



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

BOARD OF DIRECTORS  
MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

TERESA BARRETT – CHAIR  
MARGARET ABE-KOGA  
PAULINE RUSSO CUTTER  
LYNDA HOPKINS  
KAREN MITCHOFF

DAVE HUDSON – VICE CHAIR  
DAVID CANEPA  
JOHN GIOIA  
DAVINA HURT  
MYRNA MELGAR

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY ASSEMBLY BILL 361 (RIVAS 2021) ALLOWING REMOTE MEETINGS. THIS MEETING WILL BE ACCESSIBLE VIA WEBCAST, TELECONFERENCE, AND ZOOM. A ZOOM PANELIST LINK WILL BE SENT SEPARATELY TO COMMITTEE OR BOARD MEMBERS**

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# MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING AGENDA

THURSDAY, APRIL 28, 2022

9:30 AM

1. **Call to Order - Roll Call**
2. **Pledge of Allegiance**
3. **Public Meeting Procedure**

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

*This meeting will be webcast. To see the webcast, please visit [www.baaqmd.gov/bodagendas](http://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 two minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

## **CONSENT CALENDAR (Item 4)**

4. **Approval of the Minutes of March 24, 2022.**

*The Committee will consider approving the draft minutes of the Mobile Source and Climate Impacts Committee meeting of March 24, 2022.*

## **PRESENTATIONS (Items 5 - 7)**

5. **Projects and Contracts With Proposed Grant Awards Over \$500,000**

*This is an action item for the Committee to consider recommending the Board of Directors approve the award of Carl Moyer Program funding to projects with proposed grant awards in excess of \$500,000 and authorize the Interim Executive Officer/APCO to execute grant agreements for the recommended project. This will be presented by*

*Chad White, Supervising Staff Specialist in Strategic Incentives Division.*

6. Transportation Fund for Clean Air County Program Manager Expenditure Plans For Fiscal Year Ending 2023

*This is an action item for the Committee to consider recommending the Board of Directors approve the award of Fiscal Year Ending 2023 Transportation Fund for Clean Air funds proposed in the County Program Manager Expenditure Plans. This will be presented by Ken Mak, Supervising Staff Specialist in Strategic Incentives Division.*

7. Annual Update to the Transportation Fund for Clean Air (TFCA) Regional Fund Policies and Evaluation Criteria for Fiscal Year Ending (FYE) 2023

*This is an action item for the Committee to consider recommending the Board of Directors approve updates to the TFCA regional fund policies for Fiscal Year Ending 2023 and will be presented by Linda Hui, Senior Staff Specialist in Strategic Incentives Division.*

## **OTHER BUSINESS**

8. Public Comment on Non-Agenda Matters

*Pursuant to Government Code Section 54954.3*

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

9. 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)*

10. Time and Place of Next Meeting

*Thursday, May 26, 2022, at 9:30 a.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).*

11. Adjournment

*The Committee meeting shall be adjourned by the Chair.*

**CONTACT:**

**MANAGER, EXECUTIVE OPERATIONS**  
**375 BEALE STREET, SAN FRANCISCO, CA 94105**  
[vjohnson@baaqmd.gov](mailto:vjohnson@baaqmd.gov)

**(415) 749-4941**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://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](http://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, Suma Peesapati, at (415) 749-4967 or by email at [speesapati@baaqmd.gov](mailto:speesapati@baaqmd.gov).

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

## EXECUTIVE OFFICE:

### MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

#### APRIL 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Path to Clean Air Community Emissions Reduction Plan Steering Committee	Monday	25	5:30 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Budget and Finance Committee	Wednesday	27	9:30 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

#### MAY 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting Budget Hearing	Wednesday	4	8:30 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <u>and</u> REMOTE pursuant to Assembly Bill 361
Board of Directors Meeting	Wednesday	4	9:00 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <u>and</u> REMOTE pursuant to Assembly Bill 361
Board of Directors Community Equity, Health and Justice Committee	Thursday	5	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Legislative Committee	Monday	9	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Technology Implementation Office (TIO) Steering Committee	Friday	13	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee	Monday	16	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Path to Clean Air Community Emissions Reduction Plan Steering Committee	Monday	16	5:30 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Meeting	Wednesday	18	9:00 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <u>and</u> REMOTE pursuant to Assembly Bill 361

## MAY 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Administration Committee	Wednesday	18	11:00 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <b>and REMOTE</b> pursuant to Assembly Bill 361
Board of Directors Budget and Finance Committee	Wednesday	25	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	26	9:30 a.m.	Webcast only pursuant to Assembly Bill 361

## JUNE 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	1	9:00 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <b>and REMOTE</b> pursuant to Assembly Bill 361
Board of Directors Community Equity, Health and Justice Committee	Thursday	2	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Advisory Council Meeting	Monday	13	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Legislative Committee	Monday	13	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Meeting	Wednesday	15	9:00 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <b>and REMOTE</b> pursuant to Assembly Bill 361
Board of Directors Administration Committee	Wednesday	15	11:00 a.m.	1 <sup>st</sup> Floor, Board Room (In person option available) <b>and REMOTE</b> pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee	Monday	20	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Budget and Finance Committee	Wednesday	22	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	23	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Path to Clean Air Community Emissions Reduction Plan Steering Committee	Monday	27	5:30 p.m.	Webcast only pursuant to Assembly Bill 361

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Teresa Barrett and Members  
of the Mobile Source and Climate Impacts Committee

From: Alexander Crockett  
Interim Acting Executive Officer/APCO

Date: April 28, 2022

Re: Approval of the Minutes of March 24, 2022.

RECOMMENDED ACTION

Approve the attached draft minutes of the Mobile Source and Climate Impacts Committee meeting of March 24, 2022.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source and Climate Impacts Committee meeting of March 24, 2022.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Alexander Crockett  
Interim Acting Executive Officer/APCO

Prepared by: Marcy Hiratzka  
Reviewed by: Vanessa Johnson



ATTACHMENTS:

1. Draft Minutes of the Mobile Source and Climate Impacts Committee meeting of March 24, 2022

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

**DRAFT MINUTES**

Mobile Source and Climate Impacts Committee Meeting  
Thursday, March 24, 2022

**This meeting was conducted under procedures in accordance with Assembly Bill 361.  
Members of the Committee participated by teleconference.**

**1. CALL TO ORDER – ROLL CALL**

Mobile Source and Climate Impacts Committee (Committee) Chairperson Teresa Barrett called the meeting to order at 9:31 a.m.

Present: Chairperson Teresa Barrett; Vice Chairperson David Hudson; and Directors Margaret Abe-Koga, David Canepa, Pauline Russo Cutter, John Gioia, Lynda Hopkins, Myrna Melgar, and Karen Mitchoff.

Absent: Directors Davina Hurt and Lori Wilson.

**2. PLEDGE OF ALLEGIANCE**

**3. PUBLIC MEETING PROCEDURE**

**4. APPROVAL OF THE MINUTES OF DECEMBER 6, 2021**

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Mitchoff made a motion, seconded by Vice Chair Hudson, to **approve** the Minutes of December 6, 2021; and the motion carried by the following vote of the Committee:

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

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

Damian Breen, Senior Deputy Executive Officer of Operations, introduced Alona Davis, Strategic Incentives Program Manager, who gave the staff presentation *Projects and Contracts with Proposed Awards over \$100,000* including: outcome; outline; requested actions; Carl Moyer Program (CMP)/Mobile Source Incentive Fund (MSIF), Community Air Protection Program (CAPP), and Funding Agricultural Replacement Measures for Emission Reductions (FARMER); Transportation Fund for Clean Air (TFCA); incentive funding awarded and recommended since July 2021 by revenue source, project category; and county; and actions requested.

NOTED PRESENT: Director Gioia was noted present at 9:36 a.m.

### Public Comments

None.

### Committee Comments

The Committee and staff discussed the reasons for the funding allocations to Sonoma county; the request for a map plotting the location of awarded projects; whether any prior year funds were carried over to the current funding cycle; and the request that that map showing the amounts of funds awarded per county becomes interactive and allows the public to see more detailed information about the funded projects, per county.

### Committee Action

Vice Chair Hudson made a motion, seconded by Director Mitchoff, to recommend the Board **approve** the award of State and Local grant funding projects with proposed awards in excess of \$100,000; and **authorize** the Executive Officer/Air Pollution Control Officer to execute grant agreements for the recommended projects; and the motion carried by the following vote of the Committee:

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

## 6. TRANSPORTATION FUND FOR CLEAN AIR FUNDING ALLOCATION FYE 2023

Dr. Minda Berbeco, Strategic Incentives Division Manager, gave the staff presentation *Transportation Fund for Clean Air Allocation FYE 2023*, including: outcome; outline; requested action; TFCA background; strategies for reducing emissions; proposed FYE 2023 TFCA funding allocation; proposed cost effectiveness Air District-sponsored programs; FYE 2023 TFCA timeline; and feedback requested/prompt.

### Public Comments

No requests received.

### Committee Comments

The Committee and staff discussed whether “Valley Link”, a new 42-mile, 7-station passenger rail project, would be eligible for clean air vehicle funding if it utilized hydrogen-powered vehicles, and whether the fact that the project’s route included areas outside of the Bay area would affect the project’s eligibility; whether any prior year funds were carried over to the current funding cycle; and concerns about projects becoming ineligible for funding due to cities and counties passing new climate action regulations that would cause applicants to exceed State thresholds.

### Committee Action

Vice Chair Hudson made a motion, seconded by Director Cutter, to recommend the Board **approve** the allocation of funds and cost effectiveness thresholds for Air District-sponsored project categories that are proposed for the award of funding from the TFCA in Fiscal Year Ending (FYE) 2023; and the motion carried by the following vote of the Committee:

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

## **7. 2021 REPORT OF THE AIR DISTRICT'S VOLUNTARY EMISSIONS REDUCTION GRANT PROGRAMS**

Karen Schkolnick, Director of Strategic Incentives, and Chengfeng Wang, Air Quality Program Manager, gave the staff presentation *2021 Report of the Air District's Voluntary Emissions Reduction Grant Programs*, including:

### Public Comment

No requests received.

### Committee Comments

None.

### Committee Action

Director Mitchoff made a motion, seconded by Vice Chair Hudson, to recommend the Board **authorize** an increase in the Executive Officer/APCO’s signature authority up to \$500,000 for the execution of individual grant agreements and amendments for voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees; and the motion carried by the following vote of the Committee:

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

**8. PROPOSED UPDATE TO CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) THRESHOLDS OF SIGNIFICANCE FOR CLIMATE IMPACTS AND ASSOCIATED JUSTIFICATION REPORT**

Greg Nudd, Deputy Air Pollution Control Officer of Policy, introduced Henry Hilken, Director of Planning and Climate Protection, who gave the staff presentation *Proposed CEQA Thresholds for Evaluating the Significance of Climate Impacts from Land Use Projects and Plans*, including: outcome; outline; requested action; background and context; proposed thresholds: land use developments and long-range plans; Justification Report; stakeholder engagement; stakeholder input to date; and feedback requested/prompt.

Public Comments

Public comments were given by Jenny Delumo, San Francisco Planning Department; Krute Singa, Metropolitan Transportation Commission; Laura Feinstein, San Francisco Planning and Urban Research Association; Dr. Jeff Ritterman, Physicians for Social Responsibility; Dr. Janice L. Kirsch, Physicians for Social Responsibility; and Jed Holtzman, San Francisco resident.

Committee Comments

The Committee and staff discussed concerns about limiting hospitals' energy requirements; whether the proposed thresholds would eliminate jurisdictions' need to renew reach codes every three years; whether placing heavier energy restrictions/requirements on a warehouses aligns with the Air District's goals; and concerns about projects becoming ineligible for funding due to cities and counties passing new climate action regulations that would cause applicants to exceed State thresholds.

Committee Action

Director Mitchoff made a motion, seconded by Vice Chair Hudson, to recommend the Board **adopt** the proposed CEQA thresholds of significance for climate impacts and associated Justification Report; and the motion carried by the following vote of the Committee:

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

**9. PROPOSED 2022 MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING WORK PLAN**

Mr. Breen gave the staff presentation *Introduction to the Mobile Source and Climate Impacts Committee and 2022 Work Plan*, including: outcome; outline; requested action; and 2022 Mobile Source and Climate Impacts Committee Work Plan.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the level of engagement between the Air District and the United States Department of Energy, regarding funding opportunities.

Committee Action

None; receive and file.

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

Air District staff read a public comment that was submitted via email by Martin MacKerel.

**11. COMMITTEE MEMBER COMMENTS**

None.

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

Thursday, April 28, 2022, at 9:30 a.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).

**13. ADJOURNMENT**

The meeting adjourned at 11:27 a.m.

Marcy Hiratzka  
Clerk of the Boards

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Teresa Barrett and Members  
of the Mobile Source and Climate Impacts Committee

From: Alexander Crockett  
Interim Acting Executive Officer/APCO

Date: April 28, 2022

Re: Projects and Contracts With Proposed Grant Awards Over \$500,000

RECOMMENDED ACTION

1. Approve recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1; and
2. Authorize the Interim Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (CARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of nitrogen oxides (NOx), reactive organic gases (ROG), and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road industrial, construction, and agricultural equipment, marine vessels, locomotives, and stationary agricultural pump engines. Since 2018, this funding may also be awarded to offset a portion of the cost of installing new refueling or recharging infrastructure that supports the deployment of new zero-emissions vehicles and equipment.

Assembly Bill (AB) 923 (Firebaugh), enacted in 2004 (codified as Health and Safety Code (HSC) Section 44225), authorized local air districts to increase motor vehicle registration surcharges by up to \$2 additional per vehicle and use the revenue to fund projects eligible under the CMP guidelines. AB 923 revenue is deposited in the Air District's Mobile Source Incentive Fund (MSIF).

On January 20, 2021, the Board of Directors (Board) authorized the Air District's participation in Year 23 of the CMP, including an allocation of MSIF revenue as match funds. Per AB 1390, at least 50% of CMP funds must be allocated to projects that benefit communities with the most significant exposure to air contaminants or localized air contaminants.

In 2017, AB 617 directed the CARB, in conjunction with local air districts to establish 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. The AB 617 initiative calls for 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.

Beginning in fiscal year ending (FYE) 2018, the California Legislature approved funding from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases, for the Community Air Protection Program (CAPP). CAPP funds may be used to fund projects eligible under the CMP and on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Following additional approvals from CARB, CAPP funds may also potentially be used to fund stationary source and mobile source projects that have been identified and prioritized by communities with a Community Emissions Reduction Program, pursuant to HSC Section 44391.2. In May 2020, the Governor's revised budget 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 CAPP funds. At least 80% of CAPP funds must be allocated to projects that benefit disadvantaged communities (Senate Bill (SB)535), and low-income communities (AB 1550).

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. The remaining forty percent of the funds are passed through to the designated Bay Area County Program Manager who in turn award TFCA



funds to eligible projects within their county. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. On April 7, 2021, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in FYE 2022, and cost-effectiveness limits for Air District-sponsored FYE 2022 programs. On June 16, 2021, the Board adopted policies and evaluation criteria for the FYE 2022 Regional Fund program.

Applications for grant funding received by the Air District are reviewed and evaluated for eligibility under the respective governing policies and guidelines established by each funding source e.g., CARB, the Board. At least quarterly, staff provides updates to the Mobile Source and Climate Impacts 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 percentage of funding benefitting low-income residents and impacted communities, including Air District-identified Community Air Risk Evaluation (CARE) areas, disadvantaged SB 535 communities, and/or low-income AB 1550 communities. The reported award allocations and emissions reductions benefits to counties and impacted communities, which are based on information provided by each applicant, also does not include “regional” projects, where all communities receive benefits, or projects where the location of the benefit has not yet been determined.

On April 6, 2022, the Board authorized the Interim Air Pollution Control Office (APCO)/Executive Officer to approve projects with awards up to \$500,000. For all projects with proposed awards greater than \$500,000, staff brings the recommendations to the Board for approval.

## DISCUSSION

### **Carl Moyer Program and Community Air Protection Program:**

For the FYE 2022, the Air District had approximately \$46.3 million available in CMP, MSIF, CAPP, and FARMER funds for eligible projects, including prior year funds. This total may change as additional revenues 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.

Between February 22, 2022, and March 30, 2022, staff evaluated three eligible projects with proposed awards over \$500,000. One on-road zero-emission infrastructure project, one on-road school bus project, and one marine project are estimated to reduce over 12 tons of NOx, ROG, and PM emissions per year and all three projects provide emission reduction benefits to impacted communities. Staff recommends approval of the allocation of up to \$7,485,255 for these projects from a combination of CMP/MSIC and CAPP revenues. Attachment 1 provides additional information on the projects.

Attachment 2, updated at least quarterly, lists all eligible projects that have been awarded by the Air District between July 1, 2021, and March 30, 2022, including information about project equipment, award amounts, estimated emissions reductions, community benefits, and project locations. Approximately 85% of the funds were awarded or allocated to low-income residents

or to projects that reduce emissions in CARE, disadvantaged SB 535 communities, 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.

### **Transportation Fund for Clean Air Program:**

For the FYE 2022, the Air District had approximately \$29.4 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. No projects are being recommended for TFCA funding.

Attachment 3, Table 1, updated at least quarterly, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2021, and March 30, 2022, including information about project equipment, award amount, estimated emissions reduction, community benefits, and project locations. Approximately 87% of the funds were awarded or allocated to low-income residents or to projects that reduce emissions in CARE, disadvantaged SB 535 communities, 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.

### **BUDGET CONSIDERATION/FINANCIAL IMPACT**

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

Respectfully submitted,

Alexander Crockett  
Interim Acting Executive Officer/APCO

Prepared by: Jessica DePrimo, Chad White, Linda Hui, Minda Berbeco, and Alona Davis  
Reviewed by: Karen Schkolnick

ATTACHMENTS:

1. Projects with Grant Awards Greater than \$500,000 (evaluated 2/22/22 to 3/30/22)
2. CMP/MSIF, FARMER and CAPP Projects (awarded and allocated 7/1/21 to 3/30/22)
3. TFCA Projects (awarded and allocated between 7/1/21 and 3/30/22)
4. Summary of Funding (awarded and allocated between 7/1/21 and 3/30/22)

## ATTACHMENT 1

Table 1 - Carl Moyer Program, Mobile Source Incentive Fund, FARMER, Community Air Protection Program, and Transportation Fund for Clean Air projects with grant awards greater than \$500k (Evaluated between 2/22/22 and 3/30/22)

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Total Project Cost	Emission Reductions (tons per year)			County
						NO <sub>x</sub>	ROG	PM	
22MOY293	Golden Gate Bridge Highway and Transportation District	Marine	Replace four Tier 3 main engines with Tier 4 main engines in two ferries operating on San Francisco Bay.	\$ 1,410,000	\$ 10,300,136	10.169	1.411	0.150	San Francisco, Marin
22MOY238	AC Transit	On-Road Infrastructure	Expand AC Transit's hydrogen fueling facility in Oakland D4.	\$ 4,535,255	\$ 9,101,230	N/A	N/A	N/A	Alameda
22SBP177	West County Transportation Agency	School Bus	Replace 7 CNG school buses with 7 low-NOx CNG school buses.	\$ 1,540,000	\$ 1,617,959	0.829	0.075	N/A	Sonoma
<b>3 Projects</b>				<b>\$ 7,485,255</b>	<b>\$ 21,019,325</b>	<b>10.998</b>	<b>1.486</b>	<b>0.150</b>	

## ATTACHMENT 2

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### CMP/MSIF, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/21 and 3/30/22)

Project #	Project Category	Project Type	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			Board Approval Date	AB1390 Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
22SBP71***	School Bus	Equipment replacement + Infrastructure	12	\$ 3,775,186	Petaluma City Schools	0.932	0.071	0.005	7/7/2021	No	Yes	Sonoma
22MOY138	Ag/ off-road	Equipment replacement	3	\$ 525,300	Dave Soiland	2.035	0.165	0.097	7/7/2021	No	No	Sonoma
22SBP84***	School Bus	Equipment replacement + Infrastructure	4	\$ 803,786	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	Renati Dairy	0.522	0.068	0.048	7/7/2021	No	No	Sonoma
22MOY127	Ag/ off-road	Equipment replacement	2	\$ 107,100	Napa Select Vineyard Services, Inc.	0.187	0.012	0.011	7/7/2021	No	No	Napa
22MOY142	Ag/ off-road	Equipment replacement	2	\$ 51,750	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	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	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	Kenzo Estate, Inc.	0.223	0.020	0.015	7/7/2021	No	No	Napa
22SBP40***	School Bus	Equipment replacement + Infrastructure	5	\$ 889,832	Franklin-McKinley School District	0.250	0.015	0.003	7/7/2021	Yes	Yes	Santa Clara
22MOY158	Marine	Engine replacement	1	\$ 174,000	Laurence J Collins	0.790	0.018	0.028	7/7/2021	No	No	San Francisco
2102-16395	LD Infrastructure	Charge!	--	\$ 21,000	The Millennium Tower Association	0.007	0.004	0.000	7/7/2021	Yes	No	San Francisco
2103-17230	LD Infrastructure	Charge!	--	\$ 64,000	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	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	EVmatch, Inc.	0.003	0.002	0.000	7/7/2021	Yes	Yes	Alameda
2103-17603	LD Infrastructure	Charge!	--	\$ 32,000	Bollinger Crest Apartment Investors, LP	0.011	0.006	0.000	7/7/2021	No	No	Alameda
2103-17638	LD Infrastructure	Charge!	--	\$ 48,000	Intertie, Incorporated	0.017	0.010	0.000	7/7/2021	Yes	Yes	San Francisco
22MOY130	On-road	Equipment replacement	1	\$ 25,000	Min Jian Huang (jianhuang)	0.841	0.070	0.000	APCO	Yes	Yes	Alameda
22MOY151	Ag/ off-road	Equipment replacement	2	\$ 86,000	Hardin Vineyard Management LLC	0.257	0.055	0.023	APCO	No	No	Napa
22MOY124	On-road	Equipment replacement	1	\$ 25,000	Kulwant Khera (kskhera)	0.773	0.065	0.000	APCO	Yes	Yes	Alameda
22MOY78	Ag/ off-road	Equipment replacement	1	\$ 31,642	Cortina Vineyard Management	0.047	0.011	0.008	APCO	Yes	Yes	Napa
22MOY131	On-road	Equipment replacement	1	\$ 25,000	Karanbir Singh (karanbirsg)	0.820	0.690	0.000	APCO	No	No	Contra Costa
22MOY166	Ag/ off-road	Equipment replacement	2	\$ 96,400	Stone Bridge Cellars Inc.	0.166	0.009	0.009	APCO	No	No	Napa
22MOY174	On-road	Equipment replacement	1	\$ 25,000	Can Yuan Chen (canchen)	1.008	0.085	0.000	APCO	Yes	Yes	Alameda

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### CMP/MSIF, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/21 and 3/30/22)

Project #	Project Category	Project Type	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			Board Approval Date	AB1390 Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22MOY92	Ag/ off-road	Equipment replacement	1	\$ 29,550	Paul P. Bianchi, Inc	0.025	0.023	0.007	APCO	No	No	Sonoma
22SBP52	School Bus	Equipment replacement	3	\$ 435,306	Pittsburg Unified School District	0.290	0.022	0.000	10/6/2021	Yes	Yes	Contra Costa
22MOY185	Ag/ off-road	Equipment replacement	1	\$ 67,100	Domenico J. Carinalli, Jr.	0.156	0.010	0.009	APCO	No	No	Sonoma
22MOY99	Ag/ off-road	Equipment replacement	1	\$ 41,100	Daylight Vineyard Management, Inc.	0.062	0.005	0.007	APCO	No	No	Sonoma
22MOY179	Marine	Engine replacement	1	\$ 72,000	Kyle Dryer dba Diamond Sportfishing	0.705	0.009	0.028	APCO	Yes	No	Alameda/Contra Costa/San Francisco
22MOY22	Ag/ off-road	Equipment replacement	2	\$ 57,100	Joseph Pinheiro	0.047	0.018	0.010	APCO	No	No	Sonoma
22MOY160	Marine	Engine replacement	4	\$ 3,529,000	Baydelta Navigation LTD	30.665	2.726	1.021	10/6/2021	Yes	Yes	San Francisco, Alameda, Contra Costa, Marin, Solano
21SBP98*	School Bus	Equipment replacement + Infrastructure	--	\$ 242,828	Palo Alto Unified School District	--	--	--	10/6/2021	Yes	Yes	Santa Clara
22SBP14**	School Bus	Equipment replacement + Infrastructure	--	\$ 95,327	Milpitas Unified School District	--	--	--	10/6/2021	Yes	Yes	Santa Clara
22MOY128	On-road	Equipment replacement	1	\$ 15,000	Aman Khan	0.420	0.035	0.000	APCO	Yes	Yes	Alameda
22MOY187	Ag/ off-road	Equipment replacement	1	\$ 30,100	Dierke's Enterprises	0.017	0.015	0.004	APCO	No	No	Sonoma
22MOY190	Ag/ off-road	Equipment replacement	2	\$ 91,170	Anderson's Conn Valley Winery, Inc.	0.108	0.034	0.015	APCO	No	No	Napa
22MOY170	Off-road	Equipment replacement	1	\$ 106,000	Argent Materials INC	0.814	0.041	0.021	11/17/2021	Yes	Yes	Alameda
22MOY209	Ag/ off-road	Equipment replacement	1	\$ 192,600	Global Mushrooms LLC.	0.362	0.049	0.030	11/17/2021	No	Yes	Santa Clara
22MOY167	Ag/ off-road	Equipment replacement	2	\$ 285,700	Ielmorini Moody Dairy	0.871	0.107	0.052	11/17/2021	No	Yes	Sonoma
22MOY196	Marine	Engine replacement	2	\$ 256,000	A.C. Fishing Charters Inc., dba Tigerfish Sportfishing	0.576	0.000	0.031	11/17/2021	Yes	No	Alameda/Contra Costa/Marin/San Francisco
TBD	LD Infrastructure	Charge! <sup>6</sup>	--	\$ 2,000,000	BAAQMD	TBD*	TBD*	TBD*	11/17/2021	TBD*	TBD*	Regional
22MOY211	Ag/ off-road	Equipment Replacement	1	\$ 88,900	Pomponio Farms LLC	0.412	0.054	0.031	APCO	No	Yes	San Mateo
22SBP216***	School Bus	Equipment replacement + Infrastructure	3	\$ 887,025	Campbell Union High School District	0.192	0.011	0.001	12/15/2021	Yes	Yes	Santa Clara County
22MOY217	Marine	Engine replacement	2	\$ 380,000	Happy Hooker Sportfishing, LLC	1.340	-0.036	0.056	12/15/2021	Yes	Yes	Alameda, San Francisco, Contra Costa
22MOY206	Ag/ off-road	Equipment Replacement	1	\$ 64,000	Wente Bros. dba. Wente Vineyards	0.214	0.035	0.026	APCO	Yes	No	Alameda
22MOY157	Ag/ off-road	Equipment replacement	3	\$ 133,400	Walsh Vineyards Management Inc.	0.657	0.105	0.067	1/19/2022	No	No	Napa
22MOY220	Ag/ off-road	Equipment replacement	3	\$ 160,300	Atlas Vineyard Management, Inc.	0.301	0.046	0.036	1/19/2022	No	No	Napa/Sonoma
22MOY208	Ag/ off-road	Equipment replacement	1	\$ 117,100	Jack Neal and Son Inc	0.210	0.028	0.019	1/19/2022	No	No	Napa

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### CMP/MSIF, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/21 and 3/30/22)

Project #	Project Category	Project Type	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			Board Approval Date	AB1390 Area	AB1550/ SB535 Area	County
						NOx	ROG	PM				
22MOY215	Marine	Engine Replacement	2	\$ 187,000	Reel Screamer Charters LLC	0.371	0.003	0.019	1/19/2022	No	No	San Mateo, San Francisco, Marin
22MOY241	Marine	Engine replacement	2	\$ 258,000	C-Gull II Sportfishing Inc.	0.934	0.000	0.050	1/19/2022	Yes	No	Alameda, San Francisco, Contra Costa, Marin
22MOY245	Marine	Engine replacement	2	\$ 301,400	C-Gull II Sportfishing Inc.	0.550	0.002	0.029	1/19/2022	Yes	No	Alameda, San Francisco, Contra Costa, Marin
22MOY224	Marine	Engine Replacement	2	\$ 133,000	Duane Winter	0.349	0.002	0.018	1/19/2022	No	No	San Mateo, San Francisco
22MOY195	Ag/ off-road	Equipment replacement	1	\$ 59,500	Ilisley Brothers Farming, LLC	0.099	0.006	0.006	APCO	No	No	Napa
22MOY180	Ag/ off-road	Equipment replacement	1	\$ 32,400	Frog's Leap Winery	0.041	0.003	0.004	APCO	No	No	Napa
22MOY235	Ag/ off-road	Equipment replacement	1	\$ 50,300	Cornerstone Certified Vineyard	0.074	0.007	0.008	APCO	No	No	Sonoma
22MOY228	Marine	Engine replacement	1	\$ 85,300	Wooden Boats for Vettrans Foundation	0.216	0.009	0.009	APCO	Yes	No	Solano/Contra Costa/San Francisco/Marin
22MOY223	Ag/ off-road	Equipment replacement	1	\$ 24,700	Ingenious Solutions Incorporated	0.013	0.011	0.003	APCO	No	No	Napa
22MOY195	Ag/ off-road	Equipment replacement	1	\$ 54,000	Ilisley Brothers Farming, LLC	0.090	0.005	0.005	APCO	No	No	Napa
22MOY227	Ag/ off-road	Equipment replacement	2	\$ 104,400	M. German & Son Partnership	0.379	0.060	0.041	3/2/2022	No	No	Solano
22MOY258	Ag/ off-road	Equipment replacement	2	\$ 119,400	Foley Family Farms, LLC	0.376	0.049	0.033	3/2/2022	No	No	Sonoma
22MOY250	Ag/ off-road	Equipment replacement	3	\$ 447,500	George Bianchi Inc	1.361	0.139	0.080	3/2/2022	No	No	Sonoma
22MOY253	Ag/ off-road	Equipment replacement	1	\$ 60,800	Alan Willey	0.099	0.015	0.009	APCO	No	No	Solano
22MOY259	Ag/ off-road	Equipment replacement	1	\$ 70,200	Morrison Ranch	0.150	0.023	0.017	APCO	No	No	Solano
22MOY270	Ag/ off-road	Equipment replacement	2	\$ 90,400	Dirt Farmer & Company, A California Corporation	0.188	0.012	0.011	APCO	No	No	Sonoma
22SBP203***	School Bus	Equipment replacement	12	\$ 3,164,239	Oak Grove School District	1.000	0.120	0.010	3/2/2022	Yes	Yes	Santa Clara
22MOY261	Marine	Engine replacement	2	\$ 140,000	Bay Marine Services, LLC	0.594	0.003	0.022	3/2/2022	Yes	Yes	Solano, Contra Costa
22MOY277	Ag/ off-road	Engine replacement	4	\$ 192,400	Colinas Farming Company	0.374	0.061	0.046	4/6/2022	No	No	Napa
22MOY226	Ag/ off-road	Engine replacement	2	\$ 108,400	Sonoma-Cutrer Vineyards, Inc.	0.291	0.017	0.017	4/6/2022	No	No	Sonoma
22MOY251	Ag/ off-road	Engine replacement	6	\$ 290,900	New Pina Vineyard Management , LLC.	0.463	0.102	0.056	4/6/2022	No	No	Napa
22MOY283	Ag/ off-road	Engine replacement	2	\$ 83,000	John Edward White	0.095	0.029	0.013	APCO	No	No	Napa
22MOY287	Ag/ off-road	Engine replacement	1	\$ 71,400	A Cut Above Viticulture Service inc.	0.123	0.020	0.015	APCO	Yes	Yes	Napa
22MOY272	Marine	Engine replacement	3	\$ 99,000	Lil' Man In The Boat, Inc.	0.994	0.039	0.037	APCO	Yes	Yes	San Francisco, Alameda, Marin

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*CMP/MSIF, FARMER and Community Air Protection Program projects  
(awarded and allocated between 7/1/21 and 3/30/22)*

Project #	Project Category	Project Type	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			Board Approval Date	AB1390 Area	AB1550/SB535 Area	County
						NOx	ROG	PM				
22MOY276	Marine	Engine replacement	2	\$ 99,000	John Barnett dba Amigo Adventures	0.522	0.014	0.019	APCO	Yes	No	San Francisco, Marin, Alameda
22MOY293	Marine	Engine replacement	4	\$ 1,410,000	Golden Gate Ferry	10.169	1.411	0.150	TBD	Yes	Yes	San Francisco, Marin
22MOY299	Marine	Engine replacement	2	\$ 114,000	Chuck Louie dba Chuckys Pride Sportfishing	0.446	-0.001	0.024	APCO	Yes	Yes	San Francisco, Alameda, Marin
22MOY238	On-road	Infrastructure	-	\$ 4,535,255	AC Transit	-	-	-	TBD	Yes	Yes	Alameda
22SBP177	School Bus	Engine replacement	7	\$ 1,540,000	West County Transportation Agency	0.830	0.070	0.000	TBD	Yes	Yes	Sonoma
22MOY263	Ag/ off-road	Equipment replacement	2	\$ 129,900	Balletto Ranch, Inc.	0.224	0.023	0.018	APCO	No	No	Sonoma
22MOY285	Ag/ off-road	Equipment replacement	1	\$ 50,400	Drake's View Dairy	0.098	0.017	0.013	APCO	Yes	Yes	Marin
22MOY295	Ag/ off-road	Equipment replacement	1	\$ 169,000	A&S Landscape Materials, Inc.	0.590	0.041	0.030	APCO	Yes	Yes	Marin
22MOY204	Ag/ off-road	Equipment replacement + Infrastructure	2	\$ 219,674	San Mateo Lumber Company, Inc.	0.263	0.077	0.003	APCO	Yes	Yes	San Mateo
22MOY266	Ag/ off-road	Equipment replacement	1	\$ 90,600	Complete Equipment, Inc.	0.113	0.018	0.010	APCO	No	No	Sonoma
<b>82 Projects</b>			<b>162</b>	<b>\$ 33,028,799</b>		<b>72.6</b>	<b>7.3</b>	<b>2.7</b>				

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

\*\*The project award reflects an approved increase of \$95,327 in CMP/MSIF/CAPP funds to 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/CAPP funds on 4/7/21.

\*\*\* This project is co-funded with TFCA funds as shown on Attachment 3.

<sup>§</sup> Award Amount may come from either the Mobile Source Incentive Fund (MSIF) or the Transportation Fund for Clean Air (TFCA).

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



## ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/21 and 3/30/22)

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 <sub>x</sub>	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
22SBP203	School Bus	Match funding for the replacement of 8 diesel school buses with 8 electric school buses	\$ 1,428,844	Oak Grove School District	N/A**	N/A**	N/A**	3/2/22	Yes	Yes	Sonoma
22SBP216	School Bus	Match funding for the replacement of 3 diesel school buses with 3 electric school buses	\$ 623,591	Campbell Union High School District	N/A**	N/A**	N/A**	12/15/21	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

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 <sub>x</sub>	ROG	PM				
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
<b>Total</b>		<b>20 Projects</b>	<b>\$13,050,001</b>		<b>2.384</b>	<b>1.408</b>	<b>0.057</b>				

\* 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).

# ATTACHMENT 4

## Summary of funding awarded and allocated from the following revenue sources between 7/1/21 and 3/30/22

- Carl Moyer Program (CMP)
- Community Air Protection Program (CAPP)
- 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

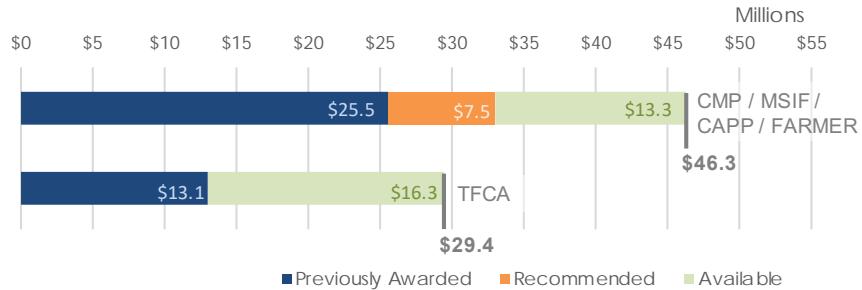


Figure 2. Funding awarded and allocated in FYE 2022 by county  
includes funds awarded & recommended for award

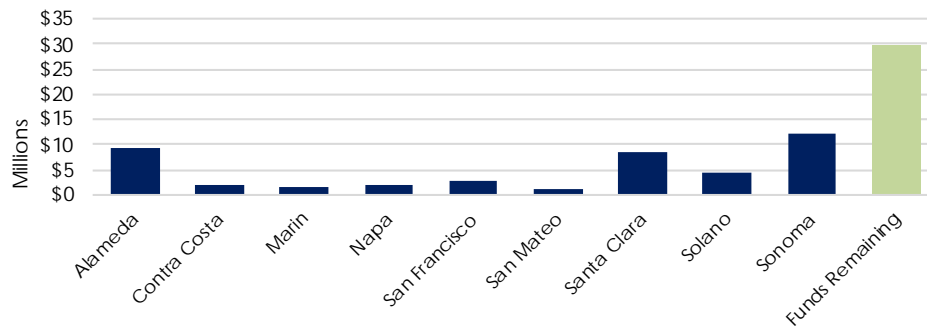
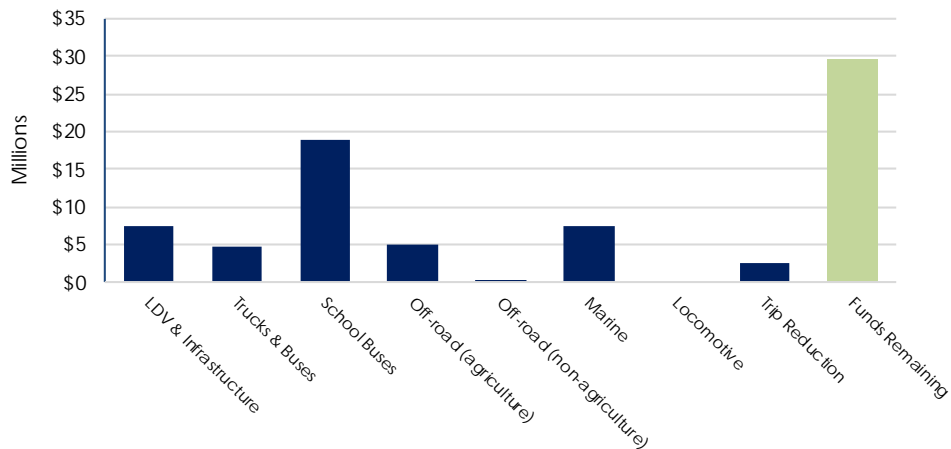


Figure 3. Funding awarded and allocated in FYE 2022 by project category  
includes funds awarded & recommended for award



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Teresa Barrett and Members  
of the Mobile Source and Climate Impacts Committee

From: Alexander Crockett  
Interim Acting Executive Officer/APCO

Date: April 28, 2022

Re: Transportation Fund for Clean Air County Program Manager Expenditure Plans For  
Fiscal Year Ending 2023

RECOMMENDED ACTION

1. Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue to each of the nine County Program Managers (CPM) for Fiscal Year Ending (FYE) 2023, as listed in Column A of Table 1; and
2. Authorize the Interim Executive Officer/APCO to enter into funding agreements with the CPMs for TFCA revenues to be programmed in FYE 2023 as listed in Column C of Table 1.

BACKGROUND

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

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

Pursuant to HSC Section 44241, CPMs must award TFCA funds to eligible projects within six months of the Air District Board of Directors' (Board) approval of their expenditure plans. Annually, CPMs submit expenditure plans to the Air District specifying the status of their prior year funding that is available for reprogramming and interest accrued. The Board adopted the policies and cost-effectiveness criteria for expenditure of CPM TFCA funds in FYE 2023 on

November 17, 2021.

## DISCUSSION

The Air District received proposed expenditure plans from all nine CPMs. Table 1 shows the TFCA monies that are estimated to be available to CPMs in FYE 2023.

- Column A shows the new revenue projected to accrue from Department of Motor Vehicles (DMV) revenue from each county's proportionate share of vehicle registration fees collected.
- Column B shows TFCA carry-over funds available for reprogramming as reported by CPMs in their expenditure plans. Carry-over funds include TFCA monies from projects that were recently completed under budget and/or canceled, and any interest earned.
- Column C shows total amount of TFCA funds that are estimated to be available to CPMs in FYE 2023 (sum of values in columns A and B).

	<b>A</b>	<b>B</b>	<b>C</b>
<b>County Program Manager</b>	<b>Estimated New TFCA Revenue</b>	<b>Reprogrammed TFCA Funds</b>	<b>Estimated Total FYE 2023 TFCA Funds</b>
Alameda County Transportation Commission	\$1,935,000	\$1,146,011	\$3,081,011
Contra Costa Transportation Authority	\$1,535,700	\$651,858	\$2,187,558
Transportation Authority of Marin	\$351,400	\$3,727	\$355,127
Napa Valley Transportation Authority	\$196,900	\$8,034	\$204,934
San Francisco County Transportation Authority	\$690,800	\$287,969	\$978,769
San Mateo City/County Association of Governments	\$926,700	\$168,677	\$1,095,377
Santa Clara Valley Transportation Authority	\$2,326,400	\$40,325	\$2,366,725
Solano Transportation Authority	\$350,300	\$27,898	\$378,198
Sonoma County Transportation Authority	\$623,700	\$18,076	\$641,776
<b>TOTAL</b>	<b>\$8,936,900</b>	<b>\$2,352,575</b>	<b>\$11,289,475</b>

### BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Alexander Crockett  
Interim Acting Executive Officer/APCO

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

### ATTACHMENTS:

None

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
Memorandum

To: Chairperson Teresa Barrett and Members  
of the Mobile Source and Climate Impacts Committee

From: Alexander Crockett  
Interim Acting Executive Officer/APCO

Date: April 28, 2022

Re: Annual Update to the Transportation Fund for Clean Air (TFCA) Regional Fund  
Policies and Evaluation Criteria for Fiscal Year Ending (FYE) 2023

RECOMMENDED ACTION

Recommend Board of Directors approve the proposed updates to TFCA Regional Fund Policies and Evaluation Criteria for FYE 2023 presented in Attachment A.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a \$4 surcharge on each motor vehicle 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 California Health and Safety Code Sections 44241 and 44242. The authorizing legislation requires that the Air District's Board of Directors (Board) adopt cost-effectiveness criteria that govern the use of the TFCA funds.

Sixty percent of TFCA funds are allocated annually by the Board to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air) and to a program referred to as the Regional Fund. The remaining forty percent (40%) of TFCA funds are passed-through to the County Program Manager Fund, based on each county's proportionate share of vehicle registration fees paid, and awarded by the nine designated agencies within the Air District's jurisdiction.

On April 6, 2022, the Board approved an allocation of \$28.92 million in TFCA monies for award in FYE 2023 through the Regional Fund and to Air District sponsored program categories, including an estimated \$12.92 million in new revenue and additional funds from prior years and interest. At the same meeting, the Board also authorized the Executive Officer/APCO to execute grant agreements with project sponsors whose projects have proposed individual awards up to \$500,000 and that meet the respective governing policies and guidelines. TFCA projects recommended for awards greater than \$500,000 are brought to the Air District's Mobile Source Committee for consideration.

The authorizing legislation requires the Board to consider updates to the Regional Fund Policies and Evaluation Criteria (Policies), which establish the eligibility and evaluation criteria for projects and award of TFCA funding at least annually. The Policies include both general requirements, applicable to all Regional Fund projects, and project category-specific requirements.

This report discusses the proposed updates to the Policies for FYE 2023 and the public process through which these updates were developed.

## DISCUSSION

### *Public Outreach Process for FYE 2023 Policies*

On January 31, 2022, the Air District posted the draft Policies on its website and opened the public comment period, which closed on March 3, 2022. The public comment process was advertised via the Air District's TFCA grants email notification system and sent to more than 1,700 stakeholders, including representatives from each of the nine Bay Area Congestion Management Agencies (CMAs). The updates proposed for FYE 2023 were presented and discussed a public webinar on February 8. Attachment C provides a summary of the public comments received, along with staff's responses.

### *Proposed Updated Policies for FYE 2023*

For FYE 2023, proposed updates were made to the current-year Policies to address the comments and suggestions received from stakeholders throughout the prior year and during the public comment period. Language revisions were also made for clarification purposes.

A redlined copy of the Policies for FYE 2023, which shows the proposed updates from the prior year, is included as Attachment B. Below is a summary of the key proposed updates:

- Update the evaluation criteria to include Priority Populations as a consideration and remove cost-effectiveness limits for *Hydrogen Stations* and *Electric Vehicle Charging Infrastructure* (policy #2).
- Continue providing an additional 12 months of flexibility for grantees to start their projects (for a total of 24 months) to address supply shortages and other delays caused by the pandemic (policy #8).
- Combine *On-Road Light- and Medium-Duty Zero- and Partial-Zero-Emissions Vehicles* (policy #23) and *On-Road Heavy-Duty Zero- and Partial-Zero-Emissions Trucks and Buses* (policy #24) into one category.
- Allow TFCA funds to be used to cover all or part of the incentive amount associated with vehicle scrapping (Policy #27)



### *Impacts of Staffing Shortage*

The staffing shortage in the grants program restricts the new funds that can be accepted, impacts the quality of work, and has resulted in high risks to the program's ability to execute, and has resulted in high risks to the program's conformance to audit requirements that will persist for many years.

### BUDGET CONSIDERATION/FINANCIAL IMPACT

None. TFCA funds are generated from DMV registration fees and distributed to sponsors of eligible projects on a reimbursement basis. Administrative costs are also covered by TFCA.

Respectfully submitted,

Alexander Crockett  
Interim Acting Executive Officer/APCO

Prepared by: Linda Hui  
Reviewed by: Minda Berbeco and Karen Schkolnick

### ATTACHMENTS:

1. Attachment A - Proposed FYE 2023 TFCA RF Policies
2. Attachment B - Proposed FYE 2023 TFCA RF Policies - Redlined Version
3. Attachment C - Comments and Responses

## TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2023

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

### BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project's funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit specified in Table 1, except for projects that are being co-funded by other Air District-administered programs (e.g., Carl Moyer Program). Emissions benefits for co-funded projects may be reported under other Air District-administered programs. 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 (NO<sub>x</sub>), and weighted PM<sub>10</sub> (particulate matter 10 microns in diameter and smaller).

**Table 1: Maximum Cost-Effectiveness for TFCA Regional Fund Projects**

Policy #	Project Category	Maximum C-E (\$/weighted ton)
22	On-Road Truck Replacements	\$90,000
23	On-Road Zero- and Partial- Zero- Emissions Vehicles	\$500,000
25	Hydrogen Stations	N/A*
26	Electric Vehicle Charging Infrastructure	N/A*
27	Vehicle Scrapping	\$50,000**
28	Existing Last-Mile Commuter Connections	Evaluated as part of the Spare the Air Program
29	Pilot Trip Reduction	\$500,000
30	Existing Regional Ridesharing Services	Evaluated as part of the Spare the Air Program
31	Bicycle Parking	\$250,000
32	Bikeways	\$500,000
33	Infrastructure Improvements for Trip-Reduction	\$500,000

\* These projects provide electric vehicle charging/hydrogen refueling infrastructure needed to enable emission reductions from electric and fuel cell electric vehicles. To maximize emissions reductions and public health benefits, projects will be evaluated based on project characteristics including, but not limited to, cost of the project, anticipated equipment usage, and anticipated benefits to environmental justice communities and communities highly impacted by air pollution but shall not be subject to a maximum cost-effectiveness limit.

\*\* Maximum C-E for vehicle scrapping if entirely funded by TFCA. If TFCA is used as a match for state funds, all emissions reductions will be claimed by the state program.

3. **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 California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
  - a. **Eligible Recipients:**
    - i. **Public agencies** are eligible to apply for all project categories.
    - ii. **Non-public entities** are eligible to apply for only Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).
  - b. **Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).
5. **Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 33, project applicants must provide evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** the maximum grant award amounts are:
  - a. Each public agency may be awarded up to a total award of \$5,500,000 per agency per year; and
  - b. Each non-public entity may be awarded up to a total award of \$5,000,000 per entity per year.
8. **Readiness:** Unless otherwise specified in policies #22 through 33, 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 Air District, whichever is later. For purposes of this policy, "commence" means either (a) a discrete, necessary and tangible action, such as the issuance of a purchase order to secure project vehicles or equipment or the delivery of the award letter for a construction contract, taken for a project to begin implementation, or (b) commencement or continuation of transportation service, such as last-mile commuter connections or ridesharing service, for which the project sponsor can provide documentation of date the action occurred.
9. **Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through 33, TFCA Regional Funds may be used to support up to two years of

operating costs for service- based projects (i.e., Trip Reduction Projects).

10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally binding obligations that are in effect at the time the minor modification was proposed.

## APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at the time of the application and at the time of issuance of the grant, they are in compliance with all local, state, and federal air quality regulations. Applicants who are in compliance with those laws, rules and regulations, but who have pending litigation or who have unpaid civil penalties owed to the Air District, may be eligible for funding, following a review and approval by the Air District. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from a project sponsor who was not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means an uncorrected audit finding that confirms a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds under any of the following circumstances:

- a. The funds were expended in a manner contrary to the TFCA Regional Funds' requirements and/or requirements of HSC Code section 44220 et seq;
- b. The project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan;
- c. The funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund;
- d. The project sponsor failed to comply with the approved project scope, as set forth in the project funding agreement.

Applicants who failed to reimburse such funds to the Air District from prior Air District funded

projects will be excluded from future TFCA funding.

14. **Executed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or Air District's notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements. The request shall include the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must obtain and maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

#### INELIGIBLE PROJECTS

16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are directly related to the implementation of a specific project or program.
17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare proposals and/or grant applications are not eligible.
18. **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.

#### USE OF TFCA FUNDS

19. **Combined Funds:** Unless otherwise specified in policies #22 through 33, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
20. **Administrative Costs:** Unless otherwise specified in policies #22 through 33, TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant). In cases where administrative costs may be paid for by TFCA Regional Funds, they are limited to a maximum of 6.25% of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. To be eligible for reimbursement, administrative costs must be clearly identified in the project budget at the time of application and in the funding agreement between the Air District and the project sponsor.
21. **Expend Funds within Two Years:** Project sponsors must expend the grant funding within two (2) years of the effective date of their grant agreement. Applicants may request a longer period in the application, by submitting evidence that a longer period is justified to complete the project

due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

## ELIGIBLE PROJECT CATEGORIES

**To be eligible for funding from the TFCA Regional Fund, a proposed project must meet the purpose and requirements for the applicable Project Category.**

### Clean Air Vehicle Projects

22. **On-Road Truck Replacements:** The project 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 California Air Resources Board (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.
23. **On-Road Zero- and Partial-Zero-Emissions Vehicles:** The project will help vehicle owners and operators achieve significant voluntary emission reductions by accelerating the deployment of zero- and partial-zero-emissions motorcycles, cars, light- and medium- duty vehicles, trucks, and buses:
  - a. Reserved.
  - b. Vehicles may be purchased or leased;
  - c. Eligible vehicle types are limited to plug-in hybrid-electric, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;
  - d. Project Sponsors 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;
  - e. Projects that seek to scrap and replace a vehicle may qualify for additional TFCA funding toward the purchase or lease of a new vehicle. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds;
  - f. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible; and
  - g. 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.
24. Reserved.
25. **Hydrogen Stations:** The project is intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing

facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

- a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;
- b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/State authority;
- c. Each station must be maintained and operated for a minimum of three years;
- d. TFCA funding may not be used to pay for fuel or on-going operations or maintenance costs;
- e. TFCA funding is limited to 25% of the total eligible project cost and may not exceed a maximum award amount of \$250,000 per station; and
- f. Stations must have received a passing score and/or received approval for funding from a State or federal agency.

26. **Electric Vehicle Charging Infrastructure:** The project is intended to accelerate the adoption of zero- emissions vehicles through the deployment of new electric vehicle charging stations:

- a. Each station must be maintained and operated for a minimum of three years;
- b. Project equipment must be certified by Underwriters Laboratories, Inc. or equivalent safety standard; and
- c. TFCA funding may not be used to pay for on-going operations or maintenance costs.

27. **Vehicle Scrapping:** The project is intended to accelerate the removal of highly polluting vehicles from Bay Area roads. Funding will be provided to owners of on-road motor vehicles who voluntarily scrap vehicles that meet the following requirements:

- a. Vehicles must be roadworthy and pass an inspection by the Air District or its designee;
- b. Vehicles must be currently registered with the DMV to an address within the Air District's jurisdiction and have had continuous registration to the same owner for a minimum of two years; and
- c. Owners may receive up to the total incentive amount offered for this program from the TFCA only or a combination of TFCA and other Air District programs. Program participants may not apply for funding from any other public agencies for scrapping.

#### Trip Reduction Projects

28. **Existing Last-Mile Commuter Connections:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:

- a. The project must provide local feeder bus or shuttle service 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 must be coordinated to have a timely connection with the corresponding mass transit service;
- c. The service must be available for use by all members of the public;

- d. TFCA Regional 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. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
  - g. Reserved.
  - h. Project Sponsors 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; and
  - i. 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.
29. **Pilot Trip Reduction:** The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or 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:
- a. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants (i.e., ROG, NOx, and PM10);
  - b. The proposed service must be available for use by all members of the public;
  - c. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining or require minimal public funds to maintain its operation by the end of the third year;
  - d. If the local transit provider is not a partner, the applicant must demonstrate they have attempted to get 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;
  - e. Applicants must provide data and/or other evidence demonstrating the public’s need for the service, including a demand assessment survey and letters of support from potential users; and
  - f. Pilot trip reduction projects that propose to provide shuttle/feeder bus and ridesharing service projects must comply with all applicable requirements in policies #28 and #30.
30. **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of



riders from at least five counties within Air District’s jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission’s (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

31. **Bicycle Parking:** The project will expand public access to new bicycle parking facilities. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), the MTC’s Regional Bicycle Plan, or other similar plan, and serve a major activity center (e.g. transit station, office building, or school). The bicycle parking facility must be publicly accessible and available for use by all members of the public.

TFCA Regional Funds may not be used to pay for costs related to maintenance, repairs, upgrades, rehabilitation, operations, or project administration.

Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate bicycle parking facilities are not eligible for use as matching funds.

32. **Bikeways:** The project will construct and/or install bikeways that are included in an adopted countywide bicycle plan, CMP, countywide transportation plan (CTP), city general plan or area-specific plan, the MTC’s Regional Bicycle Plan, or other similar plan. To be eligible for funding, the purpose of bikeways that are included in an adopted city general plan or area-specific plan must be to reduce motor vehicle emissions or traffic congestion. Projects must have completed all applicable State and federal 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.

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 reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use. Projects must also meet at least one of the following conditions:

- a. Be located within one-half mile biking distance from the closer of a public transit station/stop (e.g., local, county- wide or regional transit stops/stations/terminals) or a bike share station;
- b. Be located within one-half mile biking distance from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts); or
- c. Be located within one-half mile biking distance from three activity centers (e.g., employment centers, schools, business districts).

Projects are limited to the following types of bikeways:

- a. Class I Bikeway (Bike Path), new or upgrade improvement from Class II or Class III Bikeway;
- b. New Class II Bikeway (Bike Lane);

- c. New Class III Bikeway (Bike Route); or
- d. Class IV Bikeway (Separated Bikeway), new or upgrade improvement from Class II or Class III bikeway.

33. **Infrastructure Improvements for Trip-Reduction:** The project will expand the public's access to alternative transportation modes through the design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

## **REGIONAL FUND EVALUATION CRITERIA:**

Applications may be reviewed on either a first-come, first-served basis or a competitive basis. Projects will be evaluated using the criteria listed below.

1. Eligible projects will be evaluated based on cost-effectiveness and conformity to additional specific requirements discussed in the adopted policies and project-specific solicitation guidance.
2. TFCA Regional Funds will be prioritized for projects that meet one or more of the following criteria:
  - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District's Community Air Risk Evaluation (CARE) Program, in other communities identified through the Assembly Bill (AB) 617 (2017) process, or that benefit Priority Populations as defined by SB 535 disadvantaged communities, AB 1550 low-income communities, and low-income households; and
  - b. Projects in Priority Development Areas (PDAs).

## TFCA REGIONAL FUND POLICIES AND EVALUATION CRITERIA FOR FYE 2023

The following policies apply to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) Regional Fund for fiscal year ending (FYE) 2023~~32~~.

### BASIC ELIGIBILITY

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project's funding agreement.

2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit specified in Table 1, except for projects that are being co-funded by other Air District-administered programs (e.g., Carl Moyer Program). Emissions benefits for co-funded projects may be reported under other Air District-administered programs. 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).

**Table 1: Maximum Cost-Effectiveness for TFCA Regional Fund Projects**

Policy #	Project Category	Maximum C-E (\$/weighted ton)
22	On-Road Truck Replacements	\$90,000
23	On-Road <del>Light and Medium Duty</del> Zero- and Partial-Zero- Emissions Vehicles	\$500,000
24	<del>On-Road Heavy Duty Zero and Partial Zero-Emissions Trucks and Buses</del>	<del>\$500,000</del>
25	Hydrogen Stations	<del>\$500,000</del> N/A*
26	Electric Vehicle Charging Infrastructure	<del>\$500,000</del> N/A*
27	Vehicle Scrapping	\$50,000**
28	Existing Last-Mile Commuter Connections	Evaluated as part of the Spare the Air Program
29	Pilot Trip Reduction	\$500,000
30	Existing Regional Ridesharing Services	Evaluated as part of the Spare the Air Program
31	Bicycle Parking	\$250,000
32	Bikeways	\$500,000
33	Infrastructure Improvements for Trip-Reduction	\$500,000

\* These projects provide electric vehicle charging/hydrogen refueling infrastructure needed to enable emission reductions from electric and fuel cell electric vehicles. To maximize emissions reductions and public health benefits, projects will be evaluated based on project characteristics including, but not limited to, cost of the project, anticipated equipment usage, and anticipated benefits to environmental justice communities and communities highly impacted by

air pollution but shall not be subject to a maximum cost-effectiveness limit.

\*\* Maximum C-E for vehicle scrapping if entirely funded by TFCA. If TFCA is used as a match for state funds, all emissions reductions will be claimed by the state program.

3. **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 California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
  - a. **Eligible Recipients:**
    - i. **Public agencies** are eligible to apply for all project categories.
    - ii. **Non-public entities** are eligible to apply for only Clean Air Vehicle Projects and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).
  - b. **Authority to Apply:** Applicants must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform these tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).
5. **Viable Project and Matching Funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. Unless otherwise specified in policies #22 through 33, project applicants must provide evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** the maximum grant award amounts are:
  - a. Each public agency may be awarded up to a total award of \$5,500,000 per agency per year; and
  - b. Each non-public entity may be awarded up to a total award of \$5,000,000 per entity per year.
8. **Readiness:** Unless otherwise specified in policies #22 through 33, projects must commence by the end of calendar year 202~~2~~<sup>3</sup> or within 24 months from the date of execution of the funding agreement with the Air District, whichever is later. For purposes of this policy, "commence" means either (a) a discrete, necessary and tangible action, such as the issuance of a purchase order to secure project vehicles or equipment or the delivery of the award letter for a construction contract, taken for a project to begin implementation, or (b) commencement or continuation of transportation service, such as last-mile commuter connections or ridesharing service, for which

the project sponsor can provide documentation of date the action occurred.

9. **Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through 33, TFCA Regional Funds may be used to support up to two years of operating costs for service-based projects (i.e., Trip Reduction Projects).
10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

## APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at the time of the application and at the time of issuance of the grant, they are in compliance with all local, state, and federal air quality regulations. Applicants who are in compliance with those laws, rules and regulations, but who have pending litigation or who have unpaid civil penalties owed to the Air District, may be eligible for funding, following a review and approval by the Air District. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from a project sponsor who was not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means an uncorrected audit finding that confirms a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds under any of the following circumstances:

- a. The funds were expended in a manner contrary to the TFCA Regional Funds' requirements and/or requirements of HSC Code section 44220 et seq;
- b. The project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan;
- c. The funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund;

- d. The project sponsor failed to comply with the approved project scope, as set forth in the project funding agreement.

Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding.

- 14. **Executed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or Air District's notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements. The request shall include the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

- 15. **Maintain Appropriate Insurance:** Project sponsors must obtain and maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

## INELIGIBLE PROJECTS

- 16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are directly related to the implementation of a specific project or program.
- 17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare proposals and/or grant applications are not eligible.
- 18. **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.

## USE OF TFCA FUNDS

- 19. **Combined Funds:** Unless otherwise specified in policies #22 through 33, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
- 20. **Administrative Costs:** Unless otherwise specified in policies #22 through 33, TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant). In cases where administrative costs may be paid for by TFCA Regional Funds, they are limited to a maximum of 6.25% of total TFCA Regional Funds expended on a project and are only available to projects sponsored by public agencies. To be eligible for reimbursement, administrative costs must be clearly identified in the project budget at the time of application and in the funding agreement between the Air District and the project sponsor.

21. **Expend Funds within Two Years:** Project sponsors must expend the grant funding within two (2) years of the effective date of their grant agreement. Applicants may request a longer period in the application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

## ELIGIBLE PROJECT CATEGORIES

**To be eligible for funding from the TFCA Regional Fund, a proposed project must meet the purpose and requirements for the applicable Project Category.**

### Clean Air Vehicle Projects

22. **On-Road Truck Replacements:** The project 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 California Air Resources Board (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.
23. **On-Road ~~Light and Medium Duty~~ Zero- and Partial-Zero-Emissions Vehicles:** The project will help vehicle owners and operators achieve significant voluntary emission reductions by accelerating the deployment of zero- and partial-zero-emissions motorcycles, cars, ~~and~~ light- and medium- duty vehicles, trucks, and buses:
- a. ~~Reserved. Vehicles must have a GVWR not exceeding 8,500 lbs.;~~
  - b. Vehicles may be purchased or leased;
  - c. Eligible vehicle types are limited to plug-in hybrid-electric, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;
  - d. Project Sponsors 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;
  - e. Projects that seek to scrap and replace a vehicle may qualify for additional TFCA funding toward the purchase or lease of a new vehicle. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds;
  - f. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible; and
  - g. 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.

~~24. On-Road Heavy-Duty Zero- and Partial-Zero-Emissions Trucks and Buses: The project will~~



~~help fleet operators achieve significant voluntary emission reductions by encouraging the replacement of older, compliant trucks and buses with the cleanest available technology, and help fleet operators who are expanding their fleet to choose the cleanest available technology;~~

~~25. Each vehicle must be new and have a GVWR greater than 8,500 lbs.;~~

~~26. Vehicles may be purchased or leased;~~

~~27. Eligible vehicle types are limited to plug-in hybrid electric, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;~~

~~28. Project Sponsors 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;~~

~~29. Projects that seek to scrap and replace a vehicle may qualify for additional TFCA funding toward the purchase or lease of a new vehicle. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds;~~

~~30. Vehicles that are solely powered by gasoline, natural gas, or diesel, and retrofit projects are not eligible; and~~

~~31.24. 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 Reserved.~~

**32.25. Hydrogen Stations:** The project is intended to accelerate the deployment of hydrogen fueling stations. Funding may be used for the purchase and installation of equipment for new dispensing facilities and for upgrades and improvements that expand access to existing refueling sites. The following additional conditions must also be met:

- a. Stations must be located within the Air District's jurisdiction and be available and accessible to the public;
- b. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and approved by the local/State authority;
- c. Each station must be maintained and operated for a minimum of three years;
- d. TFCA funding may not be used to pay for fuel or on-going operations or maintenance costs;
- e. TFCA funding is limited to 25% of the total eligible project cost and may not exceed a maximum award amount of \$250,000 per station; and
- f. Stations must have received a passing score and/or received approval for funding from a State or federal agency.

**33.26. Electric Vehicle Charging Infrastructure:** The project is intended to accelerate the adoption of zero- emissions vehicles through the deployment of new electric vehicle charging stations:

- a. Each station must be maintained and operated for a minimum of three years;
- b. Project equipment must be certified by Underwriters Laboratories, Inc. or equivalent safety standard; and

- c. TFCA funding may not be used to pay for on-going operations or maintenance costs.

**34.27. Vehicle Scrapping:** The project is intended to accelerate the removal of highly polluting vehicles from Bay Area roads. Funding will be provided to owners of on-road motor vehicles who voluntarily scrap vehicles that meet the following requirements:

- a. Vehicles must be roadworthy and pass an inspection by the Air District or its designee;
- b. Vehicles must be currently registered with the DMV to an address within the Air District's jurisdiction and have had continuous registration to the same owner for a minimum of two years; and
- c. Owners may receive up to the total incentive amount offered for this program from the TFCA only or a combination of TFCA and Vehicles have not and will not receive funding from other Air District programs. Program participants may not apply for funding from any -or- other public agencies for scrapping.

#### Trip Reduction Projects

**35.28. Existing Last-Mile Commuter Connections:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:

- a. The project must provide local feeder bus or shuttle service 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 must be coordinated to have a timely connection with the corresponding mass transit service;
- c. The service must be available for use by all members of the public;
- d. TFCA Regional 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. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
- g. Reserved.
- h. Project Sponsors 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; and
- i. 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; and
- ~~j. 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).~~

~~36.29.~~ **Pilot Trip Reduction:** The project will reduce single-occupancy commute-hour vehicle trips by encouraging mode-shift to other forms of shared transportation. Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or 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:

- a. Applicants must demonstrate the project will reduce single-occupancy commute-hour vehicle trips and result in a reduction in emissions of criteria pollutants (i.e., ROG, NOx, and PM10);
- b. The proposed service must be available for use by all members of the public;
- c. Applicants must provide a written plan documenting steps that would be taken to ensure that the project will be financially self-sustaining or require minimal public funds to maintain its operation by the end of the third year;
- d. If the local transit provider is not a partner, the applicant must demonstrate they have attempted to get 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;
- e. Applicants must provide data and/or other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users; and
- f. Pilot trip reduction projects that propose to provide shuttle/feeder bus and ridesharing service projects must comply with all applicable requirements in policies #28 and #30.

~~37.30.~~ **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.

If a project includes ride-matching services, *only* ride-matches that are not already included in the Metropolitan Transportation Commission's (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the project sponsor are not eligible.

~~38.31.~~ **Bicycle Parking:** The project will expand public access to new bicycle parking facilities. The project must be included in an adopted countywide bicycle plan, Congestion Management Plan (CMP), the MTC's Regional Bicycle Plan, or other similar plan, and serve a major activity center (e.g. transit station, office building, or school). The bicycle parking facility must be publicly accessible and available for use by all members of the public.

TFCA Regional Funds may not be used to pay for costs related to maintenance, repairs, upgrades, rehabilitation, operations, or project administration.

Monies expended by the Project Sponsor to maintain, repair, upgrade, rehabilitate, or operate bicycle parking facilities are not eligible for use as matching funds.

~~39.~~**32. Bikeways:** The project will construct and/or install bikeways that are included in an adopted countywide bicycle plan, CMP, countywide transportation plan (CTP), city general plan or area-specific plan, the MTC's Regional Bicycle Plan, or other similar plan. To be eligible for funding, the purpose of bikeways that are included in an adopted city general plan or area-specific plan must be to reduce motor vehicle emissions or traffic congestion. Projects must have completed all applicable State and federal 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.

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 reduce vehicle trips made for utilitarian purposes (e.g., work or school commuting) and cannot be used exclusively for recreational use. Projects must also meet at least one of the following conditions:

- a. Be located within one-half mile biking distance from the closer of a public transit station/stop (e.g., local, county- wide or regional transit stops/stations/terminals) or a bike share station;
- b. Be located within one-half mile biking distance from a major activity center that serves at least 2,500 people per day (e.g., employment centers, schools, business districts); or
- c. Be located within one-half mile biking distance from three activity centers (e.g., employment centers, schools, business districts).

Projects are limited to the following types of bikeways:

- a. Class I Bikeway (Bike Path), new or upgrade improvement from Class II or Class III Bikeway;
- b. New Class II Bikeway (Bike Lane);
- c. New Class III Bikeway (Bike Route); or
- d. Class IV Bikeway (Separated Bikeway), new or upgrade improvement from Class II or Class III bikeway.

~~40.~~**33. Infrastructure Improvements for Trip-Reduction:** The project will expand the public's access to alternative transportation modes through the design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

## REGIONAL FUND EVALUATION CRITERIA:

Applications may be reviewed on either a first-come, first-served basis or a competitive basis. Projects will be evaluated using the criteria listed below.

1. Eligible projects will be evaluated based on cost-effectiveness and conformity to additional specific requirements discussed in the adopted policies and project-specific solicitation guidance.
2. TFCA Regional Funds will be prioritized for projects that meet one or more of the following criteria:
  - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District's -Community Air Risk Evaluation (CARE) Program, ~~and~~ in other communities identified through the Assembly Bill (AB) 617 (2017) process, or that benefit Priority Populations as defined by SB 535 disadvantaged communities, AB 1550 low-income communities, and low-income households; and
  - b. Projects in Priority Development Areas (PDAs).

## Agenda 7 – Attachment C: Comments Received and Staff Responses to Proposed FYE 2023 TFCA Regional Fund Policies

Commenter & Agency	Comment	Staff Response
Vandana Bali <b>ChargePoint</b>	ChargePoint supports the Air District’s proposed updates to Policy 26.	Noted.
Tiffany Rodriguez <b>AS-SJSU Transportation Solutions</b>	<p><i>The commenter provided background on many aspects of COVID-19 impacts to their organization and their inability to meet Air District program requirements. The commenter recommends that the Air District provide more flexibility with grant requirements as they recover from low ridership during the pandemic.</i></p> <p>I would also like to recommend that grant funding be approved for improving bike infrastructure instead of just adding new bike racks. Again, I am aware that the measurement is based on how many cars are being taken off the road by the number of added bike racks, but that measurement is not 1:1, people would be more encouraged to bike to campus if they knew they had secured facilities that were secure, weather protected, with facilities to store their bike accessories. That could be measured through tracking utilization through new sign ups for secured enclosures or utilization reports using key access data. I strongly recommend the Air District considers other factors when measuring the effectiveness of a program based on the population, locations, utilization, and more when taking into account eligible costs and funding awarded. Other eligible costs should include supporting multimodal infrastructure as well such as e scooter and e bike parking since the use of these is rising to solve last mile connection issues.</p>	<p>The Air District has continued to update the policies to provide flexibility to project sponsors and applicants experiencing challenges implementing projects because of the effects of the COVID-19 pandemic. Project sponsors are encouraged to contact the Air District directly if they are experiencing these challenges to discuss potential options.</p> <p>The Air District also continues to support existing last-mile commuter and regional ridesharing services that are consistent with the Policies, at the same funding amount. For local ridesharing programs, please seek funding from the County Program Manager for Santa Clara County.</p> <p>All TFCA projects must achieve surplus emission reductions. Air District staff will explore the option of allowing upgrades to bicycle parking if these projects will result in surplus emission reductions.</p>
Frances Neade <b>Solano County Department of Resource Management, Public Works</b>	<p>To produce regional reductions in greenhouse gas (GHG) emissions, SB 375 specifies consideration of financial incentives for farm to market and interconnectivity transportation needs. By enhancing transportation alternatives to and from local agriculture provides significant reductions in net GHG by reducing import/export of agricultural products for consumption and processing.</p> <p>Solano County is requesting amendment to Policy #33 to include consideration of eligible farm to market (ABAG identified Priority Conservation Areas) routes that serve immediately adjacent urban</p>	Air District staff reached out to the commenter to get more information on this comment. Policy #33, Infrastructure Improvements for Trip-Reduction, can support farm-to-market routes if these routes expand the public’s access to alternative transportation modes and achieve motor vehicle emission reductions. Additionally,

## Agenda 7 – Attachment C: Comments Received and Staff Responses to Proposed FYE 2023 TFCA Regional Fund Policies

Commenter & Agency	Comment	Staff Response
	<p>centers. The variety of improvements along these routes incentivize localized use and consumption without GHG intensive regional transport. Our city residents cherish our local ag producers and farm stands but funding remains limited on options to enhance and expand alternative modes of transportation to these immediately adjacent areas. We believe these types of projects should be provided scoring consideration due to the significant reduction in VMT/GHG that local production provides adjacent urban centers.</p> <p>In addition, County-to-County connections are becoming critical for cyclists to travel between regional areas. Solano County is currently collaborating with Yolo County on critical gap closures with assistance from Yolo Solano Air Quality Management District funding. The Bay Area Air Quality Management District should consider similar goals and financial incentives.</p>	<p>funding may be available through the County Program Manager for Solano County.</p> <p>Funding for bikeways (see Policy #32) is available.</p>
<p>Kristina Mosaffa <b>The Lion Electric Co. USA Inc.</b></p>	<p><i>The commenter provided background on many aspects of the company as a leader in the zero-emission vehicle industry.</i></p> <p>Lion strongly supports the proposal to waive the cost-effectiveness limit for ZEV infrastructure projects. As California moves to grow its electric vehicle deployment by 2030, the demand for EV charging stations has also risen. The California Energy Commission (CEC) has found that the state will need 1.2 million EV chargers to meet this growing demand in time. By waiving minimum cost-effectiveness thresholds, more applicants will be able to secure funding for critical ZEV infrastructure. Streamlined access to robust charging infrastructure will facilitate ZEV deployment to replace older, polluting fleets, subsequently lowering emissions and improving public health. The proposed change will also allow for a greater focus on other project benefits, such as those to low-income and disadvantaged communities that are disproportionately affected by air pollution, as opposed to cost-effectiveness limits that might otherwise restrict charging infrastructure projects.</p> <p>In addition, Lion supports the continued 12-month extension for starting projects, which provides a total of 24 months for applicants preparing to adding new zero-emission vehicles to their fleets. As the world</p>	<p>Noted.</p> <p>Noted.</p>

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Commenter & Agency	Comment	Staff Response
	<p>continues to grapple with supply chain disruptions, these considerations allow for more projects to secure much-needed funding and reach completion. We applaud the BAAQMD for remaining cognizant of the global difficulties that many industries still face and implementing policies that will empower applicants switching to ZEVs to complete these critical projects to improve air quality and public health in their communities.</p> <p>Lastly, regarding the proposal to combine category #23 (On-Road Light- and Medium-Duty Zero- and Partial-Zero Emissions Vehicles) and #24 (On-Road Heavy-Duty Zero and Partial-Zero-Emissions Trucks and Buses), Lion asks that the BAAQMD reconsider this reclassification. While it is imperative that the Bay Area moves towards vehicle electrification at all classes, there is a notable difference in emission reductions between light-duty and heavy-duty ZEVs. By combining these categories, this raises the potential for more light-duty projects being awarded than heavy-duty projects, which will dramatically affect overall emissions reductions for the district. This potential prioritization of light-duty projects may discourage heavy-duty applicants whose projects may not be competitive in a combined category. By continuing to have a separate category for heavy-duty vehicle adoption or replacement projects, this encourages applicants to replace older, more heavily polluting vehicles with the assistance of the TFCA. The removal of these vehicles will represent a more significant emissions reduction impact than light-duty alone.</p>	<p>Though under the same policy, the Air District will conduct separate solicitations and evaluations of these two categories. As a result, applications for light-, medium-, and heavy-duty vehicles are not in direct competition with one another for awards of TFCA funds.</p>
<p>Barbara Laurenson <b>Metropolitan Transportation Commission</b></p>	<p>The regional fund policy states that existing regional rideshare services would be evaluated as part of the Spare the Air Program. What is the cycle for this evaluation? I did not think that rideshare would continue to be considered through Spare the Air.</p>	<p>The Air District has continued to support existing regional ridesharing services that are consistent with the Policies. The TFCA funding allocation for FYE 2023, which was approved by the Board on April 6, 2022, includes staff's recommendation to continue supporting ridesharing services and to evaluate any emission reduction benefits from these services as part of the Spare the Air Program.</p>



## Agenda 7 – Attachment C: Comments Received and Staff Responses to Proposed FYE 2023 TFCA Regional Fund Policies

Commenter & Agency	Comment	Staff Response
Joe Siudzinski <b>Private Individual</b>	<i>The commenter recommends that pure battery electric vehicles be exempted from the \$4 surcharge on vehicles registered within the Air District's jurisdiction for TFCA because the owners have already incurred an additional cost to Spare the Air.</i>	The Air District commends Bay Area residents who choose to spare the air. However, battery electric vehicles are not 100% emissions free – there are emissions associated with brake wear, tire wear, and road dust and additional emissions if these vehicles are contributing to traffic congestion.
Maureen Sedonaen <b>Habitat for Humanity Greater SF (Marin-SF-San Mateo)</b>	We would love to see funds available to cover the costs for the installation of EV chargers for non-profit developers building multi-family developments for low-income housing.	The Air District offers funding for electric vehicle charging stations through its <a href="#">Charge! Program</a> . Air District staff will be reaching out to the commenter for more information.
Bruce Beayert <b>Trails for Richmond Action Committee</b>	Recommending funding facilities that make it more attractive and safer to bicycle and walk, thus reducing VMT with associated traffic congestion and emissions of air pollutants and GHG.	Funding for bikeways (see Policy #32), and infrastructure improvements for trip-reduction (see Policy #33) is available.
Ozzy Arce <b>City of Palo Alto</b>	<p>Bicyclists, including children heading to school, need abundant, efficient, safe, and secure places to store their bicycles. Bicycle support facilities, such as short-term bicycle parking, help support bicycle commuting in Palo Alto and contribute to the long-term viability of bicycling as a healthy, active, and sustainable mode for commuting, including school commutes. However, many of the existing bike racks at schools are inadequate, aging, and past their useful life, resulting in damaged bicycles, crowded facilities, and may deter children from riding their bicycle to school. Considering how bicycle parking and end-of-trip facilities can be a determining factor in whether someone decides to make a bicycle trip, the City of Palo Alto respectfully submits the following comment regarding the Bay Area Air Quality Management District's (BAAQMD) Transportation Fund for Clean Air (TFCA) program, specifically Basic Eligibility Policy #31, Bicycle Parking:</p> <p>Allow funds to be used to pay for the costs related to maintenance, repairs, upgrades, rehabilitation, or operations of existing bicycle parking facilities.</p>	All TFCA projects must achieve surplus emission reductions. Air District staff will explore the option of allowing upgrades to bicycle parking if these projects will result in surplus emission reductions.