



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

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

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

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY
ASSEMBLY BILL 361**

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WEBINAR ID: 820 6589 3948

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COMMENT CAN USE THE “RAISE HAND” FEATURE BY DIALING “*9”. IN
ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE
YOUR APPLICATION IS UP TO DATE**

THURSDAY
OCTOBER 28, 2021
9:30 A.M.

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

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

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

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

Staff/Phone (415) 749-

CONSENT CALENDAR (ITEM 2)

2. APPROVAL OF THE MINUTES OF SEPTEMBER 23, 2021

Clerk of the Boards/5073

The Committee will consider approving the attached draft minutes of the Mobile Source and Climate Impacts Committee meeting of September 23, 2021.

END OF CONSENT CALENDAR

REGULAR AGENDA (ITEMS 3-6)

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

K. Schkolnick/5070

kschkolnick@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the award of Carl Moyer Program funding to projects with proposed grant awards in excess of \$100,000, authorize the Executive Officer/APCO to execute grant agreements for the recommended projects, and allocate \$2 million in incentive funding for an electric vehicle charging program for multi-unit dwellings in AB617 areas.

4. **PROPOSED UPDATES TO THE TRANSPORTATION FUND FOR CLEAN AIR COUNTY PROGRAM MANAGER FUND POLICIES FOR FISCAL YEAR ENDING 2023**

K. Mak/8660

kmak@baaqmd.gov

The Committee will consider recommending the Board of Directors approve the proposed updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending 2023.

5. **CLEAN CARS FOR ALL CONTRACTOR SELECTION**

T. Le/8666

tle@baaqmd.gov

The Committee will consider recommending the Board of Directors approve a contractor to provide consumer education and support for clean transportation incentives in Bay Area Disadvantaged Communities.

6. **ELECTRIC TRANSPORTATION, STATE OF THE MARKET, AND PREPARING FOR THE FUTURE**

A. Fournier/4961

afournier@baaqmd.gov

The Committee will receive an informational update from Dan Bowermaster, Electric Power Research Institute (EPRI) on electric vehicles and their current and projected impacts on the electrical grid.

END OF REGULAR AGENDA

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

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

8. **COMMITTEE MEMBER COMMENTS**

Any member of the Committee, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

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

Monday, December 6, 2021, at 1:00 p.m. via webcast, pursuant to procedures in accordance with Assembly Bill 361.

10. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Co-Chairs.

CONTACT:

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

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

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

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

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

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

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Terri Levels, at (415) 749-4667 or by email at tlevels@baaqmd.gov

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE: MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

OCTOBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Meeting	Monday	25	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	28	9:30 a.m.	Webcast only pursuant to Assembly Bill 361

NOVEMBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	3	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Community Equity, Health and Justice Committee	Thursday	4	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Advisory Council Meeting	Monday	8	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee	Monday	15	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Nominating Committee	Wednesday	17	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Special Meeting	Wednesday	17	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Administration Committee	Wednesday	17	11:00 a.m.	Webcast only pursuant to Assembly Bill 361

Board of Directors Legislative Committee - CANCELLED	Wednesday	17	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
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Board of Directors Mobile Source and Climate Impacts Committee – CANCELLED AND RESCHEDULED TO MONDAY, DECEMBER 6, 2021, AT 1:00PM	Thursday	25	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 21, 2021

Re: Approval of the Minutes of September 23, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Mobile Source and Climate Impacts Committee (Committee) meeting of September 23, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source and Climate Impacts Committee meeting of September 23, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Mobile Source and Climate Impacts Committee Meeting
of September 23, 2021

AGENDA: 2A – ATTACHMENT

Draft Minutes – Mobile Source and Climate Impacts Committee Meeting of September 23, 2021

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

DRAFT MINUTES

Summary of Board of Directors
Mobile Source and Climate Impacts Committee Meeting
Thursday, September 23, 2021

This meeting was conducted pursuant to procedures in accordance with Government Code Section 54593.

1. CALL TO ORDER – ROLL CALL

Mobile Source and Climate Impacts Committee (Committee) Co-Chairperson, Katie Rice, called the meeting to order at 9:33 a.m.

Present: Co-Chairpersons David Canepa and Katie Rice; Vice Chairperson Rob Rennie; and Directors John Gioia, Lynda Hopkins, and Karen Mitchoff.

Absent: Directors Margaret Abe-Koga, Pauline Russo Cutter, David Hudson, Davina Hurt, and Lori Wilson.

Also Present: None.

2. APPROVAL OF THE MINUTES OF MEETING OF JUNE 24, 2021

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Co-Chair Canepa made a motion, seconded by Director Mitchoff, to **approve** the Minutes of the Meeting of June 24, 2021; and the motion carried by the following vote of the Committee:

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

3. PLAN BAY AREA 2050 UPDATE

James Choe, Climate Program Manager for the Metropolitan Transportation Commission (MTC)/Association of Bay Area Governments (ABAG) gave the presentation *Update on Plan Bay Area 2050*, including: long-range planning for a better Bay Area; Plan Bay Area 2050 and greenhouse gas (GHG) reduction; 11 themes and 35 bold strategies; strategies with high impact on GHG reduction; projected outcomes; Implementation Plan overview; revised draft implementation actions (EN7, EN8, EN9); and considering final Plan Bay Area 2050 for adoption.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed whether funding considerations have been made for wildfire risk, sustainable forestry work, vegetation management, or field and fuel breaks; concern that MTC/ABAG's models do not consider tourists' contributions to GHG emissions in various Bay Area locations; whether the proposed Plan addresses the future of the electric vehicle (EV) charging grid and charger maintenance; the level of engagement of the California Public Utilities Commission; projected outcomes and performance metrics for Plan Bay Area 2040, what was learned from that version of the Plan, and how that Plan's data will inform the development of Bay Area 2050; challenges of continuing to fund operations of existing bus services; and challenges of bringing EV charging to existing multifamily dwellings.

Committee Action

None; receive and file.

4. UPDATE ON CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) THRESHOLDS OF SIGNIFICANCE FOR GREENHOUSE GASES

Henry Hilken, Director of Planning and Climate Protection, gave the staff presentation *Update on California Environmental Quality Act Thresholds of Significance for Greenhouse Gas Emissions*, including: outcome; outline; requested action; background and context; land-use projects; stationary sources; land-use plans; feedback from focus groups; and next steps.

Public Comments

Public comments were given by Leah Louis Prescott, Rocky Mountain Institute; and Christine Wolfe, California Council for Environmental and Economic Balance.

Committee Comments

The Committee and staff discussed whether the elimination of natural gas in residential and non-residential buildings is already required within the California Green Building Standards Code/Title 24; and whether the Air District's proposed updates to CEQA thresholds of significance for GHG emissions are intended to address the retrofitting and decarbonization of existing buildings.

Committee Action

None; receive and file.

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

Chengfeng Wang, Air Quality Program Manager, gave the staff presentation *Projects and Contracts with Proposed Awards over \$100,000*, including: outcome; outline; requested action; Carl Moyer Program (CMP)/Mobile Source Incentive Fund (MSIF), Community Air Protection Program (CAPP), and Funding Agricultural Replacement Measures for Emissions Reductions (FARMER); Transportation Fund for Clean Air (TFCA); incentive funding awarded and recommended since July 2021 by revenue source, project category, and county; and action requested.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed tugboat engine replacements.

Committee Action

Co-Chair Canepa made a motion, seconded by Vice Chair Rennie, to recommend the Board **approve** recommended projects with proposed grant awards in excess of \$100,000, and **authorize** the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects; and the motion carried by the following vote of the Committee:

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

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS

None.

8. TIME AND PLACE OF NEXT MEETING

Thursday, October 28, 2021, at 9:30 a.m., via webcast, pursuant to procedures in accordance with Government Code Section 54593.

9. ADJOURNMENT

The meeting was adjourned at 10:58 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 21, 2021

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

RECOMMENDED ACTIONS

Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1;
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects; and
3. Allocate an additional \$2 million for the electric vehicle (EV) infrastructure, *Charge!* program, for projects serving multi-unit dwellings in Assembly Bill (AB) 617 communities.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (CARB), since the program began in fiscal year ending (FYE) 1999. The CMP provides grants to public and private entities to reduce emissions of nitrogen oxides (NOx), reactive organic gases (ROG), and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, and stationary agricultural pump engines. Since 2018, this funding may also be used to incentivize the installation of infrastructure that will support the deployment of new zero-emissions vehicles and equipment.

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

On January 20, 2021, the Board of Directors (Board) authorized the Air District's participation in Year 23 of the CMP and authorized the Executive Officer/APCO to execute grant agreements and amendments for projects funded with CMP funds or MSIF revenues with individual grant award amounts up to \$100,000.

In 2017, AB 617 directed the CARB, in conjunction with local air districts to establish the Community Air Protection Program (CAPP). AB 617 provides a new community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for reducing air pollution and public health impacts from mobile and stationary sources. Funding for incentives to support AB 617 communities was approved by the California Legislature beginning in FYE 2018. Funding for the CAPP comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases.

In May 2020, the Governor issued a revised budget that authorized up to \$200 million for a third cycle of CAPP incentive funding. On June 17, 2020, the Board authorized the Air District to accept, obligate, and expend up to \$40 million in year-3 CAPP. CAPP funds are primarily distributed through the Air District's Community Health Protection (CHP) Grant Program to implement projects eligible under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Staff has also begun working with CARB to expand eligibility to include stationary source projects and projects that have been identified and prioritized by communities with a Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

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

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority and requirements for the Transportation Fund for Clean Air (TFCA) are set forth in the HSC Sections 44241 and 44242. Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air program) and to a program referred to as the Regional Fund. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. The remaining forty percent of TFCA funds are passed through to the designated County Program Manager in each of

the nine counties within the Air District's jurisdiction that in turn award TFCA funds to eligible projects within their communities.

On April 7, 2021, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in FYE 2022, cost-effectiveness limits for Air District-sponsored FYE 2022 programs, and the Executive Officer/APCO to execute grant agreements and amendments for projects with individual grant award amounts up to \$100,000. On June 16, 2021, the Board adopted policies and evaluation criteria for the FYE 2022 Regional Fund program.

Projects with grant award amounts over \$100,000 are brought to the Mobile Source and Climate Impacts Committee for consideration at least on a quarterly basis. Staff reviews and evaluates grant applications based upon the respective governing policies and guidelines established by the CARB, the Board, and other funding agencies/entities. Along with recommendations for projects and grant awards over \$100,000, staff also updates the Committee on the status of incentive funding for the current fiscal year, including total funding awarded, incentive fund balance available for award, funds allocated by county and by equipment category type, and percentages of funding benefitting impacted and low-income communities. The reported emissions reduction benefits to counties and impacted communities are based on information provided by each applicant.

DISCUSSION

Carl Moyer Program and Community Health Protection Grant Program:

For the FYE 2022 the Air District had approximately \$46 million available in CMP, MSIF, CHP Program, and FARMER funds for eligible projects, including prior year funds. This total may change as additional revenue are awarded to the Air District. The Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

As of September 28, 2021, the Air District has awarded or evaluated 43 project applications. Of the new applications that were evaluated between August 24, and September 28, 2021, four eligible projects have proposed grant awards over \$100,000. One marine project will replace two engines with cleaner diesel engines on a charter fishing vessel. Two off-road agricultural projects and one off-road industrial project will replace two diesel-powered agricultural tractors, a diesel-powered agricultural wheel loader, and a diesel-powered excavator with cleaner diesel equipment. These projects will reduce over 2.9 tons of NOx, ROG, and PM per year. Staff recommends the allocation of \$840,300 for these projects from a combination of CMP, FARMER, CHP, and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been awarded by the Air District between July 1, 2021, and August 24, 2021, and includes information about equipment category, award amounts, estimated emissions reductions, county location, and whether the project benefits Air District designated Community Air Risk Evaluation (CARE) areas or disadvantaged (Senate Bill (SB) 535) and/or low-income (AB 1550) communities. To date, approximately 88% of the funds¹ have been awarded or allocated to low-income residents or to projects that reduce emissions CARE areas, disadvantaged SB 535, and/or low-income AB 1550 communities. This percentage will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about the location of projects and program participants becomes available.

Transportation Fund for Clean Air Program:

For the FYE 2022, the Air District had approximately \$29.39 million in TFCA monies available for eligible projects and programs consisting of new and prior-year revenues. The Air District accepts project applications for certain project categories on a rolling basis and evaluates them on a first-come, first-served basis. There were no projects evaluated between August 24, 2021, and September 28, 2021, with proposed grant awards over \$100,000.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2021, and September 28, 2021, including information about the project category, award amount, estimated emissions reduction, county location, and whether the project benefits Air District designated CARE areas or disadvantaged SB 535 and/or low-income AB 1550 communities. To date, approximately 84% of the funds¹ have been awarded or allocated to low-income residents or to projects that reduce emissions in CARE, disadvantaged SB 535, and/or low-income AB 1550 communities. The percentage of projects in these communities will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about the location of projects and program participants becomes available.

Proposed Allocation for the *Charge!* Program:

On April 7, 2021, the Board of Directors approved an allocation of \$5 million of TFCA FYE 2022 funds for the *Charge!* program. Currently, the Air District has a number of funding sources that can provide support to the *Charge!* program. As those funding sources have different expenditure deadlines, it is advantageous to remain flexible in terms of which funding source is used to pay for a given project. This allows staff to achieve the maximum benefit for our communities by ensuring that available funds are managed efficiently to maximize equipment deployment.

¹ For the purpose of determining whether funding was awarded or allocated to low-income residents or to projects that reduce emissions in CARE, SB 535, and/or low-income AB 1550 communities, funds awarded and allocated to date does not include any amounts awarded to regional projects where all communities receive the benefit. It also does not include amounts awarded to projects where the location of the benefit is unknown until additional information becomes available.

Therefore, staff's recommendation seeks to additionally allocate up to \$2 million from MSIF for the Charge program with the flexibility to backfill those monies with CMP, MSIF, CHP, or TFCA revenues as projects close out. The solicitation for this program is currently being developed and is planned to open later this year. Projects from this solicitation are expected to be evaluated in spring of 2022 and recommendations for up to \$7 million in awards brought to the Board for approval in mid-2022.

This recommendation seeks to build on the results of a pilot initiative in the prior-year *Charge!* program that awarded more than \$225,000 for 49 EV chargers at 12 multi-unit dwelling locations. Deploying electric vehicle charging stations at multi-unit dwellings and in AB 617 communities remains challenging due to the lower penetration of EV adoption at these locations and in these communities. The continuation of this program will help encourage more deployment of charging stations in AB 617 communities and support greater adoption of electric vehicles in the Bay Area. The proposed funding of EV chargers at multi-unit dwellings will also align with the recent Air District partnership with Stop Waste who will use their experience with the Bay Area Multi-family Building Enhancements initiative to increase awareness and installation of EV charging at Bay Area multi-unit dwellings. Stop Waste will provide technical assistance for multi-unit dwelling owners and managers to evaluate locations, increase EV charging installations, and assist with the grant application process. Staff will continue to seek opportunities to engage market-rate and affordable housing locations, particularly in AB 617 communities, and will simultaneously advertise EV incentives (e.g., Clean Cars for All) to residents living in these multi-family dwellings. Finally, staff will be looking for opportunities to bring in external funding to further support EV charging in multi-unit dwellings.

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda Hui, Ken Mak, and Chad White

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

Attachment 1: Projects with Grant Awards Greater than \$100,000

Attachment 2: CMP/MSIF, FARMER and Community Health Protection Grant Program Projects
Awarded and Allocated between 8/24/21 and 9/28/21

Attachment 3: TFCA Projects Awarded and Allocated Projects between 8/24/21 and 9/28/21

Attachment 4: Summary of Funding Awarded and Allocated between 8/24/21 and 9/28/21

AGENDA 3 - ATTACHMENT 1

Table 1 - Carl Moyer Program, Mobile Source Incentive Fund, FARMER, Community Health Protection Program, and Transportation Fund for Clean Air projects with grant awards greater than \$100k (Evaluated between 8/24/21 and 9/28/21)

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Total Project Cost	Emission Reductions (tons per year)			County
						NO _x	ROG	PM	
22MOY170	Argent Materials INC	Off-Road	Replace one Tier-1 diesel-powered excavator with one Tier-4 final diesel-powered excavator.	\$ 106,000	\$ 385,875	0.814	0.041	0.021	Alameda
22MOY196	A.C. Fishing Charters, Inc. dba Tigerfish Sportfishing	Marine	Replace two Tier-2 diesel marine engines with two Tier-3 diesel marine engines on a charter fishing vessel.	\$ 256,000	\$ 320,151	0.576	0.000	0.031	Alameda/Contra Costa/Marin/San Francisco
22MOY167	Ielmorini Dairy	Off-Road/Ag	Replace one Tier-0 diesel-powered tractor and one Tier-1 diesel-powered tractor with two Tier-4 final diesel-powered tractors.	\$ 285,700	\$ 357,196	0.871	0.107	0.052	Sonoma
22MOY209	Global Mushrooms LLC.	Off-Road/Ag	Replace one Tier-3 diesel-powered ag wheel loader with one Tier-4 final diesel-powered ag wheel loader	\$ 192,600	\$ 240,790	0.362	0.049	0.029	Santa Clara
TBD	BAAQMD	LD Infrastructure	Charge! Program*	\$ 2,000,000	TBD*	TBD*	TBD**	TBD*	TBD*
5 Projects				\$ 2,840,300	\$ 1,304,012	2.623	0.198	0.132	

* Funding may come from Carl Moyer Program, Mobile Source Incentive Fund, Community Health Protection Program, and/or Transportation Fund for Clean Air

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

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects
(awarded and allocated between 7/1/21 and 9/28/21)*

Project #	Project Category	Project Type	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			Board Approval Date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22SBP71	School Bus	Equipment replacement + Infrastructure	12	\$ 3,775,186.00	Petaluma City Schools	0.932	0.071	0.005	7/7/2021	No	Yes	Sonoma
22MOY138	Ag/ off-road	Equipment replacement	3	\$ 525,300.00	Dave Soiland	2.035	0.165	0.097	7/7/2021	No	No	Sonoma
22SBP84	School Bus	Equipment replacement + Infrastructure	4	\$ 803,786.00	Rincon Valley Union School District	0.228	0.015	0.003	7/7/2021	No	Yes	Sonoma
22MOY149	Ag/ off-road	Equipment replacement	1	\$ 170,500.00	Renati Dairy	0.522	0.068	0.048	7/7/2021	No	No	Sonoma
22MOY127	Ag/ off-road	Equipment replacement	2	\$ 107,100.00	Napa Select Vineyard Services, Inc.	0.187	0.012	0.011	7/7/2021	No	No	Napa
22MOY142	Ag/ off-road	Equipment replacement	2	\$ 105,500.00	Cobb Creek Holdings, LLC DBA CCH Ag Services	0.205	0.034	0.021	7/7/2021	No	No	Napa
22MOY135	Marine	Engine replacement	1	\$ 154,000.00	William E. Smith	1.831	0.018	0.069	7/7/2021	No	NO	San Mateo
22SBP105	School Bus	Equipment replacement + Infrastructure	4	\$ 1,731,969.00	Fremont Unified School District	0.414	0.036	0.018	7/7/2021	No	Yes	Alameda
22MOY169	Ag/ off-road	Equipment replacement	2	\$ 132,260.00	Kenzo Estate, Inc.	0.223	0.020	0.015	7/7/2021	No	No	Napa
22SBP40	School Bus	Equipment replacement + Infrastructure	5	\$ 889,832.00	Franklin-McKinley School District	0.250	0.015	0.003	7/7/2021	Yes	Yes	Santa Clara
22MOY158	Marine	Engine replacement	1	\$ 174,000.00	Laurence J Collins	0.790	0.018	0.028	7/7/2021	No	No	San Francisco
2102-16395	LD Infrastructure	Charge!		\$ 21,000.00	The Millennium Tower Association	0.007	0.004	0.000	7/7/2021	Yes	No	San Francisco
2103-17230	LD Infrastructure	Charge!		\$ 64,000.00	REEF Energy CA Operations LLC	0.098	0.058	0.002	7/7/2021	Yes	Yes	San Francisco
2103-17359	LD Infrastructure	Charge!		\$ 48,000.00	The Shores at Marina Bay Community Association	0.005	0.003	0.000	7/7/2021	Yes	Yes	Contra Costa
2103-17527	LD Infrastructure	Charge!		\$ 24,000.00	EVmatch, Inc.	0.003	0.002	0.000	7/7/2021	Yes	Yes	Alameda
2103-17603	LD Infrastructure	Charge!		\$ 32,000.00	Bollinger Crest Apartment Investors, LP	0.011	0.006	0.000	7/7/2021	No	No	Alameda
2103-17638	LD Infrastructure	Charge!		\$ 48,000.00	Intertie, Incorporated	0.017	0.010	0.000	7/7/2021	Yes	Yes	San Francisco
22MOY130	On-road	Equipment replacement	1	\$ 25,000.00	Min Jian Huang (jianhuang)	0.841	0.070	0.000	APCO	Yes	Yes	Alameda
22MOY151	Ag/ off-road	Equipment replacement	2	\$ 86,000.00	Hardin Vineyard Management LLC	0.257	0.055	0.023	APCO	No	No	Napa
22MOY124	On-road	Equipment replacement	1	\$ 25,000.00	Kulwant Khera (kskhera)	0.773	0.065	0.000	APCO	Yes	Yes	Alameda
22MOY78	Ag/ off-road	Equipment replacement	1	\$ 36,000.00	Cortina Vineyard Management	0.047	0.011	0.008	APCO	Yes	Yes	Napa
22MOY143	Ag/ off-road	Equipment replacement	1	\$ 120,800.00	Kabeela Inc.	0.304	0.022	0.015	TBD	No	Yes	Santa Clara
22MOY131	On-road	Equipment replacement	1	\$ 25,000.00	Karanbir Singh (karanbirsg)	0.820	0.690	0.000	APCO	No	No	Contra Costa

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program projects
(awarded and allocated between 7/1/21 and 9/28/21)*

Project #	Project Category	Project Type	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			Board Approval Date	CARE Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22MOY166	Ag/ off-road	Equipment replacement	2	\$ 96,400.00	Stone Bridge Cellars Inc.	0.166	0.009	0.009	APCO	No	No	Napa
22MOY174	On-road	Equipment replacement	1	\$ 25,000.00	Can Yuan Chen (canchen)	1.008	0.085	0.000	APCO	Yes	Yes	Alameda
22MOY92	Ag/ off-road	Equipment replacement	1	\$ 29,550.00	Paul P. Bianchi, Inc	0.025	0.023	0.007	APCO	No	No	Sonoma
22SBP52	School Bus	Equipment replacement	3	\$ 435,306.00	Pittsburg Unified School District	0.290	0.022	0.000	TBD	Yes	Yes	Contra Costa
22MOY185	Ag/ off-road	Equipment replacement	1	\$ 67,100.00	Domenico J. Carinalli, Jr.	0.156	0.010	0.009	APCO	No	No	Sonoma
22MOY99	Ag/ off-road	Equipment replacement	1	\$ 41,100.00	Daylight Vineyard Management, Inc.	0.062	0.005	0.007	APCO	No	No	Sonoma
22MOY179	Marine	Engine replacement	1	\$ 72,000.00	Kyle Dryer dba Diamond Sportfishing	0.705	0.009	0.028	APCO	Yes	No	Alameda/Contra Costa/San Francisco
22MOY183	Marine	Engine Replacement	2	\$ 172,500.00	Joseph Mantua	0.661	0.028	0.028	TBD	No	No	Marin/San Maeto/San Francisco/Sonoma
22MOY140	Marine	Engine Replacement	1	\$ 72,000.00	Mike Carpenter	0.249	0.008	0.010	APCO	No	No	Marin/San Francisco/Sonoma
22MOY22	Ag/ off-road	Equipment replacement	2	\$ 57,100.00	Joseph Pinheiro	0.047	0.018	0.010	APCO	No	No	Sonoma
22MOY159	Marine	Engine replacement	4	\$ 3,529,000.00	Baydelta Navigation LTD	30.665	2.726	1.021	TBD	Yes	Yes	San Francisco, Alameda, Contra Costa, Marin, Solano
22MOY160	Marine	Engine replacement	4	\$ 3,529,000.00	Baydelta Navigation LTD	30.665	2.726	1.021	TBD	Yes	Yes	San Francisco, Alameda, Contra Costa, Marin, Solano
21SBP98*	School Bus	Equipment replacement + Infrastructure	--	\$ 242,828	Palo Alto Unified School District	--	--	--	TBD	Yes	Yes	Santa Clara
22SBP14**	School Bus	Equipment replacement + Infrastructure	--	\$ 95,327	Milpitas Unified School District	--	--	--	TBD	Yes	Yes	Santa Clara
22MOY128	On-road	Equipment replacement	1	\$ 15,000.00	Aman Khan	0.420	0.035	0.000	APCO	Yes	Yes	Alameda
22MOY187	Ag/ off-road	Equipment replacement	1	\$ 30,100.00	Dierke's Enterprises	0.017	0.015	0.004	APCO	No	No	Sonoma
22MOY190	Ag/ off-road	Equipment replacement	2	\$ 91,170.00	Anderson's Conn Valley Winery, Inc.	0.108	0.034	0.015	APCO	No	No	Napa
22MOY170	Off-road	Equipment replacement	1	\$ 106,000.00	Argent Materials INC	0.814	0.041	0.021	TBD	Yes	Yes	Alameda
22MOY209	Ag/ off-road	Equipment replacement	1	\$ 192,600.00	Global Mushrooms LLC.	0.362	0.049	0.030	TBD	No	Yes	Santa Clara
22MOY167	Ag/ off-road	Equipment replacement	2	\$ 285,700.00	Ielmorini Moody Dairy	0.871	0.107	0.052	TBD	No	Yes	Sonoma
22MOY196	Marine	Engine replacement	2	\$ 256,000.00	A.C. Fishing Charters Inc., dba Tigerfish Sportfishing	0.576	0.000	0.031	TBD	Yes	No	Alameda/Contra Costa/Marin/San Francisco
TBD	LD Infrastructure	Charge!§	--	\$ 2,000,000.00	BAAQMD	TBD*	TBD*	TBD*	TBD	TBD*	TBD*	Regional

44 Projects 77 \$ 20,565,014 78.7 7.4 2.7

*This project was previously awarded \$513,500.00 of TFCA funds and \$323,778.00 of CMP/MSIF/CHP funds on 3/4/20. The proposed increase of \$242,828 in CMP/MSIF/CHP funds will allow for DC fast-charging infrastructure to be included as part of this project.

**This project was previously awarded \$204,598.00 of TFCA funds and \$622,556.00 of CMP/MSIF/CHP funds on 4/7/21. The proposed increase of \$95,327 in CMP/MSIF/CHP funds will allow for DC fast-charging infrastructure to be included as part of this project.

§ Funding may come from either the CMP/MSIF/CHP or TFCA.

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

AGENDA 3 - ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/21 and 9/28/21)

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (tons per year)			Board/ APCO Approval Date	CARE Area	AB1550 / SB535 Area	County
					NO _x	ROG	PM				
2101-15735	LD Infrastructure	Install and operate 38 DC Fast chargers at 6 transportation corridor facilities in San Francisco, South San Francisco, Millbrae, Menlo Park, and San Jose.	\$ 950,000	EVgo Services LLC	0.350	0.207	0.008	7/7/21	Yes	No	Multi-County
2103-17065	LD Infrastructure	Install and operate 5 Level 2 (high) dual port chargers at 1 transit parking facility in Napa.	\$ 20,000	Napa Valley Transportation Authority	0.014	0.008	0.000	7/7/21	No	No	Napa
2103-17315	LD Infrastructure	Install and operate 135 Level 2 (high) single port chargers and 123 DC fast chargers at 40 destination, transportation corridor, and transit parking facilities in Vallejo, San Jose, Kenwood, Fairfield, Vacaville, Mountain View, and Santa Clara.	\$ 2,999,000	EV Charging Solutions, Inc.	1.446	0.853	0.035	7/7/21	Yes	Yes	Multi-County
2103-17345	LD Infrastructure	Install and operate 2 DC Fast and 2 dual port Level 2 (high) chargers at 2 destination facilities in San Ramon.	\$ 44,000	City of San Ramon	0.024	0.014	0.001	7/7/21	Yes	No	Alameda
2103-17497	LD Infrastructure	Install and operate 17 DC Fast chargers at 1 transportation corridor facility in Oakland.	\$ 425,000	East Bay Community Energy Authority	0.157	0.093	0.004	7/7/21	Yes	Yes	Alameda
2103-17499	LD Infrastructure	Install and operate 8 Level 2 (high) dual port chargers at 1 multi-unit dwelling facility in Alameda.	\$ 64,000	Alameda Multifamily Owner LLC	0.023	0.013	0.001	7/7/21	Yes	No	Alameda
2103-17520	LD Infrastructure	Install and operate 5 Level 2 (high) dual port and 2 Level 2 (high) single port chargers at 2 destination facilities in Dublin.	\$ 26,000	City of Dublin	0.019	0.011	0.000	7/7/21	No	No	Alameda
2103-17524	LD Infrastructure	Install and operate 110 Level 2 (high) single port chargers with solar and 24 Level 2 (high) single port chargers at 3 workplace and 1 destination facilities in Solano.	\$ 406,000	County of Solano	0.309	0.182	0.007	7/7/21	Yes	Yes	Solano
2103-17554	LD Infrastructure	Install and operate 2 Level 2 (high) dual port chargers with solar at 1 workplace facility in Richmond.	\$ 12,000	West County Wastewater District	0.006	0.003	0.000	7/7/21	Yes	Yes	Contra Costa
2103-17625	LD Infrastructure	Install and operate 11 Level 2 (high) dual port chargers at 1 multi-unit dwelling facility in Brentwood.	\$ 44,000	Silvergate Brentwood, LLC	0.037	0.022	0.001	7/7/21	No	No	Contra Costa
21R05	LD Infrastructure	FYE 21 Charge! Program	\$ 10,000	BAAQMD	TBD*	TBD*	TBD*	7/7/21	TBD*	TBD*	Regional
22R02	LD Vehicles	Vehicle Buy Back Program	\$ 200,000	BAAQMD	N/A**	N/A**	N/A**	6/16/21	N/A	N/A	Regional
21RSB03	School Bus	Match funding for Project #22SBP71 for the replacement of 12 diesel school buses with 12 electric school buses.	\$ 1,153,346	BAAQMD	N/A**	N/A**	N/A**	7/7/21	No	Yes	Sonoma
21RSB04	School Bus	Match funding for Project #22SBP84 for the replacement of 3 diesel school buses & 1 CNG school bus with 4 electric school buses.	\$ 892,045	BAAQMD	N/A**	N/A**	N/A**	7/7/21	No	Yes	Sonoma
21RSB05	School Bus	Match funding for Project #22SBP40 for the replacement of 5 diesel special needs school buses with 5 electric special needs school buses.	\$ 1,232,175	BAAQMD	N/A**	N/A**	N/A**	7/7/21	Yes	Yes	Santa Clara
21R12	Trip Reduction	Pleasanton Connector Shuttles	\$ 80,000	San Joaquin Regional Rail Commission	N/A ‡	N/A ‡	N/A ‡	6/22/21	No	No	Alameda
22R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	\$ 150,000	BAAQMD	TBD*	TBD*	TBD*	6/16/21	N/A	N/A	Regional
22R03	Trip Reduction	Spare The Air/Intermittent Control/Flex Your Commute Programs	\$ 2,290,000	BAAQMD	TBD*	TBD*	TBD*	6/16/21	N/A	N/A	Regional
Total		18 Projects	\$10,997,566		2.384	1.408	0.057				

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

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

‡ Emission reductions will be reported as part of the Spare the Air program (Project #21R03).

AGENDA 3 - ATTACHMENT 4

Summary of funding awarded and allocated from the following revenue sources between 7/1/21 and 9/28/21

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

Figure 1. Status of FYE 2022 funding by source

includes funds awarded, recommended for award, and available

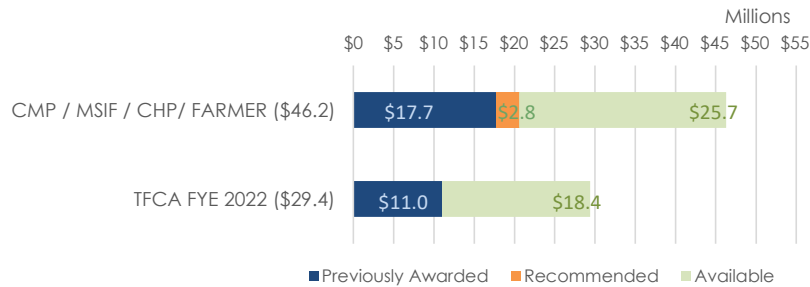


Figure 2. Funding awarded and allocated in FYE 2022 by county

includes funds awarded & recommended for award

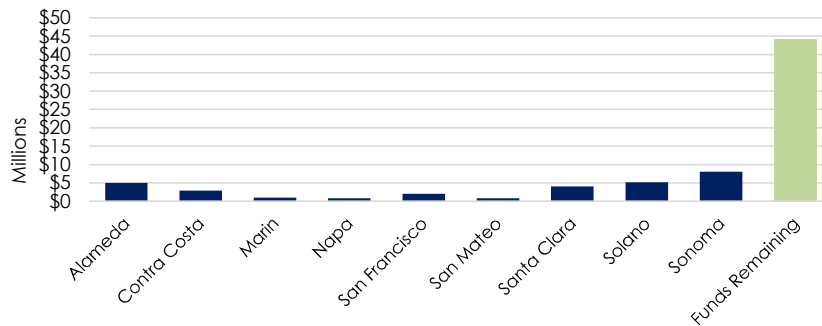
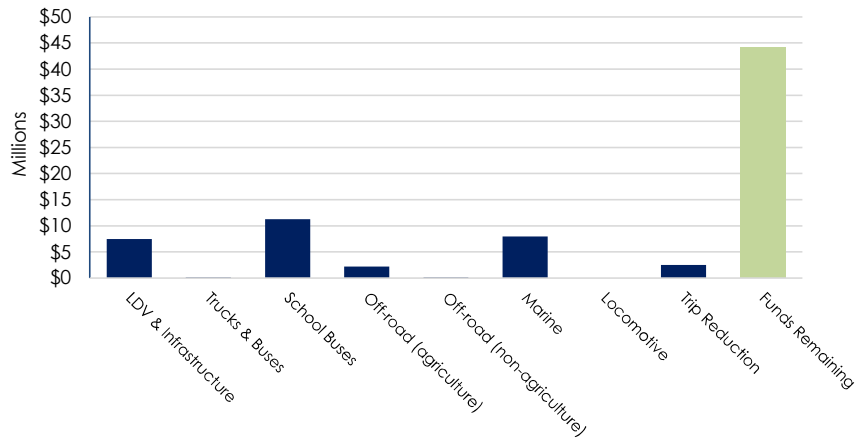


Figure 3. Funding awarded and allocated in FYE 2022 by project category

includes funds awarded & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 21, 2021

Re: Proposed Updates to the Transportation Fund for Clean Air County Program Manager
Fund Policies for Fiscal Year Ending 2023

RECOMMENDED ACTION

Recommend the Board of Directors approve the proposed updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending (FYE) 2023.

BACKGROUND

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

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

DISCUSSION

The annual update to the policies is a highly collaborative process that began early this year. This process involved Air District staff developing a draft that reflected recent updates made to the TFCA Regional Fund Policies and comments received during the past year from the CPMs. On June 28, 2021, Air District staff issued a draft to the CPMs for comment. The CPMs also distributed the policies for feedback from project sponsors within their respective jurisdictions. The Air District held two meetings, on July 12 and September 17, 2021, with CPM representatives to discuss the proposed policy updates, and followed up with the CPMs on specific questions and issues related to the proposed updates. Written comments were submitted by three of the nine CPMs.

In addition to minor text revisions to provide clarification on existing policies, the following is a high-level summary of key proposed updates to the TFCA CPM Policies for FYE 2023:

- Increased cost-effectiveness (C/E) threshold in policy #2 for Infrastructure Improvements for Trip Reduction;
- Renamed “Shuttle/Feeder Bus Service” to “First- and Last-Mile Connections” for clarification that services aren’t limited to only shuttles or buses; and
- Under the Alternative Fuel Heavy-Duty Trucks and Buses category, increased the percentage of project costs that are eligible for reimbursement for School Bus projects from 90% to 100%

The proposed updates to the CPM Policies for FYE 2023 are shown in Attachment 4A and a redlined version in Attachment 4B. Attachment 4C shows the written comments received and the responses from staff.

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Attachment 4A: Proposed TFCA CPM Fund Policies for FYE 2023 (clean version)
Attachment 4B: Proposed TFCA CPM Fund Policies for FYE 2023 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2022)
Attachment 4C: Comments Received from CPMs on the Draft Proposed Updates to TFCA CPM Fund Policies for FYE 2023 and Air District Staff’s Responses

PROPOSED UPDATES TO THE TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FYE 2023

The following Policies apply to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) 2023.

BASIC ELIGIBILITY

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

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

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

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

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

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

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

Agenda #4, Attachment A
Proposed TFCA County Program Manager Fund Policies for FYE 2023 (clean version)

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

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.
4. **Consistent with Existing Plans and Programs:** All projects must comply with the Transportation Control and Mobile Source Control Measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards ([2017 Clean Air Plan](#)), those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.
5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).
 - a. **Public agencies** are eligible to apply for all project categories.
 - b. **Non-public entities** are eligible to apply for only new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

Agenda #4, Attachment A
Proposed TFCA County Program Manager Fund Policies for FYE 2023 (clean version)

6. **Readiness:** Projects must commence by the end of calendar year 2023 or within 24 months from the date of execution of the funding agreement with the subgrantee. For purposes of this policy, “commence” means a tangible preparatory action taken in connection with the project’s operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. “Commence” includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of first- and last-mile connections and ridesharing service, or the delivery of the award letter for a construction contract.
7. **Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through #33, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, first- and last-mile connections service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

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

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

9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District’s award of County Program Manager Funds. County Program Managers may incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) only after the Funding Agreement with the Air District has been executed.
10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

11. **Duplication:** Projects that have previously received any TFCA funds, e.g., TFCA Regional Funds or County Program Manager Funds, and that do not propose to achieve additional emission reductions are not eligible.
12. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Planning activities are not eligible unless they are directly related to the implementation of a specific project or program.

Agenda #4, Attachment A
Proposed TFCA County Program Manager Fund Policies for FYE 2023 (clean version)

13. Reserved.

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

USE OF TFCA FUNDS

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

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

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

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

19. Reserved.

20. Reserved.

21. Reserved.

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

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

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

- a. Vehicles must have a gross vehicle weight rating (GVWR) of 8,500 lbs. or lower;
- b. Vehicles may be purchased or leased;

Agenda #4, Attachment A
Proposed TFCA County Program Manager Fund Policies for FYE 2023 (clean version)

- c. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, fuel cell vehicles, and neighborhood electric vehicles (NEV) as defined in the California Vehicle Code. Vehicles must also be approved by the CARB;
- d. Vehicles that are solely powered by gasoline, diesel, or natural gas, and retrofit projects are not eligible;
- e. The total amount of TFCA funds awarded may not exceed 90% of the project's eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;
- f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and
- g. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

23. Reserved.

24. Alternative Fuel Heavy-Duty Trucks and Buses:

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

- a. Each vehicle must be new and have a GVWR greater than 8,500 lbs.;
- b. Vehicles may be purchased or leased;
- c. Eligible vehicle types include plug-in hybrid, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;
- d. Vehicles that are solely powered by gasoline, diesel, or natural gas and retrofit projects are not eligible;
- e. The total amount of TFCA funds awarded may not exceed 100% of the project's eligible cost for School Buses and 90% of the project's eligible cost for all other vehicle types; the sum of TFCA funds awarded combined with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;
- f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and
- g. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

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25. **On-Road Truck Replacements:** These projects will replace Class 6, Class 7, and Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA) with new or used trucks that have an engine certified to the 2010 CARB emissions standards or cleaner. The existing truck(s) to be replaced must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction and must be scrapped after replacement.
26. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the adoption of zero-emissions vehicles through the deployment of alternative fuel infrastructure, i.e., electric vehicle charging sites, hydrogen fueling stations.

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

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

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

Trip Reduction Projects

27. **Existing Ridesharing Services:** The project provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the grantee are not eligible.
28. **Existing First- and Last-Mile Connections:**
- The project reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All the following conditions must be met for a project to be eligible for TFCA funds:
- a. The service must provide direct connections between stations (e.g., rail stations, ferry stations, Bus Rapid Transit (BRT) stations, or airports) and a distinct commercial or employment location.
 - b. The service's schedule, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.
 - c. The service must be available for use by all members of the public.
 - d. TFCA funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed "comparable" to an existing service if the passengers'

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

- e. Reserved.
- f. Grantees must be either: (1) a public transit agency or transit district that directly operates the service; or (2) a city, county, or any other public agency.
- g. Applicants must submit a letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route, certifying that the service does not conflict with existing service.
- h. Each route must meet the cost-effectiveness requirement in Policy #2. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2).

29. Pilot Projects:

a. Pilot First- and Last-Mile Connections:

The project provides new first- and last-mile connections service that is at least 70% unique and operates where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28 for First- and Last-Mile Connections, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

- i. Demonstrate the project will reduce single-occupancy vehicle trips and result in a reduction in emissions of criteria pollutants.
- ii. Provide data and/or other evidence demonstrating the public's need for the service, such as a demand assessment survey and letters of support from potential users.
- iii. Provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation after the pilot period.
- iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- v. Projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of two years of TFCA County Program Manager Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
 - 1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton

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2. Projects entering a third year of operation and beyond are subject to all of the requirements, including cost-effectiveness limit, of Policy #28 (existing First- and Last-Mile Connections).
- vi. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA County Program Manager Funds under this designation. For these projects, the project applicant understands and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
 1. By the end of the first year of operation, projects shall meet a cost-effectiveness of \$500,000/ton, and
 2. By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28 (existing First- and Last-Mile Connections).

b. Pilot Trip Reduction:

The project reduces single-occupancy commute vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or that will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital to a public agency for the start-up of a pilot project so that by the end of the third year of the trip reduction project's operation, the project will be financially self-sustaining or require minimal public funds, such as grants, to maintain its operation.

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

30. Bicycle Projects:

These projects expand public access to bicycle facilities. New bicycle facility projects or upgrades to an existing bicycle facility that are included in an adopted countywide bicycle plan, Congestion Management Program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission's (MTC) Regional Bicycle Plan and/or Regional Active Transportation Plan are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or

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area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion.

a. Bicycle Parking:

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

- i. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- ii. Electronic bicycle lockers; and
- iii. Capital costs for attended bicycle storage facilities.

b. Bikeways:

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

- i. Class I Bikeway (bike path), new or upgrade improvement from Class II or Class III bikeway;
- ii. New Class II Bikeway (bike lane);
- iii. New Class III Bikeway (bike route); and
- iv. Class IV Bikeway (separated bikeway), new or upgrade improvement from Class II or Class III bikeway.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual or conform to the provisions of the Protected Bikeway Act of 2014. Projects must have completed all applicable environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

31. Bike Share:

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

- a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.
- b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.
- c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips.

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Projects that meet one or more of the following conditions are exempt from this requirement:

- i. Projects that do not require membership or any fees for use;
- ii. Projects that were provided funding under MTC's Bike Share Capital Program to start a new or expand an existing bike share program; or
- iii. Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

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

32. Arterial Management:

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

33. Infrastructure Improvements for Trip Reduction:

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

- a. The development project and the physical improvement must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.
- b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.
- c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

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

PROPOSED UPDATES TO THE TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FYE ~~2022~~2023

The following Policies apply to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) ~~2022~~2023.

BASIC ELIGIBILITY

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

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

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

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

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

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

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

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28	Shuttle/Feeder Bus Service <u>First- and Last-Mile Connections</u> – Existing	200,000; 250,000 for services in CARE Areas or PDAs
29.a.	<u>First- and Last-Mile Connections</u> Shuttle/Feeder Bus Service — Pilot shuttle projects not in CARE Areas or PDAs. <i>These projects will be evaluated every year.</i>	Year 1 - 500,000 Year 2 and beyond - see Policy #28 service <u>huttle</u> is considered existing
	<u>First- and Last-Mile Connections</u> Shuttle/Feeder Bus Service — <i>Pilot shuttle projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive TFCA Funds under the Pilot designation. These projects will be evaluated every year.</i>	Years 1 & 2 - 500,000 Year 3 and beyond - see Policy #28 service <u>huttle</u> is considered existing
29.b.	Pilot Trip Reduction	500,000
30.a.	Bicycle Parking	250,000
30.b.	Bikeways	500,000
31	Bike Share	500,000
32	Arterial Management	250,000
33	Infrastructure Improvements for Trip Reduction	2500 ,000
34	Telecommuting	150,000

3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.
4. **Consistent with Existing Plans and Programs:** All projects must comply with the Transportation Control and Mobile Source Control Measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards ([2017 Clean Air Plan](#)), those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.
5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).
 - a. **Public agencies** are eligible to apply for all project categories.
 - b. **Non-public entities** are eligible to apply for only new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

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6. **Readiness:** Projects must commence by the end of calendar year ~~2022-2023~~ or within 24 months from the date of execution of the funding agreement with the subgrantee. For purposes of this policy, “commence” means a tangible preparatory action taken in connection with the project’s operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. “Commence” includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of first- and last-mile connections ~~shuttle/feeder bus~~ and ridesharing service, or the delivery of the award letter for a construction contract.
7. **Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through #33, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, ~~shuttle and feeder bus~~ first- and last-mile connections service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

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

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

9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District’s award of County Program Manager Funds. County Program Managers may incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) only after the Funding Agreement with the Air District has been executed.
10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

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

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12. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Planning activities are not eligible unless they are directly related to the implementation of a specific project or program.
13. **Reserved.**
14. **Cost of Developing Proposals and Grant Applications:** The costs to prepare proposals and/or grant applications are not eligible.

USE OF TFCA FUNDS

15. **Combined Funds:** TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a County Program Manager Fund project. Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from other funding sources that claim emissions reduction credits. However, County Program Manager-funded projects may be combined with funds that do not require emissions reductions for funding eligibility.
16. **Administrative Costs:** The County Program Manager may not expend more than 6.25 percent of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.
17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, ~~and the Funding Agreement is amended to reflect the revised schedule.~~
18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

19. Reserved.
20. Reserved.
21. Reserved.

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

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

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

- a. Vehicles must have a gross vehicle weight rating (GVWR) of 8,500 lbs. or lower;
- b. Vehicles may be purchased or leased;
- c. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, fuel cell vehicles, and neighborhood electric vehicles (NEV) as defined in the California Vehicle Code. Vehicles must also be approved by the CARB;
- d. Vehicles that are solely powered by gasoline, diesel, or natural gas, and retrofit projects are not eligible;
- e. The total amount of TFCA funds awarded may not exceed 90% of the project's eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;
- f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and
- g. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

23. Reserved.

24. Alternative Fuel Heavy-Duty Trucks and Buses:

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

- a. Each vehicle must be new and have a GVWR greater than 8,500 lbs.;
- b. Vehicles may be purchased or leased;
- c. Eligible vehicle types include plug-in hybrid, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;
- d. Vehicles that are solely powered by gasoline, diesel, or natural gas and retrofit projects are not eligible;
- e. The total amount of TFCA funds awarded may not exceed 100% of the project's eligible cost for School Buses and 90% of the project's eligible cost for all other vehicle types; the sum of TFCA funds awarded combined with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;

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- f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and
 - g. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.
25. **On-Road Truck Replacements:** These projects will replace Class 6, Class 7, and Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA) with new or used trucks that have an engine certified to the 2010 CARB emissions standards or cleaner. The existing truck(s) to be replaced must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction and must be scrapped after replacement.
26. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the adoption of zero-emissions vehicles through the deployment of alternative fuel infrastructure, i.e., electric vehicle charging sites, hydrogen fueling stations.

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

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

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

Trip Reduction Projects

27. **Existing Ridesharing Services:** The project provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the grantee are not eligible.
28. **Existing ~~Shuttle/Feeder Bus Service~~First- and Last-Mile Connections:**
- The project reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All the following conditions must be met for a project to be eligible for TFCA funds:
- a. The service must provide direct connections between ~~a mass transit hub~~stations (e.g., ~~a rail stations, ferry stations, or~~ Bus Rapid Transit (BRT) stations, ~~ferry or bus terminal, or~~ airports) and a distinct commercial or employment location.
 - b. The service's schedule, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.

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- c. The service must be available for use by all members of the public.
- d. TFCA funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, “comparable service” means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed “comparable” to an existing service if the passengers’ proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service’s travel time to the proposed destination.
- e. Reserved.
- f. Grantees must be either: (1) a public transit agency or transit district that directly operates the ~~shuttle/feeder bus~~ service; or (2) a city, county, or any other public agency.
- g. Applicants must submit a letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route, certifying that the service does not conflict with existing service.
- h. Each route must meet the cost-effectiveness requirement in Policy #2. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2).

29. Pilot Projects:

- a. **Pilot First- and Last-Mile Connections:~~Shuttle/Feeder Bus Service~~:**

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

- i. Demonstrate the project will reduce single-occupancy vehicle trips and result in a reduction in emissions of criteria pollutants.
- ii. Provide data and/or other evidence demonstrating the public’s need for the service, such as a demand assessment survey and letters of support from potential users.
- iii. Provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation after the pilot period.
- iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- v. Projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of

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(redlined version of Board-approved TFCA CPM Fund Policies for FYE 2022)

two years of TFCA County Program Manager Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton
 2. Projects entering a third year of operation and beyond are subject to all of the requirements, including cost-effectiveness limit, of Policy #28 (existing First- and Last-Mile Connections~~shuttles~~).
- vi. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA County Program Manager Funds under this designation. For these projects, the project applicant understands and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
1. By the end of the first year of operation, projects shall meet a cost-effectiveness of \$500,000/ton, and
 2. By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28 (existing First- and Last-Mile Connections~~shuttles~~).

b. Pilot Trip Reduction:

The project reduces single-occupancy commute vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or that will result in significantly expanded service to an existing area. Funding is designed to provide the necessary initial capital to a public agency for the start-up of a pilot project so that by the end of the third year of the trip reduction project's operation, the project will be financially self-sustaining or require minimal public funds, such as grants, to maintain its operation.

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

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

30. Bicycle Projects:

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

a. Bicycle Parking:

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

- i. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- ii. Electronic bicycle lockers; and
- iii. Capital costs for attended bicycle storage facilities.

b. Bikeways:

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

- i. Class I Bikeway (bike path), new or upgrade improvement from Class II or Class III bikeway;
- ii. New Class II Bikeway (bike lane);
- iii. New Class III Bikeway (bike route); and
- iv. Class IV Bikeway (separated bikeway), new or upgrade improvement from Class II or Class III bikeway.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual or conform to the provisions of the Protected Bikeway Act of 2014. Projects must have completed all applicable environmental reviews and either have been deemed exempt by the lead agency or have been issued the applicable negative declaration or environmental impact report or statement.

31. Bike Share:

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

- a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.
- b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.
- c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:
 - i. Projects that do not require membership or any fees for use;
 - ii. Projects that were provided funding under MTC's Bike Share Capital Program to start a new or expand an existing bike share program; or
 - iii. Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

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

32. Arterial Management:

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

33. Infrastructure Improvements for Trip Reduction:

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

- a. The development project and the physical improvement must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.
- b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.

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- c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.
34. **Telecommuting:** Implementation of demonstration projects in telecommuting. No funds expended ~~pursuant to this paragraph under this policy for telecommuting projects~~ shall be used for the purchase of personal computing equipment for an individual's home use.

Commenter and Organization	Comments received from County Program Managers (CPMs) between June 28 – August 20, 2021	Air District Staff's Responses
Bill Hough, Santa Clara Valley Transportation Authority	Policy 2. TFCA Cost-Effectiveness Policies 2, 28, 29: The C-E tables in this policy 2 and discussions of policies 28 and 29 mention "CARE Areas or PDAs." Additionally, MTC has something called "Equity Priority Communities" [formerly known as "Communities of Concern"]. It would be helpful if BAAQMD could clarify this alphabet soup and make clear what is eligible.	Noted. Staff will clarify the definition of these terms in the Guidance.
	Policy 2. TFCA Cost-Effectiveness Policies 2, 28, 29, and various references throughout: Change "Last-Mile Commuter Connections" to "Last-Mile Connections."	As requested, staff is recommending proposed updates to clarify the name of the project category.
	Policy 17. Expend Funds within Two Years Policy 17: VTA's downstream funding agreements are worded so that time extensions can be done administratively and do not require amending the funding agreement. VTA recommends that BAAQMD adopt that practice and can provide suggested language upon request.	Noted. Staff will continue working with CPMs over the next year to review this proposal.
Jacki Taylor, Alameda County Transportation Commission	Policy 17. Expend Funds within Two Years <ol style="list-style-type: none"> Is the master funding agreement between BAAQMD and CPM or the agreement between CPM and sub-awardee? So, if the language is left in the policies this should be clarified. Could BAAQMD issue its approval for a third or subsequent time extension in writing (via email) suffice as documentation to revise the expenditure deadline in the BAAQMD's and CPM's records? 	<ol style="list-style-type: none"> This refers to the agreement between the Air District and CPM. Staff will continue working with CPMs over the next year to review this proposal.
	Policy 28. Existing Shuttle/Feeder Bus Service & Policy 29. Pilot Projects <ol style="list-style-type: none"> Regarding the proposed change of the policy title from "Shuttle/Feeder Bus" to "Last-mile Commuter Connections", while generally supportive of the name change as a way to encompass non-traditional first- and last-mile commute projects, please confirm that 	<ol style="list-style-type: none"> The name change does not alter the eligibility criteria.

	<p>the name change doesn't impact the continued eligibility of shuttle and feeder bus projects.</p> <p>b) Additionally, as stated in Policy 28.b., unlike the Regional TFCA program, County TFCA funds may be used to fund service hours outside the BAAQMD-defined peak commute hours, so please confirm that even though "Commuter" is proposed for the title, the intent is not to eventually return to limiting the eligible service hours to BAAQMD-defined peak commute hours.</p>	<p>b) As requested, staff is recommending proposed updates to clarify the category name to better describe the project category.</p>
	<p>Policy 34. Telecommuting</p> <p>The proposed clarification to the existing language is appreciated.</p>	<p>Noted.</p>
<p>Diana Meehan, Napa Valley Transportation Authority</p>	<p>Policy 1. Reduction of Emissions</p> <p>How are "surplus emissions" calcs established?</p>	<p>The surplus emission calculations in the Cost Effectiveness Worksheet are based on methodologies and emission factors determined by the California Air Resources Board.</p>
	<p>Policy 2. TFCA Cost-Effectiveness</p> <p>a) Shuttle/Feeder Bus Service proposed rename should be First-Mile and Last-Mile Connections.</p> <p>b) Can these be non-commute trips?</p> <p>c) The Regional Program for Bikeways is sporadic. There is no set scheduled Call for Projects and since funds from both programs can't be combined, this makes planning for larger bikeway projects difficult. More funding is available under the Regional Program making that program more appropriate for larger projects. Is there any discussion about regularly scheduled project calls under the regional program? This would help facilitate when/where we program and/or apply for funding under either source.</p>	<p>a) Staff is recommending proposed updates to clarify the category name to better describe the category.</p> <p>b) Non-commute trips may qualify and the name was revised to reflect this.</p> <p>c) Comment for Regional Program noted.</p>
	<p>Policy 10. Maintain Appropriate Insurance</p> <p>Where are these amounts shown in the guidance? Perhaps show a table with minimum required amounts in the guidance.</p>	<p>The Guidance provides this information in Appendix F.</p>

	<p>Policy 15. Combined Funds</p> <p>If a project far exceeds the ratio for C/E, but there are not enough funds in the PM program, can additional funds from the Regional Program be added to the level that the ratio allows? Many cost-effective local programs and projects are left underfunded under the PM program due to lack of funding in that program. Has the Air District considered a more even split of funding between the PM/Regional (50/50) or is the 60/40 split based in statute?</p>	<p>Staff will work with CPMs to explore different approaches to address this problem.</p>
	<p>Policy 17. Expend Funds within Two Years</p> <p>Could we simply create an addendum to the funding agreement instead of an amendment?</p>	<p>Staff will continue working with CPMs over the next year to review this proposal.</p>
	<p>Policy 18. Unallocated Funds</p> <p>Why is this a use it or lose it program? For instance, what happens to unallocated funds in the Regional program? If PM funds could be held for programming (perhaps up to 3 years) it would benefit quality projects that have higher costs.</p>	<p>Transportation Fund for Clean Air's (TFCA) purpose is to support clean air projects, so it prioritizes shovel-ready projects that can provide surplus emission reduction as soon as possible for all TFCA programs. This is the reason the legislation includes this requirement.</p>
	<p>Policy 22. Alternative Fuel Light- and Medium-Duty Vehicles</p> <ul style="list-style-type: none"> a) E-bikes should be included in the zero-emissions category. b) This whole section should be updated as it is confusing. Scrapping is included to match the regional policy here, but in the second sentence, cost for scrapping is not eligible. 	<ul style="list-style-type: none"> a) Staff reviewed the legislation and believe there are several avenues available to offer TFCA funding to encourage the use of active transportation modes. Staff will continue to work with the CPMs to explore potential options for this project type. b) Projects that are scrapping and replacing an existing vehicle may qualify for additional funds <i>for the cost of purchasing a new vehicle</i>, because scrapping a high-polluting

		vehicle provides additional emission reductions. Separately, the cost of scrapping the vehicle is not considered an eligible project cost.
	Policy 24. Alternative Fuel Heavy-Duty Trucks and Buses Why are school buses at a not to exceed of 100% and other transit at 90%? It's my understanding that many school districts have eliminated their school bus programs. It seems the investment should be for all types of transit, not just school buses. Is this due to statute? Other subsidy in the state for just school buses?	The Air District has historically supported school buses at 100% because of the sensitive population that they serve, and that they travel through communities and neighborhoods more so than other types of transit.
	Policy 29. Pilot Projects a) This is certainly a more broad conversation-but it would be good to discuss where funding would come from if not from regional Air District programs or from CARB? If programs/projects are effective, why wouldn't the Air District, or CARB for that matter want to continue funding? Where else would it come from? b) Why are only CARE area projects eligible for continued funding? If projects outside CARE areas are effective and provide Air Quality benefits, isn't there a way to continue funding? How exactly are CARE areas established, monitored?	a) The Pilot Project category is specifically to support the start of an innovative project. The purpose is to fund projects or programs that can become self-sustaining and then future funds can be used to support other innovative projects start-up. b) Community Air Risk Evaluation (CARE) areas are prioritized for funding. The Air District identified these areas where air pollution contributes most to health impacts and are most vulnerable to air pollution, and these areas may require additional support.
	Policy 30. Bicycle Projects Consider changing this to the Regional Active Transportation Plan (now under update and will likely be adopted by 2023).	As suggested, staff is recommending proposed updates to the new plan name.
	Policy 31. Bike Share	Noted.

	Here First Mile is mentioned, but not in other policies. This should be consistent and in alignment with TDM.	
	Policy 32. Arterial Management What about other arterial infrastructure improvements, such as roundabouts?	Roundabouts may be eligible under the Arterial Management category.
	Policy 34. Telecommuting Why demonstration? This is the future considering current and likely continued circumstances. It is also the lowest hanging fruit in terms of removing SOV's from our roadways. Teleworking should be supported by the Air District.	The word "demonstration" is included because this project category is relatively new. Examples are needed to guide how to estimate emission reductions for this project category.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 21, 2021

Re: Clean Cars for All Contractor Selection

RECOMMENDATIONS

Recommend Board of Directors:

1. Approve the selection of GRID Alternatives Bay Area (GRID) as Clean Cars for All (CCFA) program contractor;
2. Authorize the Executive Officer/APCO to execute contracts with GRID for the CCFA program for up to \$624,755 for a two-year term; and
3. Authorize the Executive Officer/APCO to extend these services and budget for an additional three years, at the Air District's discretion, based on contractor performance.

BACKGROUND

Clean Cars for All (CCFA) is a voluntary program in which eligible income qualified consumers living in communities disproportionately burdened by pollution can receive an incentive (up to \$9,500) to scrap an old vehicle and buy a cleaner and more fuel-efficient replacement vehicle. Eligible vehicles include conventional hybrid vehicles, plug-in hybrid vehicles, and battery electric vehicles and fuel cell electric vehicles. Consumers may also select an incentive for mobility options, which includes a card for public transit and electric bicycles. Consumers that purchase an eligible vehicle through the program may receive a rebate of up to \$2,000 for electric vehicle service equipment, a portable charger or \$500 for public charging. This program may be paired with other incentives, including the California Clean Vehicle Rebate Project, Clean Fuel Reward, MCEv, Peninsula Clean Energy's Used Electric Vehicle Rebate Program, and the federal tax credit for purchasing qualifying clean air vehicle.

By replacing older, high-emitting vehicles and replacing them with newer, cleaner, and more fuel-efficient cars or other transportation options, this program reduces smog-forming pollutants (NOx and ROG) to help meet State and Federal air quality standards. CCFA also supports the Bay Area and California's goals for reductions in greenhouse gas emissions (80% below 1990 levels by 2050), and zero-and near-zero emission vehicle deployment (90% of the Bay Area passenger vehicles by 2050 and 5 million vehicles statewide by 2030).

The Air District launched the CCFA program in March 2019 and has received \$35 million in funding to date. The CCFA program receives funding from a variety of sources, such as proceeds from the state's Cap-and-Trade program or California Climate Investments, Volkswagen Mitigation Fund, and Air Quality Improvement Program Fund which is overseen by the California Air Resources Board (CARB), each which may have different program requirements. Another source of funding is a \$4 Department of Motor Vehicles surcharge on vehicle registration through the Air District's Transportation Fund for Clean Air. The Air District anticipates additional funding between \$5 million to \$20 million in CARB funding annually for the next two years for the CCFA program. Depending on the amount of funding available, consumers' income levels, and consumers' vehicle and transportation choices, the CCFA program may fund approximately 500 to 1,500 projects annually.

DISCUSSION

Case Management support is a critical component of this program due to the high-volume inquiries and applications to the CCFA program, need for direct vehicle owner assistance, consumer education and support, and need to provide multi-lingual and multi-cultural support to best serve Bay Area residents. The Air District issued a Request for Proposals (RFP) on August 26, 2021, to identify potential candidates for this role. Responses to the RFPs were due to the Air District by September 27, 2021. The selected organization will provide one-on-one support for applicants to CCFA, including recruitment; evaluating eligibility of vehicles and consumers; targeted outreach and marketing; and assisting applicants through the application and vehicle replacement process, while providing multilingual and multicultural support.

The scope of work contained in the RFP for the CCFA program contractor conforms to the CARB requirements. The RFP was sent to the Air District general vendors list, partner organizations and posted on the Air District website.

A three-person panel was convened to review the RFP responses, including Air District staff from the Technology Implementation Office, the Strategic Incentives Division, and a CARB CCFA program staff person. The panel evaluated the proposals using five criteria set forth in the RFP: Experience/Qualifications, Expertise, Experience, Approach, Cost, and Conflicts of Interest. The results of Air District staff's scoring of the proposals are summarized in Table 1 below.

Table 1 – Scoring of CCFA program contractor proposals

Name	Points (100 possible points)
GRID Alternatives Bay Area	93.67
Center for Sustainable Energy (CSE)	84.33

The Air District received proposals for the RFP from GRID Alternatives Bay Area and the Center for Sustainable Energy (CSE). GRID Alternatives is the country's largest nonprofit providing clean energy solutions to low-income families and has over 15 years of experience providing multilingual and multicultural case management services to income qualified residents throughout the Bay Area and beyond. GRID Alternatives is the current CCFA program contractor and has been assisting the Air District and program participants since the program began in 2019. CSE is a nonprofit with over 25 years of experience designing and implementing innovative sustainable energy market transformation programs.

While both organizations have strong expertise and experience to support the CCFA Program, GRID Alternatives' proposal received the highest combined score of 93.67. Panelists noted that GRID Alternatives is highly experienced supporting clean energy projects for solar, electric vehicles, electric vehicle supply equipment, and electric bicycles. Their proposal provided a thoughtful approach that addressed barriers and challenges for low-income residents and solutions to help mitigate and overcome these barriers. GRID Alternatives' proposal also had lower costs for oversight and operations and included nearly \$90,000 in cost share.

Staff is recommending the approval of GRID Alternatives Bay Area as contractor to provide multilingual and multicultural case management and outreach support for the CCFA Program.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funds to administer the CCFA program are included in the total program allocations from the various sources. The contract will include a provision that would allow the Air District, at its sole discretion, the option to extend the contract term and budget for up to three additional years, based on contractor performance.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tin Le
Reviewed by: Anthony Fournier

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 21, 2021

Re: Electric Transportation, State of the Market, and Preparing for the Future

RECOMMENDATION

None; receive and file.

BACKGROUND

The transition from fossil fuel to electric technologies is critical to reaching our air quality and Greenhouse Gas reduction targets. California has set a goal of five million electric vehicles (EVs) sold by 2030, with the sale of new conventional light-duty vehicles phased out by 2035. The Air District has set as a target that 90 percent of vehicles in the Bay Area should be zero emissions by 2050 with an interim target of 1.5 million zero-emission vehicles by 2030. The Bay Area and California share the goal of cutting greenhouse gas emissions to 80 percent below 1990 levels by 2050. In addition to the push for zero-emission technologies for passenger vehicles, there is a push for zero-emission technologies in medium and heavy-duty trucks, buses, off-road equipment as well as building electrification, and efforts in other sectors. This increased focus on electric equipment creates a need to better understand the electrical grid and potential cumulative impacts.

DISCUSSION

Dan Bowermaster, Senior Program Manager for the Electric Power Research Institute (EPRI), will present an update to the Mobile Source and Climate Impacts Committee on projections for electric vehicle/equipment adoption and the impacts on the electrical grid.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Anthony Fournier
Reviewed by: Jeff McKay