



BOARD OF DIRECTORS
MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

COMMITTEE MEMBERS

TERESA BARRETT – CHAIR
MARGARET ABE-KOGA
PAULINE RUSSO CUTTER
LYNDA HOPKINS
MYRNA MELGAR

DAVID HUDSON – VICE CHAIR
DAVID CANEPA
JOHN GIOIA
DAVINA HURT
KAREN MITCHOFF

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

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT’S AGENDA WEBPAGE AT**

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- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE FOLLOWING LINK OR BY PHONE**

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

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MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING AGENDA

THURSDAY, OCTOBER 27, 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 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 Meeting Minutes of July 28, 2022

The Committee will consider approving the attached draft minutes of the Mobile Source and Climate Impacts Committee meeting of July 28, 2022.

PRESENTATION(S)

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 projects with proposed grant awards over \$500,000 and authorize the Interim Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects. This item will be presented by Kenneth Mak, Supervisor in the Strategic Incentives Division.

6. Proposed Updates to the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending 2024

This is an action item for the Committee to consider recommending to the Board of Directors to approve the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending 2024 as shown in Attachment 1 and will be presented by Linda Hui, Supervising Staff Specialist in the Strategic Incentives Division.

7. Interstate 580 Truck Access Study Update

This an informational item only and will be presented by Phil Martien, PhD, Director in the Assessment, Inventory, & Modeling 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

Monday, November 28, 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

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

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

Accessibility and Non-Discrimination Policy

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

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

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

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

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Suma Peesapati, at (415) 749-4967 or by email at 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

OCTOBER 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget and Finance Committee	Wednesday	26	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	27	9:30 a.m.	Webcast only pursuant to Assembly Bill 361

NOVEMBER 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Nominating Committee	Wednesday	2	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Meeting	Wednesday	2	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Administration Committee	Wednesday	2	2:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Community Equity, Health and Justice Committee	Thursday	3	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Advisory Council Meeting – CANCELLED AND RESCHEDULED TO DECEMBER 5, 2022 AT 8:30 A.M.	Monday	14	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Legislative Committee	Monday	14	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Meeting	Wednesday	16	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Administration Committee - CANCELLED	Wednesday	16	11:00 a.m.	Webcast only pursuant to Assembly Bill 361
Community Advisory Council Meeting	Thursday	17	6:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee	Monday	21	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Budget and Finance Committee	Wednesday	23	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee– CANCELLED AND RESCHEDULED TO NOVEMBER 28, 2022 AT 9:30 A.M.	Thursday	24	9:30 a.m.	Webcast only pursuant to Assembly Bill 361

NOVEMBER 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Mobile Source and Climate Impacts Committee	Monday	28	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Path to Clean Air Community Emissions Reduction Plan Steering Committee	Monday	28	5:30 p.m.	Webcast only pursuant to Assembly Bill 361
MB 10/19/22 – 12:22 p.m.				G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Sharon L. Landers
Interim Executive Officer/APCO

Date: October 27, 2022

Re: Approval of the Meeting Minutes of July 28, 2022

RECOMMENDED ACTION

Approve the attached draft minutes of the Mobile Source and Climate Impacts Committee meeting of July 28, 2022.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Mobile Source and Climate Impacts Committee meeting of July 28, 2022.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Sharon L. Landers
Interim 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 July 28, 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, July 28, 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 9:30 a.m.

Roll Call:

Present: Chairperson Teresa Barrett; Vice Chairperson David Hudson; and Directors David Canepa, John Gioia, Davina Hurt, and Karen Mitchoff.

Absent: Directors Margaret Abe-Koga, Pauline Russo Cutter, and Lynda Hopkins.

2. PLEDGE OF ALLEGIANCE

3. PUBLIC MEETING PROCEDURE

4. APPROVAL OF THE MINUTES OF MAY 26, 2022

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Canepa made a motion, seconded by Director Hurt, to **approve** the Minutes of the Meeting of May 26, 2022; and the motion carried by the following vote of the Committee:

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

5. CALIFORNIA AIR RESOURCES BOARD FREIGHT ACTIVITIES

Damian Breen, introduced Cari Anderson, Branch Chief in the Transportation & Toxics Division at the California Air Resources Board (CARB), who gave the presentation *California Air Resources Board Freight Activities*, including: CARB’s objectives; transition from combustion; addressing freight emissions through regulations; CARB strategies already implemented to cut freight emissions and health risk; addressing freight emissions at the Port of Oakland; coordinating statewide freight policies; infrastructure deployment is crucial; new CARB freight regulatory actions; truck and bus regulation overview; transition to heavy-duty zero-emissions; drayage truck proposal considerations; drayage truck proposal requirements; timeline for transitioning drayage trucks to zero-emission; railyard; draft truck versus train emissions analysis; draft in-use locomotive regulation; locomotive regulation timeline; transport refrigeration units (TRU); Part 1: zero-emission truck TRUs; non-truck TRUs; Part 2: zero-emission non-truck TRUs; ocean-going vessels (OGV); commercial harbor craft (CHC); cargo handling equipment (CHE); and California Environmental Quality Act (CEQA) review.

NOTED PRESENT: Vice Chair Hudson was noted present at 9:34 a.m.

Public Comments

None.

Committee Comments

The Committee and staff discussed airport shuttle regulation; the interplay between CARB’s advanced clean trucks and advanced clean fleets rules; whether CARB has published a freight handbook; whether CARB is weighing in on air districts’ indirect source rules; (until a cargo handling equipment rule is brought to CARB’s Governing Board for consideration in 2025) whether current cargo handling equipment regulations are efficiently protecting port workers, and how much of existing cargo handling equipment at California ports is hybrid; the probability that all drayage trucks will come into compliance with CARB’s truck and bus regulation by 2023; the Port of Oakland’s Seaport Air Quality 2020 and Beyond Plan; and how the Port of Oakland will pay for its electric infrastructure.

Committee Action

None; receive and file.

6. FEDERAL MOBILE SOURCE UPDATE

Alan Abbs, Legislative Officer, gave the staff presentation *Federal Mobile Sources Update*, including: outcome; outline; requestion action; heavy-duty truck rule; emissions from aircraft engines; lead emissions from aircraft; and California’s Advanced Clean Cars Program.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

None; receive and file.

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

None.

9. TIME AND PLACE OF NEXT MEETING

At the end of the meeting, the next meeting was scheduled for Thursday, September 22, 2022. After the meeting adjourned, the next meeting was scheduled for Thursday, October 27, 2022, at 9:30 a.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).

10. ADJOURNMENT

The meeting adjourned at 10:40 a.m.

Marcy Hirtzka
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: Sharon L. Landers
Interim Executive Officer/APCO

Date: October 27, 2022

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

RECOMMENDED ACTION

Committee to consider recommending the Board of Directors :

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

Carl Moyer Program and Mobile Source Incentive Fund

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. Projects eligible under the CMP guidelines include heavy-duty diesel engine applications such as on-road trucks and buses, off-road construction, agricultural equipment, marine vessels, locomotives, stationary agricultural pump engines, and refueling or recharging infrastructure that supports the deployment of new zero-emission vehicles and equipment. 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.

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).

The Board of Directors (Board) authorizes the Air District's participation in each cycle of the CMP, including an allocation of MSIF revenue as match funds.

Community Air Protection Program

In 2017, AB 617 directed 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. 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).

Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

In February 2018, CARB developed the FARMER Program Guidelines that outline requirements for eligible agricultural equipment replacement projects evaluated under the CMP guidelines, including harvesting equipment, heavy-duty trucks, pump engines, tractors, and other equipment used in agricultural operations. Subsequent updates to the FARMER guidelines expanded eligible projects to include zero-emission demonstration projects and added flexibility for funding zero-emission equipment. Under the California State Budget, GGRF funds are appropriated to CARB for each new cycle of the FARMER program for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector.

Transportation Fund for Clean Air

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 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 Managers 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 6, 2022, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in FYE 2023, and cost-effectiveness limits for Air District-sponsored FYE 2023 programs. On May 4, 2022, the Board adopted policies and evaluation criteria for the FYE 2023 Regional Fund program.

For each new CMP, TFCA, CAPP, and FARMER funding cycle, the Board authorizes the Air District’s participation in these programs. The current cycles for these funding sources are shown in Table 1, with initial or estimated revenues, \$117 million of which will be available for funding FYE 23 projects.

**Table 1
Funding Source and Initial Revenues for Projects**

Funding Source Cycle	Initial Allocation or Estimated Revenue (in Millions)*	Board Authorization Date
CMP Year 23	\$10.7	1/20/2021
CMP Year 24	\$31.2	12/1/2021
CAPP Year 5	\$35.4	12/1/2021
FARMER Year 4	\$ 3.5	12/1/2021
TFCA Regional Fund FYE 2023	\$28.9	4/6/2022
MSIF	\$12.0	n/a
Total	\$121.7	

*Some revenues were partially obligated to projects in FYE22 and therefore full amounts may not be available for award to projects in FYE23.

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 or Board of Directors on the status of incentive funding for the current fiscal year, including total funding awarded, remaining funds 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 reduction benefits to counties and impacted communities, which are based on information provided by each applicant, 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 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 recommendations of these projects to the Board for approval.

DISCUSSION

This fiscal year, the Air District had approximately \$117 million available in CMP, MSIF, CAPP, FARMER, and TFCA funds for eligible projects, including prior year funds. This total may change as additional revenues are awarded to the Air District. Under these funding sources, the Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

Between August 22 and September 26, 2022, staff evaluated two eligible projects with proposed awards of over \$500,000. Together, these projects will replace a total of six diesel-powered school buses with six electric-powered school buses and install infrastructure for 12 chargers. These projects are estimated to reduce over 0.7 tons of NOx, ROG, and PM emissions per year. Staff recommends approval of the allocation of up to \$2,687,000 for these projects from a combination of CMP, MSIF, CAPP, and TFCA 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 and September 26, 2022, including information about project equipment, award amounts, estimated emissions reductions, community benefits, and project locations. Approximately 95% of these funds have been 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 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.

Attachment 3 provides fiscal year facts and figures on the status of funding available and allocations by county and category as of September 26, 2022.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Air District distributes the CMP, MSIF, CAPP, FARMER, and TFCA funding to project sponsors on a reimbursement basis. The two projects will cost up to \$2,687,000 and will be paid for out of one or more of these state and local incentive funds upon project completion expected within the next one to three years . Funding for administrative costs to implement these programs, including evaluating, contracting, and monitoring projects for multiple years, is provided by each funding source.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: Jessica DePrimo and Linda Hui

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

ATTACHMENTS:

1. Projects with grant awards greater than \$500,000 (evaluated 8/22/22 to 9/26/22)
2. All projects (awarded, allocated, and recommended 7/1/22 to 9/26/22)
3. Funding facts and figures (7/1/22 to 9/26/22)

ATTACHMENT 1

Table 1 - Projects with grant awards greater than \$500k (Evaluated between 8/22/22 and 9/26/22)
 Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, FARMER, and Community Air Protection Program

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Total Project Cost	Emission Reductions (tons per year)			County	Benefits Priority Area(s)
						NO _x	ROG	PM		
22MOY202	Solano County Transit	On-road Infrastructure	Install six EV charging units and associated overhead structure to support charging of electric-powered transit buses.	\$ 600,000.00	\$ 13,000,000.00	N/A	N/A	N/A	Solano	Yes
22SBP236	Liberty Union High School District	School Bus + Infrastructure	Replace six diesel-powered school buses with six electric-powered school buses and install six level 2 electric chargers.	\$ 2,087,000.00	\$ 2,295,677.40	0.6524	0.0504	0.0039	Contra Costa	Yes
2 Projects				Totals	\$ 2,687,000.00	\$ 15,295,677.40	0.652	0.050	0.004	

ATTACHMENT 2

Data in this table are updated quarterly. Funds awarded or allocated after the date range below will be reflected in the next quarterly update.

CMP/MSIF, TFCA, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/22 and 9/26/22)

Project #	Project Category	Project Description	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			County	Board/ APCO Approval Date	Benefits Priority Area(s)	Funding Source [†]
						Nox	ROG	PM				
23R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	N/A	\$ 150,000	BAAQMD	TBD*	TBD*	TBD*	Regional	6/15/22	N/A	1
23R02	LD Vehicles	Vehicle Buy Back Program Implementation	N/A	\$ 200,000	BAAQMD	N/A	N/A	N/A	Regional	6/15/22	N/A	1
23R03	Trip Reduction	Spare The Air/ Intermittent Control/ Flex Your Commute Programs	N/A	\$ 2,290,000	BAAQMD	TBD*	TBD*	TBD*	Regional	6/15/22	N/A	1
21R04	LD Infrastructure	FYE 23 Charge! Program	N/A	\$ 5,350,000	BAAQMD	TBD*	TBD*	TBD*	Regional	6/15/22	N/A	1
22MOY305	Ag/ off-road	Equipment replacement	2	\$ 123,600	Shifflett Ranch & Vineyard LLC	0.241	0.035	0.024	Napa	7/1/22	No	2
22MOY311	Ag/ off-road	Equipment replacement	1	\$ 153,100	Jay A Clay	0.363	0.047	0.027	Sonoma	7/8/22	Yes	2
22SBP337	School Bus	Equipment replacement	1	\$ 400,000	Hayward Unified School District	0.042	0.002	0.001	Alameda	7/11/22	Yes	1, 2
22MOY229	Ag/ off-road	Equipment replacement	1	\$ 43,900	Boething Treeland Farms inc.	0.059	0.009	0.006	San Mateo	7/11/22	No	2
22MOY334	Ag/ off-road	Equipment replacement	1	\$ 135,800	Point Reyes Pastures Inc.	0.276	0.036	0.020	Marin	7/11/22	Yes	2
22SBP117	School Bus	Equipment replacement + Infrastructure	8	\$ 4,370,779	San Mateo Union High School District	0.731	0.058	0.026	San Mateo	7/20/22	Yes	1, 2
22SBP232	School Bus	Equipment replacement + Infrastructure	5	\$ 1,916,236	Antioch Unified School District	0.378	0.029	0.002	Contra Costa	7/20/22	Yes	1, 2
22SBP248	School Bus	Equipment replacement	3	\$ 648,794	Mt. Diablo Unified School District	0.203	0.016	0.008	Contra Costa	7/20/22	Yes	1
22MOY320	Ag/ off-road	Equipment replacement	1	\$ 49,300	Atlas Oaks Ranch, LLC	0.047	0.011	0.009	Napa	8/12/22	No	2
22MOY342	Ag/ off-road	Equipment replacement	3	\$ 100,300	Vinas Del Norte LLC	0.181	0.028	0.025	Napa	8/16/22	Yes	2
22MOY341	Ag/ off-road	Equipment replacement	1	\$ 65,800	Williams Ranch	0.276	0.036	0.025	Sonoma	8/17/22	No	2
22MOY234	Ag/ off-road	Equipment replacement	3	\$ 253,300	DCS END POST DRIVING	0.755	0.107	0.062	Napa	9/2/22	No	2
22MOY318	Ag/ off-road	Equipment replacement	1	\$ 49,300	Ahmann Ranches, LLC	0.156	0.024	0.014	Napa	9/9/22	No	2
22MOY359	Ag/ off-road	Equipment replacement	1	\$ 38,900	Spaletta Dairy	0.118	0.018	0.011	Marin	9/21/22	Yes	2
22MOY349	Ag/ off-road	Equipment replacement	1	\$ 92,700	Cobb Creek Holdings, LLC DBA CCH Ag Services	0.162	0.027	0.019	Napa	9/21/22	No	2
22MOY63	Ag/ off-road	Equipment replacement	1	\$ 286,800	B & T Farms	0.684	0.072	0.037	Santa Clara	9/21/22	Yes	2
22SBP279	School Bus	Equipment replacement + Infrastructure	5	\$ 1,640,986	East Side Union High School District	0.502	0.045	0.003	Santa Clara	9/21/22	Yes	1, 2
22SBP340	School Bus	Equipment replacement + Infrastructure	3	\$ 1,237,496	Sequoia Union High School District	0.325	0.033	0.002	San Mateo	9/21/22	Yes	1, 2
22MOY202	On-road	Infrastructure	0	\$ 600,000	Solano County Transit	N/A	N/A	N/A	Solano	Pending	Yes	2
22SBP236	School Bus	Equipment replacement + Infrastructure	6	\$ 2,087,000	Liberty Union High School District	0.652	0.050	0.004	Contra Costa	Pending	Yes	1, 2
24 Projects			48	\$ 22,284,091		6.2	0.7	0.3				

[†] Funding source includes (1) Transportation Fund for Clean Air; (2) CMP/MSIF, FARMER and Community Air Protection Program.
* Funds have been allocated to these programs and projects and results will be determined at the end of project period.

ATTACHMENT 3

Funding Facts and Figures

7/1/22 through 9/26/22

Funding Sources Reported: Transportation Fund for Clean Air (TFCA), Carl Moyer Program (CMP), Community Air Protection Program (CAPP), Mobile Source Incentive Fund (MSIF), and Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

Figure 1. Status of FYE 2023 funding

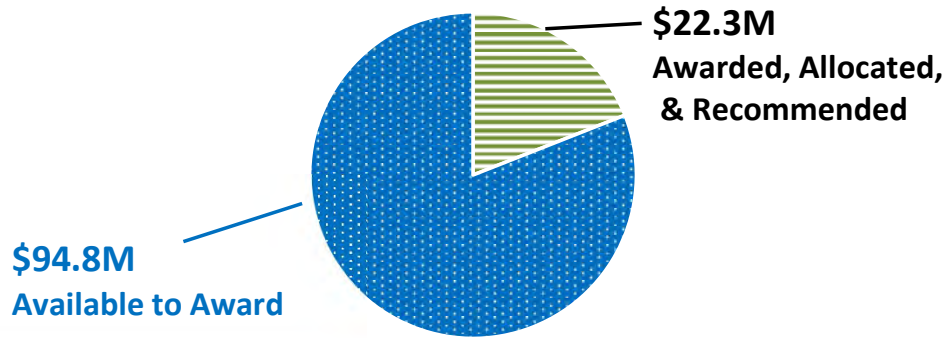


Figure 2. Funding Awarded by County in FYE 2023

includes funds allocated, awarded, & recommended for award

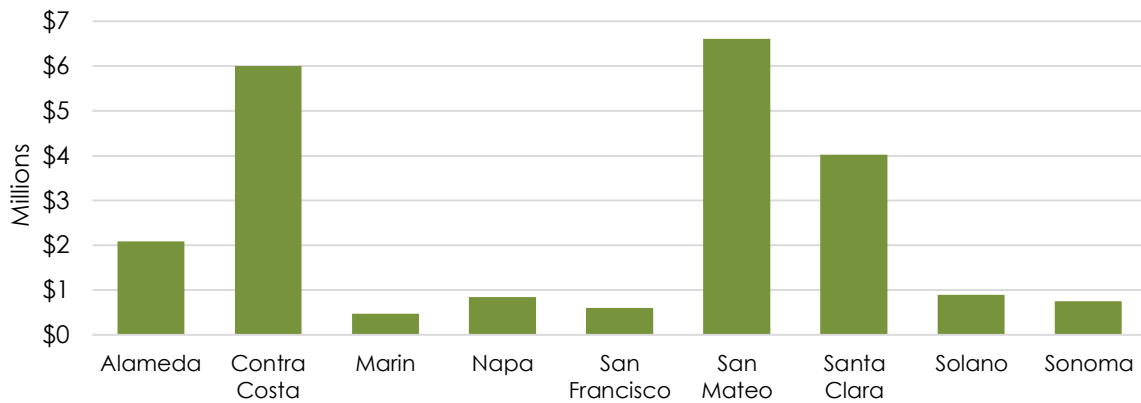
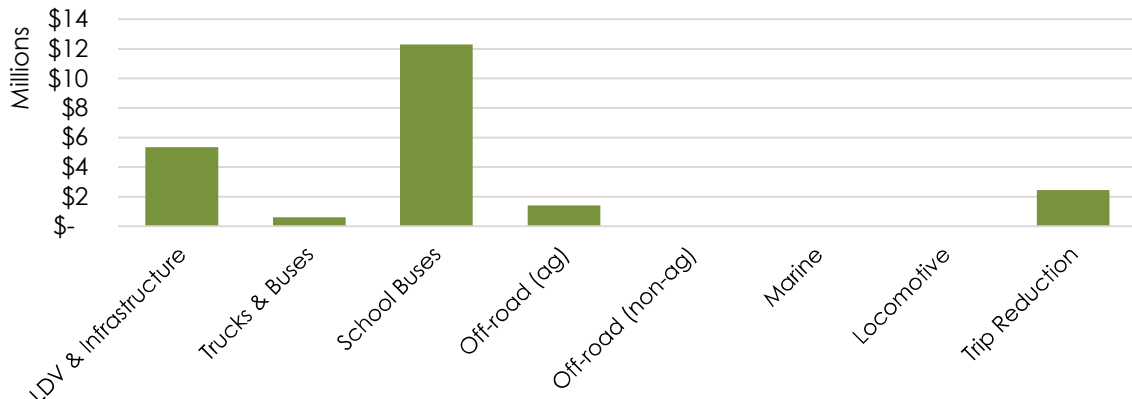


Figure 3. Funding Awarded by Project Category in FYE 2023

includes funds allocated, 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: Sharon L. Landers
Interim Executive Officer/APCO

Date: October 27, 2022

Re: Proposed Updates to the Transportation Fund for Clean Air County Program
Manager Fund Policies for Fiscal Year Ending 2024

RECOMMENDED ACTION

Action item for the Committee to consider recommending to the Board of Directors to approve the Transportation Fund for Clean Air County Program Manager Fund Policies for Fiscal Year Ending 2024 as shown in Attachment 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 Air District's jurisdiction to fund projects that reduce on-road motor vehicle emissions. This surcharge is used to fund eligible projects through the Air District's Transportation Fund for Clean Air (TFCA) program. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

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

DISCUSSION

The process of annually reviewing and updating the program's policies began earlier this year and is a collaborative process between the Air District and the CPMs. This process involved Air District staff developing draft recommended revisions that reflected recent updates to the TFCA Regional Fund Policies and input received during the past year from the CPMs. On June 14, 2022, Air District staff issued a draft of the FYE 2024 Policies with the recommended updates to the CPMs for comment. The CPMs also distributed the draft for input and feedback from project sponsors within their respective jurisdictions. The Air District held a meeting on August 23,

2022 with CPM representatives to discuss the proposed policy updates, and followed up with the CPMs on specific questions and issues. Written comments were submitted by three of the nine CPMs.

In addition to minor text revisions to provide clarification on the FYE 2023 Policies, the following is a high-level summary of key proposed updates to the TFCA CPM Policies for FYE 2024:

- Increase and simplify the cost-effectiveness threshold for *Existing First- and Last-Mile Connections* (policy #2).
- Move the environmental review language from *Bicycle Projects* (policy #30) and *Bike Share* (policy #31) to *Readiness* (policy #6). This update would clarify that all project types must complete environmental review/approval requirements if applicable.
- Remove *Arterial Management* (policy #32) project category to promote projects that have lengthier emission reduction benefits.

The proposed updates to the CPM Policies for FYE 2024 are shown in Attachment 1 and a redlined version is shown in Attachment 2. Attachment 3 shows the written comments received and the responses from staff.

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

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

ATTACHMENTS:

1. Proposed TFCA CPM Fund Policies for FYE 2024 (clean version)
2. Proposed TFCA CPM Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)
3. Comments Received from CPMs on the Draft Proposed Updates to TFCA CPM Fund Policies for FYE 2024 and Air District Staff's Responses

**PROPOSED UPDATES TO THE
 TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FYE 2024**

The following Policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) 2024.

BASIC ELIGIBILITY

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

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

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

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

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

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

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

Attachment 1
Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

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

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

Attachment 1

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

- 6. Readiness:** Projects must commence by the end of calendar year 2024 or within 24 months from the date of execution of the funding agreement with the subgrantee. For purposes of this policy, “commence” means a tangible preparatory action taken in connection with the project’s operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. “Commence” includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of first- and last-mile connections and ridesharing service, or the delivery of the award letter for a construction contract.

Prior to contract execution with the subgrantee, projects must have completed all applicable environmental reviews and must have been either deemed exempt by the lead agency or issued the applicable negative declaration, environmental impact report, or statement.

- 7. Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through #33, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, first- and last-mile connections service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

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

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

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

INELIGIBLE PROJECTS

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

Attachment 1

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

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

USE OF TFCA FUNDS

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

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

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

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

Attachment 1

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

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

23. Reserved.

24. Alternative Fuel Heavy-Duty Trucks and Buses:

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

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

Attachment 1

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

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

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

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

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

Trip Reduction Projects

27. **Existing Ridesharing Services:** The project provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the grantee are not eligible.

28. **Existing First- and Last-Mile Connections:**

The project reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All the following conditions must be met for a project to be eligible for TFCA funds:

- a. The service must provide direct connections between stations (e.g., rail stations, ferry stations, Bus Rapid Transit (BRT) stations, or airports) and a distinct commercial or employment location.
- b. The service's schedule, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.
- c. The service must be available for use by all members of the public.
- d. TFCA funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of

Attachment 1
Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed “comparable” to an existing service if the passengers’ proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service’s travel time to the proposed destination.

- e. Reserved.
- f. Grantees must be either: (1) a public transit agency or transit district that directly operates the service; or (2) a city, county, or any other public agency.
- g. If an applicant is not the only transit agency serving the area, the applicant(s) must submit a letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route, certifying that the service does not conflict with existing service.
- h. Each route must meet the cost-effectiveness requirement in Policy #2.

29. Pilot Projects:

a. Pilot First- and Last-Mile Connections:

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

- i. Demonstrate the project will reduce single-occupancy vehicle trips and result in a reduction in emissions of criteria pollutants.
- ii. Provide data and/or other evidence demonstrating the public’s need for the service, such as a demand assessment survey and letters of support from potential users.
- iii. Provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation after the pilot period.
- iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- v. Projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of two years of TFCA County Program Manager Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
 - 1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton
 - 2. Projects entering a third year of operation and beyond are subject to all of the requirements, including cost-effectiveness limit, of Policy #28 (existing First- and Last-Mile Connections).

Attachment 1

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

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

b. **Pilot Trip Reduction:**

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

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

30. **Bicycle Projects:**

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

a. **Bicycle Parking:**

Attachment 1
Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

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

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

b. Bikeways:

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

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

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual or conform to the provisions of the Protected Bikeway Act of 2014.

31. Bike Share:

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

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

Attachment 1

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (clean version)

- iii. Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

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

32. *Reserved*

33. Infrastructure Improvements for Trip Reduction:

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

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

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

**PROPOSED UPDATES TO THE
 TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FYE 2024**

The following Policies apply to the Bay Area Air Quality Management District’s (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) 2024~~3~~.

BASIC ELIGIBILITY

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

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

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

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

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

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

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

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**Proposed TFCA County Program Manager Fund Policies for FYE 2024
(redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)**

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

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

Attachment 2

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)

- 6. Readiness:** Projects must commence by the end of calendar year ~~2023~~-2024 or within 24 months from the date of execution of the funding agreement with the subgrantee. For purposes of this policy, “commence” means a tangible preparatory action taken in connection with the project’s operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. “Commence” includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of first- and last-mile connections and ridesharing service, or the delivery of the award letter for a construction contract.

Prior to contract execution with the subgrantee, projects must have completed all applicable environmental reviews and must have been either deemed exempt by the lead agency or issued the applicable negative declaration, environmental impact report, or statement.

- 7. Maximum Two Years Operating Costs for Service-Based Projects:** Unless otherwise specified in policies #22 through #33, TFCA County Program Manager Funds may be used to support up to two years of operating costs for service-based projects (e.g., ridesharing, first- and last-mile connections service). Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

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

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

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

INELIGIBLE PROJECTS

Attachment 2

Proposed TFCA County Program Manager Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)

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

USE OF TFCA FUNDS

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

ELIGIBLE PROJECT CATEGORIES

Clean Air Vehicle Projects

Attachment 2

**Proposed TFCA County Program Manager Fund Policies for FYE 2024
(redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)**

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

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

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

23. Reserved.

24. Alternative Fuel Heavy-Duty Trucks and Buses:

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

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

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Proposed TFCA County Program Manager Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)

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

26. **Alternative Fuel Infrastructure:** These projects are intended to accelerate the adoption of zero-emissions vehicles through the deployment of alternative fuel infrastructure, i.e., electric vehicle charging sites, hydrogen fueling stations.

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

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

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

Trip Reduction Projects

27. **Existing Ridesharing Services:** The project provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy *exclusively* to employees of the grantee are not eligible.

28. **Existing First- and Last-Mile Connections:**

The project reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All the following conditions must be met for a project to be eligible for TFCA funds:

- a. The service must provide direct connections between stations (e.g., rail stations, ferry stations, Bus Rapid Transit (BRT) stations, or airports) and a distinct commercial or employment location.
- b. The service's schedule, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.

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Proposed TFCA County Program Manager Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)

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

29. Pilot Projects:

a. Pilot First- and Last-Mile Connections:

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

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

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Proposed TFCA County Program Manager Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)

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

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

b. **Pilot Trip Reduction:**

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

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

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**Proposed TFCA County Program Manager Fund Policies for FYE 2024
(redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)**

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

30. Bicycle Projects:

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

a. Bicycle Parking:

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

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

b. Bikeways:

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

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

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

31. Bike Share:

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Proposed TFCA County Program Manager Fund Policies for FYE 2024 (redlined version of Board-approved TFCA CPM Fund Policies for FYE 2023)

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

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

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

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

33. Infrastructure Improvements for Trip Reduction:

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

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

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Proposed TFCA County Program Manager Fund Policies for FYE 2024

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

Committer and Organization	Comments received from County Program Managers (CPMs) between June 14 – August 15, 2022	Air District Staff's Responses
<p>Bill Hough, Santa Clara Valley Transportation Authority</p>	<p>Policy 28. Existing First- and Last-Mile Connections</p> <p>Policy 28-g says: 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. Recommend adding, "This policy does not apply if the applicant is the only agency that provides service in the area of the proposed route", to the end of the paragraph. Reason: It is pointless (and a waste of time) for an agency to concur with itself.</p>	<p>Noted. Staff updated the policy to incorporate this feedback and to clarify this requirement.</p>
<p>Mike Pickford, San Francisco County Transportation Authority</p>	<p>Policy 2. TFCA Cost-Effectiveness</p> <p>We support the proposed increase in Cost Effectiveness limit for Policy #28 (First- and Last-Mile Connections - Existing). We support continued increases of this threshold across policies as the vehicle fleet becomes more fuel efficient to maximize the number of eligible projects.</p>	<p>Noted.</p>
	<p>Policy 28. Existing First- and Last-Mile Connections (section d)</p> <p>We recommend removing references to "shuttle services" as Policy 28 can fund micromobility projects that improve first and last mile connections, such as e-scooters, bike share, rideshare services, and more. Additionally, we recommend removing the time and distance requirements in determining "comparable service" as a non-shuttle project may be slower in terms of time spent in motion, but faster and more reliable overall if wait time is eliminated and the service is on-demand. This requirement could have a chilling effect on innovative project proposals that utilize new modes of transportation to improve first and last mile connections, particularly because pilot projects listed in policy 29a have to meet the requirements of policy 28.</p>	<p>Staff reviewed the policy and confirmed that projects funded under this category are limited to shuttle services. Micro-mobility projects may qualify under <i>Pilot Trip Reduction</i> (Policy #29.b.).</p>
	<p>Policy 29. Pilot Projects (section a)</p>	<p>The purpose of this requirement is to ensure that this policy be used to</p>

Committer and Organization	Comments received from County Program Managers (CPMs) between June 14 – August 15, 2022	Air District Staff's Responses
	<p>We recommend removing the requirement that “service is at least 70% unique” as it is unclear how agencies are to measure uniqueness and there are many other policy constraints ensuring that any project must reduce car trips in order to be an eligible and cost effective project.</p> <p>Policy 30. Bicycle Projects (section b)</p> <p>a) We recommend removing the requirement that bikeways exclusively for recreational use are ineligible. It seems unlikely that any bikeway would be exclusively for recreational use and impossible to prove. This requirement is also unnecessary, as project sponsors are already required to demonstrate a cost effective emissions reduction, regardless of trip purpose. Additionally, this requirement could have a chilling effect on project proposals that may result in a mixture of recreational and utilitarian trips.</p> <p>b) We recommend eliminating the requirement that projects must have completed environmental review in order to be eligible for TFCA funds because bikeway projects are exempt from environmental review. We have consistently opposed this requirement since it was originally proposed for the FYE 2016 policies because it is unnecessary and restrictive. County Program Managers are already required to evaluate project readiness per Policy 6, making a separate readiness requirement in Policy 30 redundant. At this time, SB 288 (Wiener) exempted bicycle projects, among others, from California Environmental Quality Act requirements and has proven that it expedites sustainable transportation projects. SB 288 will sunset on January 1, 2023, but SB 922, which will extend and expand SB 288, has been passed by the Legislature.</p>	<p>evaluate new projects, whereas projects for existing services should be evaluated under other policies. Staff will provide further clarification on this requirement in the Guidance.</p> <p>a) TFCA funds must be used to reduce on-road motor vehicle emissions. Therefore, bikeways that are exclusively recreational are not eligible for this program. Bikeways that might be used for recreation and do provide a means to mode shift and reduce vehicle trips are always eligible.</p> <p>b) All projects that have either completed or are exempt from environmental review are in compliance with the readiness requirement. Based on discussions and upon agreement at the workgroup meeting, staff proposes to move the environmental review language from <i>Bicycle Projects</i> (Policy #30) and <i>Bike Share</i> (Policy #31) to <i>Readiness</i> (Policy #6).</p>

Commenter and Organization	Comments received from County Program Managers (CPMs) between June 14 – August 15, 2022	Air District Staff's Responses
	<p>Policy 31. Bike Share We recommend eliminating the proposed requirement that projects must have a completed and approved environmental plan in order to be eligible for TFCA funds. See comment above.</p>	<p>See response for Policy #30 – comment b) above.</p>
	<p>Policy 34. Telecommuting We recommend adding language regarding examples of the types of projects or expenses that are eligible under this category.</p>	<p>Noted. Staff will be including examples of projects and eligible expense information in the Guidance that is issued to CPMs later this year.</p>
<p>Diana Meehan, Napa Valley Transportation Authority</p>	<p>Policy 1. Reduction of Emissions Is the surplus requirement a requirement under statute? To meet emissions goals and targets, a project achieving any reduction should qualify. The challenge to achieve "surplus" built into formulas makes it very difficult to achieve CE for many projects that would have emissions reduction benefits.</p>	<p>Yes, the authorizing legislation requires that the Air District adopts a cost-effectiveness criteria to maximize emissions reductions and public health benefits. Surplus means that emissions reductions are above what is required by law, regulation, or contract; any reductions that aren't surplus would have occurred without funding.</p>
	<p>Policy 22. Alternative Fuel Light- and Medium-Duty Vehicles We would advocate for the inclusion of electric bicycles in this category as well, particularly for CARE areas or where owning and charging an electric vehicle is prohibitive due to high cost, lack of charging infrastructure in multi-unit housing. Electric Bikes are a viable transportation alternative, especially in conjunction with transit as a first/last mile connection, or in areas that have low transit frequency.</p>	<p>E-bikes are not considered motor vehicles under the California Vehicle Code, and therefore cannot be directly funded under this category. Staff have communicated with the commenter and provided information about options for funding e-bikes with incentive funding such as <i>Bike Share</i> (Policy #31).</p>

Committer and Organization	Comments received from County Program Managers (CPMs) between June 14 – August 15, 2022	Air District Staff's Responses
	<p>Policy 29. Pilot Projects</p> <p>a) Is e-bike share/bike share eligible under this category? Would an e-bike or bike rebate program for commuters be eligible under this pilot category? If not, can you provide an explanation for why bikes/e-bikes would not be eligible?</p> <p>b) Why only "shared" transportation and not lease or purchase of bikes or e-bikes as an alternative? Many smaller jurisdictions are reluctant to take on the management of shared systems. Allowance of lease or purchase could encourage VMT and SOV reduction. Other conditions under the pandemic have also put a strain on shared systems, just as it has with public transit. Encouraging ownership or lease of e-bikes or commute bikes could encourage more use.</p> <p>c) Rather than expanded "service" could it be access to nodes or destinations? [This comment is in reference to the following sentence: "Pilot projects are defined as projects that serve an area where no similar service was available within the past three years, or that will result in significantly expanded service access to nodes or destinations to an existing area."]</p> <p>Again, overly focused on service as opposed to empowering individuals to choose a sustainable mode for their commute. If a commute is short-less than 10 miles, e-bikes/bikes are a viable option, but rather than shared, lease or individual ownership. The ongoing operation and maintenance falls on the owner, removing the need for public agency support.</p>	<p>a, b & c)</p> <p>No, see response to Policy #22 above. Projects funded under this category are meant to provide services, specifically shared transportation services. Because shared transportation services tend to maximize emission reductions, these projects tend to be more cost-effective. Staff have communicated with the commenter and provided information about options for funding e-bikes with incentive funding such as <i>Bike Share</i> (Policy #31).</p>
	<p>Policy 30. Bicycle Projects</p> <p>a) Could this [project category] language be changed to include "bicycles" along with bicycle facilities? Bikeways covers facilities, but there is very little under the program to encourage use of a bicycles for transportation</p>	<p>a) No. Per Health and Safety Code 44241, bicycle purchases are not eligible under this category. Staff have communicated with the commenter and provided information about options for</p>

Committer and Organization	Comments received from County Program Managers (CPMs) between June 14 – August 15, 2022	Air District Staff's Responses
	<p>other than shared systems (bike share) which requires operations and maintenance funding.</p> <p>b) In areas where Class II lanes exist on higher volume roadways, upgrading to buffered Class II lanes could encourage more use by creating additional separation. [Therefore, insert the following, "or upgrade to Class II buffered bike lane" to policy 29, b, ii. New Class II Bikeway.]</p> <p>c) [Insert the following to the policy #30, b] "Or current best practices in bikeways standards and designs such as NACTO or AASHTO."</p>	<p>funding e-bikes with incentive funding such as <i>Bike Share</i> (Policy #31).</p> <p>b & c) Staff has not seen evidence that upgrades to existing Class II bike lanes have resulted in mode shift, reduced vehicle trips, and cost-effectiveness projects. Staff will follow up with the commenter to discuss these ideas at a future workgroup meeting.</p>
	<p>Policy 31. Bike Share</p> <p>[Replace "three-wheeled vehicles" with] "three-wheeled bicycles" (instead of "vehicles").</p>	<p>Noted. Staff updated the language in the policy to address the request.</p>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Sharon L. Landers
Interim Executive Officer/APCO

Date: October 27, 2022

Re: Interstate 580 Truck Access Study Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

There is currently a truck weight restriction along an 8.7-mile segment of Interstate 580 through the City of Oakland. The restriction bans all trucks weighing over 9,000 pounds (4.5 tons) from that segment of the freeway. The I-580 truck ban is unique. While other freeway truck bans in the US exist because of construction or structural issues, these are not a factor for I-580 which was designed to accommodate all vehicles, including heavy trucks. The I-580 truck ban, originally implemented along MacArthur Boulevard in Oakland in the 1950's, was approved when the freeway was constructed in the early 1960's. The California Legislature acted through Assembly Bill 500 to place the I-580 truck ban into the California Vehicle Code.

As a result of the truck weight restriction on I-580, the I-880 freeway corridor, which parallels to the west, is heavily trafficked by trucks from throughout Oakland. Specifically, trucks transporting goods passing through the Port of Oakland and the Oakland International Airport travel extensively on I-880.

Residents in East and West Oakland, as well as locally elected officials, have questioned why the truck weight restriction exists, especially when underserved communities of color adjacent to I-880 suffer from higher rates of asthma and other illnesses than other parts of Alameda County. Despite prior suggestions to lift the truck ban, earlier plans to study lifting the ban were halted due to strong local opposition. Today, the truck ban remains an overt and persistent legacy of structural racism, one that would require an act of the California Legislature to reverse.

DISCUSSION

Recently, in part due to Caltrans, the Air District, and the City of Oakland increasing their focus on equity and environmental justice, because of recent news articles highlighting racial inequities

in Oakland and surrounding areas, and because of efforts by industry to access roads they help fund, the purpose of the I-580 truck ban is being questioned again. Likewise, the Community Steering Committee for the Assembly Bill (AB) 617 West Oakland Community Action Plan included a strategy to study the changes in health impacts throughout Oakland from allowing trucks on I-580.

In January 2022, Caltrans District 4, in partnership with the Air District and the City of Oakland, submitted a planning grant application for a new study to Caltrans Headquarters: *Interstate 580 Truck Access Study: Community, Equity, Traffic, Environment*. In March 2022, District 4 was notified they were selected to receive funding to conduct the study. A Request for Proposals (RFP) contract is currently in development and the study is set to begin in the spring of 2023. At the conclusion of the study, planned for the end of 2024, a recommendation and a summary of next steps will be provided by Caltrans and the study partners. While removing the ban has been proposed several times over the years, this will be the first time a study will be conducted to address this possibility.

The I-580 truck access study seeks to answer the following question: will the removal of the I-580 truck ban improve truck efficiency and overall corridor reliability along I-580 and I-880 while delivering more equitable public health outcomes? Answering this question will create an opportunity to reevaluate the purpose of the truck ban, find common ground for the potential repeal, address existing issues of inefficient traffic flows for Oakland’s logistics industry, and alleviate disproportionate health impacts for the city’s underserved communities of color.

The study includes four interconnected components:

- Transportation studies concerning truck access and traffic operations, as well as other issues such as pavement, structures, and traffic diversion.
- Health studies concerning air quality, noise, and other social impacts on both the I-580 and I-880 corridors
- A racial equity assessment of impacts and benefits on I-580, I-880, and other corridors.
- A comprehensive community engagement plan to gather ideas and to take suggestions from the community.

The staff presentation will focus on the Air District’s contributions to this study. The Air District is committing in-kind resources to help evaluate potential air quality and health impacts associated with future truck traffic along I-580, as well as changes in air quality and health impacts along I-880 and other connecting state highways and local roadways in Northern and Central Alameda County. This study will be coordinated with the proposed Vision 980 study being led by Caltrans District 4 and with the I-580 Multi-Nodal Study led by the Alameda County Transportation Commission. In partnership with the AB 617 Community Steering Committees, Air District staff will use this study to help enhance the development of the AB 617 Community Emission Reduction Plan in East Oakland and implementation of the adopted Plan in West Oakland.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: Phil Martien and Michael Murphy
Reviewed by: Greg Nudd

ATTACHMENTS:

None