	n/a	n/a	n/a	n/a	n/a	APCO	Santa Clara	Bike
09BFP10	City of Santa Rosa Department of Public Works	Class II Bicycle Lane on Coffey Lane	\$23,100	n/a	n/a	n/a	n/a	n/a	APCO	Sonoma	Bike
09BFP12	San Francisco Municipal Transportation Agency	San Francisco Citywide Bicycle Racks Installation	\$84,000	n/a	n/a	n/a	n/a	n/a	APCO	San Francisco	Bike
09BFP13	San Francisco Municipal Transportation Agency	Class II Bicycle Lane on John Muir Drive	\$66,900	n/a	n/a	n/a	n/a	n/a	APCO	San Francisco	Bike
09BFP15	San Francisco Municipal Transportation Agency	Class II Bicycle Lane on Great Highway/Point Lobos Avenue	\$15,300	n/a	n/a	n/a	n/a	n/a	APCO	San Francisco	Bike
09BFP16	Alameda County Public Works Agency	Class II Bicycle Lane on Greenville Road	\$30,000	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP17	Alameda County Public Works Agency	Class II Bicycle Lane on Foothill Boulevard	\$67,859	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09BFP18	Alameda County Public Works Agency	Class II Bicycle Lane on Marina Avenue	\$85,000	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09R06	City of Oakland	Class II and III Bikeways on E.12th Street	\$10,500	n/a	n/a	n/a	n/a	n/a	APCO	Alameda	Bike
09R05	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	\$960,000	7,242.80	6.09	5.32	3.68	79%	2/3/10	Santa Clara	S-RS
09R06	San Joaquin Regional Rail Commission	ACE Shuttle - Route 54	\$50,000	950.10	0.71	0.75	0.51	77%	2/3/10	Alameda	S-RS
09R07	San Joaquin Regional Rail Commission	ACE Shuttle - Route 53	\$44,000	318.00	0.31	0.27	0.18	65%	2/3/10	Alameda	S-RS
09R08	Metropolitan Transportation Commission	511 Rideshare Program	\$1,050,000	29,410.00	24.75	22.29	14.88	84%	2/3/10	9 County	S-RS
09R09	Livermore Amador Valley Transit Authority	Route 1A/B BART Shuttle	\$59,750	143.80	0.23	0.24	0.11	60%	2/3/10	Alameda	S-RS
09R10	Associated Students, San Jose State University	SJSU Ridesharing and Trip Reduction	\$120,000	1,213.70	1.07	1.02	0.62	79%	2/3/10	Santa Clara	S-RS
09R11	Peninsula Corridor Joint Powers Board	Caltrain Shuttle	\$1,000,000	5,811.30	4.62	4.90	3.04	76%	2/3/10	San Mateo	S-RS
09R12	City of Redwood City	Redwood City Commuter Shuttle	\$15,000	142.00	0.11	0.10	0.07	93%	2/3/10	San Mateo	S-RS
09R13	San Francisco General Hospital	SFGH Pilot Shuttle	\$50,122	416.80	0.44	0.41	0.24	94%	2/3/10	San Francisco	S-RS
09R14	City of Oakland	Oakland Waterfront - Uptown Pilot Shuttle	\$498,500	1,980.40	1.80	1.75	1.01	85%	2/3/10	Alameda	S-RS
Total			\$7,341,930	49,949.06	56.09	39.45	24.37				

FY 09/10 TFCA Funds Awarded - By County *



FY 09/10 TFCA Funds Awarded - By Project Type *



* Includes all projects listed on Attachments 1 and 2.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 17, 2010

Re: Consideration of Transportation Fund for Clean Air (TFCA) County Program
Manager Expenditure Plans for Fiscal Year (FY) 2010/2011

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve the allocation of FY 2010/2011 TFCA County Program Manager Funds listed on Table 1; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the County Program Managers for the total funds to be programmed in FY 2010/2011, listed on Table 1, consistent with the Board-adopted TFCA Program Manager Fund Policies.

BACKGROUND

Pursuant to California Health and Safety Code Sections 44241 and 44242, the Bay Area Air Quality Management District (Air District) receives a \$4 per vehicle annual surcharge on all motor vehicles registered within its boundaries. The revenues fund the implementation of transportation control measures and mobile source control measures. By law, the Air District provides 40% of the revenues generated by this surcharge to the TFCA County Program Manager Fund. Each county in the Air District's jurisdiction is eligible to receive a portion of this funding based on the fees raised in that county and has the ability to designate a County Program Manager (CPM) to expend this funding. CPMs submit to the Air District an annual expenditure plan application specifying funding for air quality projects. These expenditure plans are governed by TFCA County Program Manager Fund Policies. The Policies for FY 2010/2011 were adopted by the Air District's Board of Directors on February 3, 2010.

DISCUSSION

The Air District issued the TFCA FY 2010/2011 Program Manager Expenditure Plan Application Guidance to County Program Managers on February 8, 2010. The deadline for applications was March 31, 2010, and all nine CPMs submitted compliant applications.

Table 1 below lists the recommended expenditure plan amounts. The amount in the second column in the table is the estimated *new* TFCA Program Manager funding available for allocation in FY 2010/2011. This estimate is based on receipts for that county from the Department of Motor Vehicles from the previous 12 months. The third column in the table is the total estimated funding available for programming in each county for FY 2010/2011. This amount includes interest earned and any reported funds available for reprogramming from projects that were completed under budget or canceled in the previous fiscal year.

Table 1: Estimated Funding for County Program Managers for FY 2010/2011

County Program Manager	Est. New TFCA Funds for FY 2010/2011	Est. Total Funds to be Programmed in FY 2010/2011 (New + Interest + Reprogrammed Funds)
Alameda County Congestion Mgt. Agency	\$1,732,955.72	\$1,961,348.96
Contra Costa Transportation Authority	\$1,275,147.13	\$1,282,213.51
Transportation Authority of Marin	\$333,898.47	\$445,843.97
Napa County Transportation Planning Agency	\$182,435.15	\$265,078.75
Santa Clara Valley Transportation Agency	\$2,145,403.06	\$2,149,662.74
San Francisco County Transportation Authority	\$665,195.20	\$836,419.77
San Mateo City/County Association of Gov'ts	\$957,282.13	\$1,004,153.13
Solano Transportation Authority	\$286,154.83	\$293,929.76
Sonoma County Transportation Authority	\$555,894.08	\$574,931.25

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA allocations do not impact the District's general fund or operating budget. TFCA County Program Manager revenues are generated from a dedicated outside funding source and are passed through to County Program Managers.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Wiley
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 20, 2010

Re: Proposed Transportation Fund for Clean Air Regional Fund Policies and
Evaluation Criteria for Fiscal Year (FY) 2010/2011 and Proposed Allocations for
Specific Project Types

RECOMMENDED ACTIONS

Recommend Board of Directors:

- 1) Approve the proposed Fiscal Year 2010/2011 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment A;
- 2) Approve the TFCA Regional Fund set-asides listed below. Any monies not spent in these categories within 12 months will revert back to the TFCA Regional Fund for re-allocation:
 - a. Up to \$4 million for shuttles and rideshare projects; and
 - b. Up to \$600,000 for bicycle facility projects.

BACKGROUND

Each year, the Air District's Board of Directors adopts policies and evaluation criteria that govern the allocation of TFCA funds. On April 1, 2010, Air District staff issued a request for comments on proposed TFCA Regional Fund policies and evaluation criteria for FY 2010/2011. The deadline for interested parties to submit comments was May 3, 2010. The Air District received six responses. A table summarizing the comments and Air District staff responses is provided in Attachment B.

DISCUSSION

The proposed FY 2010/2011 TFCA Regional Fund Policies include project specific policies for Shuttle, Ridesharing and Bicycle Facility projects. Other project types (i.e. alternative fuel vehicle, advanced technology demonstration, etc.) will be proposed for Board approval later this calendar year. This phased-in approach provides increased flexibility for the program and additional time to work with partners from public and private entities to ensure the broadest range of projects are eligible for funding.

Proposed changes to the TFCA Regional Fund Policies and Evaluation Criteria for FY 2010/2011 include:

- Further streamlining to align TFCA evaluation criteria with other District incentive programs (e.g.: ongoing calls for projects; removal of TFCA Regional Fund points system; set asides for projects in impacted communities, with greenhouse gas benefits and in priority development areas, etc.)
- Re-integration of the Bicycle Facility Program into the TFCA Regional Fund program to streamline administration and to allow bicycle projects to be funded directly through the TFCA Regional Fund;
- Extension of the existing requirement of matching funds for projects greater than \$150,000 to all projects in order to maximize funding distribution.

The proposed TFCA Regional Fund Policies and Evaluation Criteria for FY 2010/2011 are provided in Attachment A. Comments and responses for the proposed changes in the Policies and Evaluation Criteria are provided in Attachment B. Attachment C provides a comparison between the proposed TFCA Regional Fund Policies and Evaluation Criteria for FY 2010/2011 and the FY 2009/2010 Board approved version.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes “pass-through” funds to public agencies and private entities on a reimbursement basis. Administrative costs for the TFCA Regional Fund program is provided by the funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Avra Goldman and Deepti Jain
Reviewed by: Karen Schkolnick

Attachment A: Proposed TFCA Regional Fund Policies and Evaluation Criteria for FY 2010/2011

Attachment B: Comments and Responses for the Proposed Changes in FY 2010/2011 Policy’s and Evaluation Criteria

Attachment C: Redlined (tracked changes version) TFCA Regional Fund Policies and Evaluation Criteria for FY 2010/2011

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FY 2010/2011

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

BASIC ELIGIBILITY

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

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FY 2010/11.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

2. **TFCA Cost-Effectiveness:** Unless otherwise noted below, projects must meet a cost-effectiveness (C-E) of \$90,000 per ton. Cost-effectiveness is based on the ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton).

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

Project Type	Policy #	C-E Level Maximum (\$/weighted ton)
Reserved	21	
Reserved	22	
Reserved	23	
Reserved	24	
Reserved	25	
Reserved	26	
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot	27	\$125,000
Regional Ridesharing	28	\$90,000
Bicycle Facility- Bicycle Lanes and Paths	29	See policy 29 for award amounts
Bicycle Facility –Bicycle Lockers/Racks	30	See policy 30 for award amounts

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing.
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.

- ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations, as described in HSC section 44241(b)7.
 - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.
5. **Viability Project and Matching Funds:** Unless otherwise specified in the project category policies below, applications must provide matching funds from a non-Air District source, which equal or exceed at least 10% of the total project cost.

Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Maximum award per calendar year:
 - a. **Each public agency** may be awarded up to \$1,500,000, and
 - b. **Each non-public entity** may be awarded up to \$500,000.
8. **Readiness:** Projects must commence in calendar year 2011 or sooner. For purposes of this policy, “commence” means to receive delivery of vehicles, equipment, services, or to award a construction contract.
9. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years.
10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable, based on information the applicant received after the Board’s allocation of funding. The Air District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
12. **Failed Audit:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for five (5) years. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement

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

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

Project sponsors who failed to return a funding agreement from a previous funding cycle are not eligible to apply for a 12-month period.

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

INELIGIBLE PROJECTS

- 15. Planning Activities:** Feasibility studies are not eligible for funding, nor are projects that only involve planning activities and that do not include an implementation phase. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
- 16. Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare applications are not eligible for TFCA funding.
- 17. Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible.

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

USE OF TFCA FUNDS

- 18. Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating the TFCA cost-effectiveness (Regional Fund Evaluation Criterion #1), the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
- 19. Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.
- 20. Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

- 21. Reserved.**
- 22. Reserved.**

- 23. **Reserved.**
- 24. **Reserved.**
- 25. **Reserved.**
- 26. **Reserved.**

SHUTTLE/FEEDER BUS SERVICE PROJECTS

27. **Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: a) be a public transit agency or, b) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- a. An alternative fuel vehicle (e.g. compressed natural gas, liquefied natural gas, propane, electric);
- b. A hybrid-electric vehicle;
- c. A post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit);
or
- d. A post-1989 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy #2). Pilot projects are defined as new routes that are at least 70% unique and have not been in operation in the past five years.

Pilot shuttle/feeder project applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

RIDESHARING PROJECTS

28. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least three Bay Area counties. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible. Ride matching services must be coordinated with Metropolitan Transportation Commission's regional ridesharing program.

BICYCLE FACILITY PROJECTS

29. **Bikeways – Paths Lanes & Routes**

Bikeway projects include new:

- a. **Class I Bicycle Paths:** provide a separated right of way for the exclusive use of bicycles and pedestrians, in which motorized vehicles are prohibited and crossings by pedestrians and automobiles are minimized.
- b. **Class II Bicycle Lanes:** paved, on-road bikeways that separate bicyclists from vehicle traffic by a striped lane dedicated for one-way bicycle travel. Grant funding amounts for Continuous Construction and Standard Class-2 Bicycle Lanes may not be combined for the same segment.

- i. Class-2 Bicycle Lane (**Continuous Construction**) – must entail physical improvements (e.g., non-maintenance paving or the widening of a roadway shoulder) continuously over the length of the segment.
- ii. Class-2 Bicycle Lane (**Standard**) –includes project elements other than Continuous Construction, such as striping, marking and loop detectors.
- c. **Class III Bicycle Routs:** indicate a preferred route for bicycle travel that is shared with motor vehicles. They follow roadways where traffic is relatively light and potential conflicts between bicycles and vehicles can be minimized. Street markings, traffic calming devices and barriers are eligible elements of a Class III project.

Project-specific requirements:

Projects must be included in an adopted countywide bicycle plan, Congestion Management Program (CMP), or the Metropolitan Transportation Commission’s Regional Bicycle Plan.

Projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

Bikeway projects must:

- a. Reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting), and
- b. Be one of the following:
 - i. Within one-half mile of at least three major activity centers (e.g., transit stations, office complexes, schools), or
 - ii. Provide a gap closure (e.g., a bridge over a roadway) in, or an extension to, an existing bicycle network that already services three major activity centers. The new segment must be within three contiguous bikeway miles of the requisite activity centers. Gap closure projects may apply for TFCA funding under the Smart Growth project type as well.

Pre and post-project bicycle counts must be conducted and reported for bikeways projects that are awarded more than \$100,000, in TFCA funds.

TFCA funding is limited to a maximum award amount of \$120,000 per project. Maximum funding amounts listed below are based on bikeways going in two directions; a bikeway going in a single direction would qualify for only one-half the stated amount*.

Maximum funding amounts per project type:

Project Type	Maximum \$ per Two-Way Segment*
Class-1 Bicycle Path	\$115,000 per mile of path
Class-2 Bicycle Lane – Continuous Construction	\$ 85,000 per mile of roadway
Class-2 Bicycle Lane – Standard	\$ 30,000 per mile of roadway
Class-3 Bicycle Route	\$ 15,000 per mile of route

30. Bicycle Parking

Bicycle Parking projects include new:

- a. Bicycle racks (including those on streets, sidewalks, vehicles and vessels);
- b. Electronic and mechanical (including retrofit from mechanical to electronic) bicycle lockers; and
- c. Secure bicycle parking (including bicycle cages and parking stations).

Project-specific requirements:

Projects must be included in an adopted countywide bicycle plan, Congestion Management Program (CMP), or the Metropolitan Transportation Commission’s Regional Bicycle Plan.

Specific locations for racks and lockers must be identified in applications for funding.

Stationary bicycle parking projects (including racks, lockers, cages, and parking stations) must be located at a major activity center (e.g., transit station, shopping center, office building, or school).

User data must be collected and reported for electronic bicycle locker projects that are awarded more than \$25,000, in TFCA funds.

TFCA funding is limited to a maximum award amount of \$120,000 per project.

Maximum funding amounts per project type:

Project Type	Maximum \$ per Unit
Bicycle Locker(s) – Electronic	\$ 2,500 per locker
Bicycle Locker(s) – Retrofit mechanical to electronic	\$ 650 per retrofit kit
Bicycle Locker(s) – Mechanical	\$ 900 per locker
Bicycle Rack(s)	\$ 60 per bicycle accommodated
Bicycle Rack(s) on Vehicles	\$ 750 per rack
Secure Bicycle Parking	\$ 130 per bicycle accommodated

REGIONAL FUND EVALUATION CRITERIA

TFCA projects will be evaluated on a first-come-first-serve basis. In order to address Air District priorities, funding available will be reserved as follows:

- a. **For Shuttle/Feeder Bus Services and Ridesharing Projects:** 60% of funding available in this category will be reserved for:
 - i. Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Reduction plans.
 - ii. Priority Development Areas
 - iii. Projects that reduce green house gasses (GHG)
- b. **For Bicycle Facility Projects:** Funding will be available on a first-come-first-serve basis without funding reservations.

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Regional Fund Policies

Commenter and Agency	Comment	Staff Response
Heath Maddox, San Francisco Municipal Transportation Agency (SFMTA)	Policy #5 - Viable Project and Matching Funds: The requirement for a local match for projects over \$150,000 is potentially problematic. Any requirement that grantees need to be able to point to specific charges to specific grants for the local match would be a significant burden.	The proposed Policies extend the existing requirement of matching funds for projects greater than \$150,000 to all projects in order to maximize funding distribution.
Tim Newman, Clean Energy	Policy #7 - Maximum Grant Amount: We recommend that the BAAQMD consider increasing the maximum grant award amount to \$1,500,000 for non-public entities if 100% of the proposed project activities are provided under contract to an eligible public entity and if such activities can be demonstrated to directly benefit the public entity.	Staff is not proposing to change the existing Policy at this time. The Policy allows public agencies to be awarded up to \$1,500,000 and non-public entities up to \$500,000 per year in order to maximize distribution of funds.
Heath Maddox, (SFMTA)	Policy #8 - Readiness: Also, the requirement that matching funds be identified before entering into the funding agreement, when combined with the requirement that project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them effectively requires project sponsors to obtain and book funds before we even find out whether or not our TFCA application has been successful.	Staff is not proposing to change the existing readiness policy given the requirement that funds be expended within two years, per Policy #20.
Heath Maddox, (SFMTA)	Policy #18 - Combined Funds: The restriction against combining TFCA County Program Manager Funds and TFCA Regional Funds needlessly restricts Project Sponsors' funding options. If cost-effectiveness thresholds are still met, it's not clear why combining regional and local funds would be objectionable.	Air District staff is proposing to maintain the current Policy which allows the combining of TFCA County Program Manager Funds and TFCA Regional Funds.
Lynne March, Sonoma County Transportation Authority (SCTA)	Policy #18 - Combined Funds: The draft Regional TFCA policies contradict the Program Manager policies in regards to a CMA's ability to fund efforts from both sources. SCTA objects to this change which reduces flexibility in allowing CMAs to craft projects to meet local needs.	During the next year, staff will work with County Program Managers to explore this issue further.

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Regional Fund Policies

Committer and Agency	Comment	Staff Response
Daryl K. Halls, Solano Transportation Authority	Policy #18 - Combined Funds: STA does not support the proposed change to Policy #18. The proposed change would not allow Program Managers to fund eligible clean air projects through a combination of Program Manager Funds and TFCA Regional Funds. In addition, this policy appears to be in conflict to the recently approved TFCA Program Manager Fund Expenditure Guidance Document for FY 2010-11 and recent efforts to delegate more flexibility and responsibility to CMAs for the TFCA Program Management funds.	Air District staff is proposing to maintain the current Policy which allows the combining of TFCA County Program Manager Funds and TFCA Regional Funds. During the next year, staff will work with County Program Managers to explore this issue further.
Paul Price, Napa County Transportation and Planning Agency	Policy #18 - Combined Funds: On page 16 of the Program Manager Guidance it states that, “TFCA County Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project with the exception of clean air vehicle projects” which is in contrast to page 3 of the TFCA Regional Fund Policies.	
Tim Newman, Clean Energy	Policy #27 - Shuttle/Feeder Bus Service: The provision to fund “...post-1989 diesel vehicle with a CARB Verified Diesel Emission Control Strategy...” and “...a post-1989 gasoline-fueled vehicle...” (refer to 27.c. and 27.d) seems to allow funding for older vehicles with emission factors that arguably provide less effective emission reductions as compared to new model vehicles.	These Policies only address the <i>operation</i> of shuttle services; recommendations for Policies regarding vehicle purchase projects will be proposed at a later date.
Heath Maddox, (SFMTA)	Policy #29 - Bikeways – Paths Lanes & Routes; and Policy #30 - Bicycle Parking: Requiring that non-gap filling bicycle projects be located within one-half mile of at least three activity centers seems arbitrary. One-half mile is an appropriate distance for pedestrian improvements, but three miles is more appropriate for bicycle projects.	At this time, staff is not proposing to revise the existing Policy. However, during this next year staff will work with SFMTA to further evaluate this recommendation
Heath Maddox, (SFMTA)	Policy #29 - Bikeways – Paths Lanes & Routes: Class II Bicycle Lanes (Continuous Construction), note that striping, etc. are also physical improvements.	Under the proposed Policies, Class II Continuous Construction Bicycle Lanes include striping as an eligible project component.

Comments Received and Staff Responses to Proposed FY 2010/2011 TFCA Regional Fund Policies

Committer and Agency	Comment	Staff Response
Heath Maddox, (SFMTA)	Policy #29 - Bikeways – Paths Lanes & Routes: Class II Bicycle Lanes (Standard) and Class III Bicycle Routes should include signs as part of the project elements.	Under the proposed Policies, signs, as conform to Chapter 1000 of the California HWY Design Manuel, are included as eligible project components for Class II Bicycle Lanes and Class III Bicycle Routes.
Heath Maddox, (SFMTA)	Policy #29 - Bikeways – Paths Lanes & Routes: Maximum grant amounts listed are based on bikeways going in two directions on a roadway. Note that paths are often not on a roadway.	The proposed FY 2010/2011 Policies have been revised to clarify this requirement.
Heath Maddox, (SFMTA)	Policy #30 - Bicycle Parking: Stationary bicycle parking projects must be located at a major activity center. This requirement would preclude the vast majority of potential rack locations in an urban area, which are generally decentralized along commercial corridors that may not qualify as a “major activity center”. We request that you remove racks from this requirement.	Under the proposed Policies, parking facilities are permitted to be located along urban and commercial corridors, which qualify as “major activity centers.”
Heath Maddox, (SFMTA)	Policy #30 - Bicycle Parking: Capacity should be clarified for lockers and also be addressed for vehicle racks.	Under proposed Policies, capacity is determined by how many bicycles the locker or rack can accommodate; capacity varies by locker or rack type.
Susan Heinrich (MTC)	Policy #29 - Bikeways – Paths Lanes & Routes: We request that there be a requirement for all grant recipients to notify MTC when bicycle routes, paths and/or lanes have been built so that MTC can incorporate this information in our 511 BikeMapper network.	During the next year, staff will work with MTC to explore opportunities to coordinate transfer of requested information to MTC.
Susan Heinrich, Metropolitan Transportation Commission (MTC)	Policy #29 - Bikeways – Paths Lanes & Routes; and Policy #30 - Bicycle Parking: We request that Bicycle Information Projects also be included as an eligible project. In order to further the benefits that bicycle facilities have in a region, cyclists need to know where bicycle facilities are located.	During the next year, staff will work with MTC to s eligibility requirements related to bicycle information projects for inclusion in future Policies.

TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FY ~~2009/2010~~2010/2011

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

BASIC ELIGIBILITY

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

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FY ~~2009/2010~~2010/11.

Projects must achieve surplus emission reductions, that is, beyond what is currently required through regulations, contracts, or other legally binding obligations at the time the Air District Board of Directors approves a funding allocation and at the time of the execution of a funding agreement.

- TFCA Cost-Effectiveness and Minimum Score:** ~~Unless otherwise noted below, P~~projects must meet a cost-effectiveness (C-E) of \$90,000 per ton. ~~levels and minimum scores established by the Air District's Board of Directors. Cost-effectiveness is based on~~ the ratio of TFCA funds awarded divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton).

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

~~Cost effectiveness levels are limited to the amounts set forth below.~~

Project Type	Policy #	C-E Level Maximum (\$/weighted ton)
Alternative Fuel Light Duty Vehicles Reserved	21	\$90,000
Alternative Fuel Heavy Duty Service Vehicles (Low-mileage utility trucks in idling service) Reserved	22	\$90,000
Alternative Fuel Heavy Duty Vehicles Reserved	23	\$90,000
Alternative Fuel Bus Replacements Reserved	24	\$90,000
Alternative Fuel Infrastructure Reserved	25	\$90,000
Advanced Technology Demonstration Reserved	26	\$500,000
Shuttle/Feeder Bus Service—Existing	27	\$90,000
Shuttle/Feeder Bus Service—Pilot	<u>27</u>	\$125,000
Regional Ridesharing	28	\$90,000
<u>Bicycle Facility- Bicycle Lanes and Paths</u>	<u>29</u>	See policy 29 for award amounts
<u>Bicycle Facility –Bicycle Lockers/Racks</u>	<u>30</u>	See policy 30 for award amounts

- Minimum Score:** ~~In addition, applicants must earn at least 60 percent of available points based upon the project evaluation and scoring criteria listed in the Board approved Regional Fund Evaluation Criteria.~~

3. **Consistent with Existing Plans and Programs:** ~~With the exception of Clean Air Vehicle Projects and Advanced Technology Demonstration Projects, a~~All other project categories must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing.
 - a. **Eligible Recipients:**
 - i. **Public agencies** are eligible to apply for all project categories.
 - ii. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle projects, and advanced technology demonstrations, as described in HSC section 44241(b)7.
 - b. **Authority to Apply:** Applications must include either: 1) a signed letter of commitment from an individual with authority to enter into a funding agreement and carry out the project (e.g., Chief Executive or Financial Officer, Executive Director, City Manager, etc.), or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, Board of Directors, etc.) authorizing the submittal of the application and identifying the individual authorized to submit and carry out the project.
5. **Viable Project and Matching Funds:** Unless otherwise specified in the project category policies below, ~~applications of \$150,000 or less do not require matching funds. Applications requesting greater than \$150,000 must~~applications must provide matching funds from a non-Air District source, which equal or exceed at least 10% of the total project cost.

Applications must identify sufficient resources to complete the respective project. The project sponsor shall not enter into a TFCA Regional Fund funding agreement until all non-Air District funding has been approved and secured.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Maximum award per calendar year:
 - a. **Each public agency** may be awarded up to \$1,500,000, and
 - b. **Each non-public entity** may be awarded up to \$500,000.
8. **Readiness:** Projects must commence in calendar year ~~2010~~2011 or sooner. For purposes of this policy, "commence" means to receive delivery of vehicles, equipment, services, or to award a construction contract.
9. **Maximum Two Years Operating Costs:** Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years.
10. **Project Revisions:** Project revisions initiated by the project sponsor which significantly change the project before the allocation of funds by the Air District Board of Directors may not be accepted. Following Air District Board of Directors allocation of funds for a project, an applicant may request revisions to that project that the applicant deems necessary or advisable, based on information the applicant received after the Board's allocation of funding. The Air District will consider only requests that are based on new information, are within the same eligible project category, and meet the same cost-effectiveness.

APPLICANT IN GOOD STANDING

11. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet project implementation milestones or who have failed to fulfill monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
12. **Failed Audit:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for five (5) years. Additionally, project sponsors with open projects will not be reimbursed for those projects until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement
13. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. The Air District Board of Directors approval of an application does not constitute a final obligation on the part of the Air District to fund a project.

Project sponsors must sign a funding agreement within 60 days from the date it has been transmitted to them in order to remain eligible for award of TFCA funds. The Air District may authorize an extension of up to a total period of 120 days from the transmittal because of circumstances beyond project sponsor's reasonable control and at the Air District's discretion.

Project sponsors who failed to return a funding agreement from a previous funding cycle are not eligible to apply for a 12-month period.

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

INELIGIBLE PROJECTS

15. **Planning Activities:** Feasibility studies are not eligible for funding, nor are projects that only involve planning activities and that do not include an implementation phase. In addition, land-use projects (i.e., Smart Growth, Traffic Calming, and Arterial Management) that have not completed the Preliminary Design phase are not eligible.
16. **Cost of Developing Proposals and Grant Applications:** The costs to develop proposals or prepare applications are not eligible for TFCA funding.
17. **Duplication:** Projects that have previously received TFCA funds and therefore do not achieve additional emission reductions are not eligible.

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

USE OF TFCA FUNDS

18. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating the TFCA cost-effectiveness (Regional Fund Evaluation Criterion #1), the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
19. **Administrative Costs:** Administrative costs (i.e., the costs associated with administering a TFCA grant) are limited to a maximum of five percent (5%) of total TFCA funds expended on a project. To be eligible

for reimbursement, administrative costs must be clearly identified in the application project budget and in the funding agreement between the Air District and the project sponsor.

20. **Expend Funds within Two Years:** Project sponsors must expend the awarded funds within two (2) years of the effective date of the funding agreement, unless a longer period is formally (i.e., in writing) approved in advance by the Air District in a funding agreement or as an amendment to the funding agreement.

ELIGIBLE PROJECT CATEGORIES:

CLEAN AIR VEHICLE PROJECTS

21. ~~Alternative Fuel Light-Duty Vehicles~~ Reserved.
22. ~~Alternative Fuel Heavy-Duty Service Vehicles (Low-mileage utility trucks in idling service):~~ Reserved.
23. ~~Alternative Fuel Heavy-Duty Vehicles (high-mileage):~~ Reserved.
24. ~~Alternative Fuel Buses:~~ Reserved.
25. ~~Alternative Fuel Infrastructure:~~ Reserved.
26. ~~Advanced Technology Demonstration Projects:~~ Reserved.

SHUTTLE/FEEDER BUS SERVICE PROJECTS

27. **Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route to or from a rail station, airport, or ferry terminal. To be eligible, shuttle/feeder bus service schedules must be coordinated with connecting rail or ferry schedules.

Shuttle/feeder bus service applicants must either: a) be a public transit agency or, b) submit documentation from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency service.

All vehicles used in shuttle/feeder bus service must meet the applicable CARB standards for public transit fleets use one of the following types of shuttle/feeder bus vehicles:

- a. ~~A~~an alternative fuel vehicle (e.g. ~~CNG~~ compressed natural gas, liquefied natural gas, propane, electric);
- b. ~~a~~A hybrid-electric vehicle;
- c. ~~a~~A post-1997 diesel vehicle with a CARB Verified Diesel Emission Control Strategy (e.g., retrofit);
or
- d. ~~a~~A post-1989 gasoline-fueled vehicle.

Pilot shuttle/feeder bus service projects are required to meet a cost-effectiveness of \$125,000/ton during the first two years of operation (see Policy #2). ~~A~~Pilot projects ~~ss~~ are defined as is a new defined routes that ~~are~~ is at least 70% unique and ~~have~~ has not ~~been in operation in the past five years~~ previously been funded through TFCA.

Pilot shuttle/feeder project Applicants must provide data supporting the demand for the service, letters of support from potential users and providers, and plans for financing the service in the future.

RIDESHARING PROJECTS

28. **Regional Ridesharing Projects:** For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least three Bay Area counties. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible. Ride matching services must be coordinated with Metropolitan Transportation Commission's regional ridesharing program.

BICYCLE FACILITY PROJECTS

29. Bikeways – Paths Lanes & Routes

Bikeway projects include new:

- a. **Class I Bicycle Paths:** provide a separated right of way for the exclusive use of bicycles and pedestrians, in which motorized vehicles are prohibited and crossings by pedestrians and automobiles are minimized.
- b. **Class II Bicycle Lanes:** paved, on-road bikeways that separate bicyclists from vehicle traffic by a striped lane dedicated for one-way bicycle travel. Grant funding amounts for Continuous Construction and Standard Class-2 Bicycle Lanes may not be combined for the same segment.
 - i. **Class-2 Bicycle Lane (Continuous Construction)** – must entail physical improvements (e.g., non-maintenance paving or the widening of a roadway shoulder) continuously over the length of the segment.
 - ii. **Class-2 Bicycle Lane (Standard)** –includes project elements other than Continuous Construction, such as striping, marking and loop detectors.
- c. **Class III Bicycle Routs:** indicate a preferred route for bicycle travel that is shared with motor vehicles. They follow roadways where traffic is relatively light and potential conflicts between bicycles and vehicles can be minimized. Street markings, traffic calming devices and barriers are eligible elements of a Class III project.

Project-specific requirements:

Projects must be included in an adopted countywide bicycle plan, Congestion Management Program (CMP), or the Metropolitan Transportation Commission's Regional Bicycle Plan.

Projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

Bikeway projects must:

- a. Reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting), and
- b. Be one of the following:
 - i. Within one-half mile of at least three major activity centers (e.g., transit stations, office complexes, schools), or
 - ii. Provide a gap closure (e.g., a bridge over a roadway) in, or an extension to, an existing bicycle network that already services three major activity centers. The new segment must be within three contiguous bikeway miles of the requisite activity centers. Gap closure projects may apply for TFCA funding under the Smart Growth project type as well.

Pre and post-project bicycle counts must be conducted and reported for bikeways projects that are awarded more than \$100,000, in TFCA funds.

TFCA funding is limited to a maximum award amount of \$120,000 per project. Maximum funding amounts listed below are based on bikeways going in two directions; a bikeway going in a single direction would qualify for only one-half the stated amount*.

Maximum funding amounts per project type:

Project Type	Maximum \$ per Two-Way Segment*
Class-1 Bicycle Path	\$115,000 per mile of path
Class-2 Bicycle Lane – Continuous Construction	\$ 85,000 per mile of roadway
Class-2 Bicycle Lane – Standard	\$ 30,000 per mile of roadway
Class-3 Bicycle Route	\$ 15,000 per mile of route

30. Bicycle Parking

Bicycle Parking projects include new:

- a. Bicycle racks (including those on streets, sidewalks, vehicles and vessels);
- b. Electronic and mechanical (including retrofit from mechanical to electronic) bicycle lockers; and
- c. Secure bicycle parking (including bicycle cages and parking stations).

Project-specific requirements:

Projects must be included in an adopted countywide bicycle plan, Congestion Management Program (CMP), or the Metropolitan Transportation Commission’s Regional Bicycle Plan.

Specific locations for racks and lockers must be identified in applications for funding.

Stationary bicycle parking projects (including racks, lockers, cages, and parking stations) must be located at a major activity center (e.g., transit station, shopping center, office building, or school).

User data must be collected and reported for electronic bicycle locker projects that are awarded more than \$25,000, in TFCA funds.

TFCA funding is limited to a maximum award amount of \$120,000 per project.

Maximum funding amounts per project type:

Project Type	Maximum \$ per Unit
Bicycle Locker(s) – Electronic	\$ 2,500 per locker
Bicycle Locker(s) – Retrofit mechanical to electronic	\$ 650 per retrofit kit
Bicycle Locker(s) – Mechanical	\$ 900 per locker
Bicycle Rack(s)	\$ 60 per bicycle accommodated
Bicycle Rack(s) on Vehicles	\$ 750 per rack
Secure Bicycle Parking	\$ 130 per bicycle accommodated

REGIONAL FUND EVALUATION CRITERIA

Grant applications must comply with the TFCA Regional Fund Policies, and also are evaluated based on six criteria:

Both public agencies and non-public entities are eligible to receive points under Criteria 1, 2, 3, 5, and 6. Only public agencies are eligible to receive points under Criterion 4. Clean air vehicle projects covered by Policies 21–24 are not eligible for points under Criterion 6. An applicant must achieve a minimum percentage of 60% of available points to be eligible for consideration for funding. Projects will be ranked by calculating the percentage of total eligible points scored in descending order. In the event that two or more projects achieve an equal score, the project with the best TFCA cost-effectiveness will receive a higher ranking.

Available TFCA Regional Funds will be allocated to projects beginning with the highest ranking project and proceeding in sequence to lower ranking projects. If the TFCA Regional Fund is oversubscribed, the point where

the next ranked eligible project cannot be fully funded defines the cut-off point for the funding cycle, i.e., all projects above this point will be funded. If the Regional Fund is undersubscribed, any remaining funds are generally allocated to projects in the subsequent funding cycle. By mutual consent of the project sponsor and the Air District, grant awards may be reduced from the amount requested in the original application.

FY 2010/2011 TFCA Regional Fund Scoring Criteria [DJ1]

Criteria	Maximum Points
1. TFCA Funding Effectiveness	60
2. Greenhouse Gas Emission Reductions	10
3. Other Project Attributes	5
4. Clean Air Policies and Programs*	10
5. Sensitive and PM Impacted Communities	---
— A. General	10
— B. Highly Impacted Communities	High priority**
6. Priority Development Areas***	5
Total	100

* Only public agencies eligible to receive points. ** High priority is defined per Criterion 5 below.

*** Not available to vehicle projects covered by Policies 21—24.

DISCUSSION

Criterion 1: TFCA Funding Effectiveness (maximum 60 points)

Measures the cost-effectiveness (C-E) of a project in reducing air pollutant emissions. Generally, applications that include higher rates of matching funds will score better than those that request higher percentage of TFCA funding. TFCA funds budgeted for the project (TFCA Regional Funds and TFCA County Program Manager Funds combined) will be divided by the estimated lifetime emission reductions for the project. The estimated lifetime emission reductions are the sum of reactive organic gases, oxides of nitrogen, and weighted particulate matter (PM)¹ that will be reduced over the life of the project. Air District staff will determine the estimated emission reductions and TFCA funding effectiveness for the project.

The point scales for awarding points for this criterion are presented below:

a. For projects that must achieve a C-E threshold of \$90,000/ton:

TFCA \$/Ton	Points	TFCA \$/Ton	Points
\$0 — \$19,999	60	\$56,000 — \$57,999	53
\$20,000 — \$21,999	60	\$58,000 — \$59,999	52.5
\$22,000 — \$23,999	60	\$60,000 — \$61,999	52
\$24,000 — \$25,999	59.75	\$62,000 — \$63,999	51.5
\$26,000 — \$27,999	59.5	\$64,000 — \$65,999	51
\$28,000 — \$29,999	59.25	\$66,000 — \$67,999	50.5
\$30,000 — \$31,999	59	\$68,000 — \$69,999	50
\$32,000 — \$33,999	58.75	\$70,000 — \$71,999	49.5
\$34,000 — \$35,999	58.5	\$72,000 — \$73,999	49

¹ PM emissions include tailpipe PM, as well as brake particles, tire particles and re-entrained road dust. Consistent with California Air Resources Board methodology to calculate PM emission reductions for the Carl Moyer Program, weighted PM emissions will be calculated by adding the tailpipe PM multiplied by a factor of 20, plus the sum of tire, brake, and road dust PM.

\$36,000	\$37,999	58	\$74,000	\$75,999	48.5
\$38,000	\$39,999	57.5	\$76,000	\$77,999	48
\$40,000	\$41,999	57	\$78,000	\$79,999	47.5
\$42,000	\$43,999	56.5	\$80,000	\$81,999	47
\$44,000	\$45,999	56	\$82,000	\$83,999	46.5
\$46,000	\$47,999	55.5	\$84,000	\$85,999	46
\$48,000	\$49,999	55	\$86,000	\$87,999	45.5
\$50,000	\$51,999	54.5	\$88,000	\$89,999	45
\$52,000	\$53,999	54	\$90,000	and above	0
\$54,000	\$55,999	53.5			

b. For projects that must achieve a C-E threshold of \$125,000/ton (Pilot Shuttles):

TFCA \$/Ton			Points			TFCA \$/Ton			Points		
\$0	\$19,999	60	\$74,000	\$76,999	53						
\$20,000	\$22,999	60	\$77,000	\$79,999	52.5						
\$23,000	\$25,999	60	\$80,000	\$82,999	52						
\$26,000	\$28,999	59.75	\$83,000	\$85,999	51.5						
\$29,000	\$31,999	59.5	\$86,000	\$88,999	51						
\$32,000	\$34,999	59.25	\$89,000	\$91,999	50.5						
\$35,000	\$37,999	59	\$92,000	\$94,999	50						
\$38,000	\$40,999	58.75	\$95,000	\$97,999	49.5						
\$41,000	\$43,999	58.5	\$98,000	\$100,999	49						
\$44,000	\$46,999	58	\$101,000	\$103,999	48.5						
\$47,000	\$49,999	57.5	\$104,000	\$106,999	48						
\$50,000	\$52,999	57	\$107,000	\$109,999	47.5						
\$53,000	\$55,999	56.5	\$110,000	\$112,999	47						
\$56,000	\$58,999	56	\$113,000	\$115,999	46.5						
\$59,000	\$61,999	55.5	\$116,000	\$118,999	46						
\$62,000	\$64,999	55	\$119,000	\$121,999	45.5						
\$65,000	\$67,999	54.5	\$122,000	\$124,999	45						
\$68,000	\$70,999	54	\$125,000	and above	0						
\$71,000	\$73,999	53.5									

e. For projects that must achieve a C-E threshold of \$500,000/ton (Advanced Technology Demonstration):

Criterion 2: Greenhouse Gas Emission Reductions (maximum 10 points)

Rewards projects that reduce greenhouse gas emissions. Awards a maximum of 10 points (on a sliding scale, 0 to 10 points) for projects that reduce emissions of greenhouse gases, predominately carbon dioxide. Generally, projects that promote alternative modes of transportation and reduce single occupant vehicle trips (e.g., transit, ridesharing, bicycling and walking), as well as projects that improve motor vehicle fuel economy, will reduce greenhouse gas emissions. TFCA funds budgeted for the project will be divided by the estimated lifetime emission reductions of greenhouse gases for the project. Air District staff will determine the estimated emission reductions, TFCA funding effectiveness for greenhouse gases, and the scale for awarding points.

Criterion 3: Other Project Attributes (maximum 5 points)

Provides a mechanism in the evaluation and scoring process to identify and assess desirable project attributes that are not captured in the analysis of TFCA funding effectiveness. Projects may score points under this criterion based upon other project attributes identified for each project type. The specific project attributes for each project type will be identified after grant applications have been received and reviewed. Examples of Other Project Attributes will be provided in TFCA Guidance document.

Criterion 4: Clean Air Policies and Programs (maximum 10 points)

Recognizes and encourages the efforts of public agencies to implement policies and programs that promote the region's air quality objectives, especially land use and transportation policies that help to reduce air pollution from motor vehicles.

To receive points for this criterion, the sponsoring agency must describe its policies and actions to implement the transportation control measures (TCMs) in the most recently adopted strategy(ies) for State and national ozone standards throughout the agency's jurisdiction. Points will be awarded based upon the performance of the project sponsor in implementing those elements of each TCM which are within the purview of the sponsor agency.

Non public entities are not eligible for points under this criterion.

Criterion 5: Sensitive and Particulate Matter (PM) Impacted Communities (maximum 10 points)

Under Criterion 5, grant applications are eligible for credit under two sub-criteria.

a. General: This sub-criterion will award a maximum of 10 points (on a sliding scale, 0-10 points) for projects that directly reduce emissions in communities with both high PM_{2.5} emissions and sensitive populations (i.e., children, seniors, those with low incomes or elevated asthma rates).

b. Highly Impacted Communities: Additional credit will be given to projects in these communities by providing them with the maximum score of 10 points in this Criterion and an additional 5 points under Criterion 3 "Other Project Attributes" provided that they meet a minimum percentage of operations in highly impacted communities. These communities have been identified by the Air District as having the most severe health risk and relatively low income levels.

Both sub-criteria 5A and 5B are based on data from the Air District's Community Air Risk Evaluation (CARE) Program; maps that identify these communities will be made available on the Air District's website. To qualify for points, a project must directly benefit one or more of these communities. The credit awarded will be determined by Air District staff, and will be based upon the percentage of project resources or services that would directly benefit the community, and the extent to which the project sponsor demonstrates this benefit.

Criterion 6: Priority Development Areas (maximum 5 points)

~~Awards additional points to projects located in concentrated areas identified for future growth near transit and in existing Bay Area communities. Funding projects operating in regionally approved Priority Development Areas (PDAs) will lead to reduced emissions in the region generally, and in PDAs in particular. Both public agencies and non-public entities are eligible for points under this criterion.~~

~~As with Criterion 5, to receive points for this criterion, the project must directly benefit one or more approved PDAs. The credit awarded will be determined by Air District staff, and will be based upon the percentage of project resources or services that would directly benefit the PDA, and the extent to which the project sponsor demonstrates this benefit.~~

~~Clean air vehicle projects covered by Polices 21—24 are not eligible for points under this criterion.~~

TFCA projects will be evaluated on a first-come-first-serve basis. In order to address Air District priorities, funding available will be reserved as follows:

- a. **For Shuttle/Feeder Bus Services and Ridesharing Projects:** 60% of funding available in this category will be reserved for:
 - i. Projects in Highly Impacted Communities as defined in the Air District Community Air Risk Reduction plans.
 - ii. Priority Development Areas
 - iii. Projects that reduce green house gasses (GHG)
- b. **For Bicycle Facility Projects:** Funding will be available on a first-come-first-serve basis without funding reservations.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 20, 2010

Re: Update on Air District Truck Programs

RECOMMENDED ACTION

Informational item, receive and file.

BACKGROUND

Air District grant programs have historically provided numerous funding opportunities to reduce emissions from heavy-duty trucks (trucks weighing more than 33,000 pounds). Emissions from these vehicles are responsible for up to 85% of the total cancer health risk in the Bay Area air basin and are the major driver of health impacts in communities along Bay Area highways. With over 30,000 eligible trucks registered within Air District jurisdiction, staff anticipates a large demand for retrofits and replacement funding prior to upcoming California Air Resources Board (ARB) regulatory compliance deadlines. As part of this report, Staff will update the committee on Air District incentives program activities to address truck emissions.

DISCUSSION

The Air District currently offers funding opportunities for heavy duty truck projects through its Goods Movement Program (I-Bond), Transportation Fund for Clean Air (TFCA) program, and the Carl Moyer Program. Due to stringent guideline requirements, each of these programs targets a specific subset of heavy-duty trucks and funding for these programs comes from various state and local sources.

I-Bond Program

The I-Bond program provides funding for the replacement and retrofit of on-road trucks operating in goods movement activities in the Bay Area trade corridor. Eligible trucks can be either port or non-port trucks.

Current Program

To date 1,100 port trucks (894 retrofits and 206 replacements) have been upgraded under the Port Truck Emissions Reduction program. These upgrades are the result of two Air District initiatives. An original program that was funded with \$22 million by the Air District (using I-Bond and TFCA monies), the Port of Oakland, and United States Environment Protection Agency (USEPA) that targeted retrofit and replacement of approximately 1,000 port trucks by January 1, 2010.

Additionally, a supplemental program of approximately \$4.5 million in state funds was targeted to provide upgrades to another 648 port trucks by April 30, 2010. Initially 868 truckers expressed interest in receiving grant funds from the supplemental program. However, only 648 of those individuals could provide sufficient proof that they could finance either the additional cost of the retrofit device to be installed or replacement truck. Therefore 220 truckers were not able to participate in the program due to their inability to provide proof of adequate financing.

Of the 648 truckers that executed grant contracts with the Air District, none have been refused funding. However, an ARB imposed compliance deadline on April 30, 2010, related to Port access means that approximately 200 drivers who have not yet installed their retrofit devices or received their replacement trucks can not enter the Port until they upgrade their equipment (install a retrofit device or get a replacement truck). This compliance deadline does not affect their ability to get grant funds, as the Air District will pay for devices installed on trucks up until June 30, 2010. Staff expects at least 100 of these installations to be complete by the end of May.

There are also approximately 290 trucks that have received an extension from ARB to enter the Port of Oakland until June 30, 2010. These drivers will also need to install retrofits or have replacement trucks by that date or they will lose access to the Port. Staff continues to work with grantees and vendors to ensure their equipment is upgraded as quickly as possible before this deadline.

Future Program

Staff expects to allocate \$15 million in I-Bond funding to approximately 300 additional non-port truck replacement projects this year. Based on grant deadlines, staff will begin application review and pre-inspections for non-port trucks in late June/early July 2010 with a goal of executing contracts with grantees by late September 2010. On May 11, 2010, the Air District applied for an additional \$45 million in state I-Bond funding for future on-road truck projects as part of the Year 2 and 3, I-Bond solicitation.

Transportation Fund for Clean Air Program

The TFCA program provides funding for the purchase of hybrid-electric, electric, fuel cell and Compressed Natural Gas (CNG)/ Liquefied Natural Gas (LNG) vehicles. The Air District issued a solicitation for these vehicles in October 2009. That solicitation was for \$5 million, and staff is still currently accepting and evaluating project applications for vehicles and infrastructure (approximately \$1.8 million is still available for projects).

Carl Moyer Program

The Carl Moyer Program provides funding for on-road truck replacement, and retrofit projects through its Voucher Incentive Program (VIP). Under ARB requirements, VIP funds are specifically targeted at fleets of three or fewer trucks, and are not available for port trucks. The VIP was first implemented by the Air District in July 2009 and to date has allocated \$235,000 to replace seven vehicles in the Bay Area. The Air District has contracted with 13 Bay Area truck dealerships to implement the VIP, and assist with outreach efforts.

In March 2010, the ARB approved revisions to the VIP guidelines that will expand the program to more of the trucking community. The Air District currently has approximately \$3.5 million available to replace heavy-duty trucks, from a combination of state and local funds (CMP and Mobile Source Incentive Funds), available for VIP truck replacement and retrofit projects. These funds will replace approximately 80 vehicles.

Outreach

Staff will utilize a number of outreach methods to inform the trucking community of the availability of funds, including: building relationships with local truck vendors to assist in the outreach efforts, speaking engagements at truck group meetings, website postings, and staffing a remote location on a key Bay Area truck route with the goal to providing information and application materials to interested truckers. Staff has also built a robust mailing list of trucks operating in the Bay Area from the interest it received from the first Year of the I-Bond program. Staff is also considering billboard advertising, posting program information on trade websites, blogs and trucker Wi-Fi points, and a direct mail campaign to promote the programs.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Haggerty and
Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 20, 2010

Re: Consideration of proposed Board Resolution in support of an application
for California Goods Movement Bond Funding

RECOMMENDED ACTION

Recommend the Board of Directors:

- Adopt a Resolution in support of the Air District's application for Goods Movement Bond funding.

BACKGROUND

In November 2006, California voters authorized the Legislature to appropriate \$1 billion in bond funding to quickly reduce air pollution emissions and health risk from freight movement along California's priority trade corridors. On February 28, 2008, The California Air Resources Board (ARB) approved an allocation of \$140 million from projected bond sales to the Bay Area trade corridor (approximately \$35 million per year over the next four years.)

To date the Air District has encumbered \$35 million in Year 1 Goods Movement Bond (I-Bond) funding. These monies have and continue to be focused on retrofitting and replacing on-road and Port of Oakland (Port) trucks. The program will also fund a shore power project to electrify three berths at the APL terminal at the Port as part of the Year 1 funding cycle. As part of this report, Staff will update the Committee on its recent I-Bond Year 2 and 3 application and request Board of Directors adoption of a resolution in support of this application.

DISCUSSION

On April 15, 2010, the ARB issued a Notice of Funding Availability for I-Bond Years 2 and 3 (combined) funding. Staff held a public meeting on May 6, 2010 to gather input on its ideas for funding objectives for the Bay Area trade corridor for Year 2 and 3 of the I-Bond program. Staff also met with staff from the Port of Oakland to coordinate efforts, and discuss each agency's interests in applying for I-Bond funds. The input from the public meeting and the meetings with the Port were taken into consideration as Air District staff finalized the application.

Staff believes future I-Bond funding must be used to address a number of important upcoming regulatory deadlines for the following source categories:

- **On-road trucks:** Emissions from these vehicles are responsible for up to 85% of the total cancer health risk in the Bay Area air basin and are the major driver of health impacts in communities along Bay Area highways. With over 30,000 eligible trucks registered within Air District jurisdiction, there will be a large demand for retrofits and replacement funding prior to upcoming regulatory compliance dates in 2013 and 2014.
- **Shore-power:** Emissions from ocean-going vessels at berth at the Port of Oakland represent a significant health impact for residents of the West Oakland community (second only to drayage trucks). Projects to reduce emissions from these vessels require long lead times to ensure their successful completion. With an impending regulatory compliance date in 2014, reducing some of the 61 tons of diesel particulate matter emitted annually from this source is a priority.
- **Locomotives:** Emissions from locomotives are another key driver of risk in certain Bay Area highly impacted communities, specifically in West Oakland and Richmond. Additionally, this category of project cannot be regulated by local or state jurisdictions, therefore providing incentives for emissions reductions in this category remains a priority for the I-Bond program.

Based on the Air District's projected expenditure of \$35 million in Program Year 1, there is \$105 million remaining from the \$140 million allotment to the Bay Area trade corridor. The Air District's application for Program Year 2 and 3 funding requested: \$45 million for heavy-duty trucks, \$39.14 million for shore power projects, and \$3.86 million for locomotive projects. This request envisions a Year 4 application for \$18 million to replace approximately 500 drayage trucks at the Port in order to address their 2014 regulatory compliance date. The Air District's application was submitted to ARB on May 11, 2010. ARB expects to take I-Bond award recommendations to their Board, at their June 24-25, 2010 Board Hearing.

One required element of the Air District's I-Bond application to ARB is the submittal of an Air District Board resolution. Staff requests that the Committee recommend the Board of Directors adopt a resolution in support of the Air District's application for Goods Movement Bond funding.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2010 -

**A Resolution of the Board of Directors of the Bay Area Air Quality Management
Accepting Goods Movement Emission Reduction Program Funds
From the California Air Resources Board**

WHEREAS, under Government Code, Section 8879.23, subdivision (c), paragraph (2), funds are appropriated to the California Air Resources Board (ARB) for allocation on a competitive basis for projects that are shown to achieve the greatest emission reductions from activities related to the movement of freight along California's trade corridors;

WHEREAS, California Health and Safety Code, Section 39625 et seq. empowers ARB to allocate Goods Movement Emission Reduction Program ("Program") funds to local public entities, such as the Bay Area Air Quality Management District (District), to provide financial incentives to reduce emissions associated with the movement of freight along California's trade corridors;

WHEREAS, in May 2008, ARB awarded the first installment of \$250 million to local agencies, which are currently implementing emission reduction projects under the Program;

WHEREAS, under the State's current fiscal policies, ARB's ability to award the subsequent \$500 million in Program funding is dependent on the availability of cash from bond sales or other State financing mechanisms;

WHEREAS, from Spring 2010 bond sales, ARB has the cash available to award approximately \$200 million for new projects to local and state agencies at a public ARB Board hearing on June 24-25, 2010;

WHEREAS, in April 2010, ARB issued a notice of funding availability inviting local and state agencies to submit applications for funding for new projects;

WHEREAS, the District wishes to apply for funds for new projects pursuant to the ARB invitation;

WHEREAS, ARB requires each public agency to include in its application a signed or proposed resolution authorizing receipt of Program funding;

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby authorizes the District to enter into an agreement with ARB, accept funds, and provide matching funds under the fiduciary control of the District that are identified in a District project funding demonstration.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to sign and submit the local agency project application.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to execute the District's project grant agreement between ARB and the District.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to execute an equipment project contract between the District and equipment owner.

BE IT FURTHER RESOLVED, the Executive Officer is the District representative authorized to sign Grant Expenditure Requests and delegate signature authorization to others. 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 _____, 2010 by the following vote of the Board:

AYES:

NOES:

ABSENT:

Brad Wagenknecht
Chairperson of the Board of Directors

ATTEST:

John Gioia
Secretary of the Board of Directors