

Projects and Contracts with Proposed Awards over \$100,000

Mobile Source and Climate Impacts Committee Meeting
March 24, 2022

Alona Davis, Air Program Manager
Strategic Incentives Division
adavis@baaqmd.gov



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Presentation Outcome



- Provide status update on grant funds awarded since July 1, 2021, and information about new recommended awards greater than \$100,000.
- Obtain Board of Directors approval to take the actions necessary to administer these grants.

Presentation Outline



- Background
- Proposed projects with awards over \$100,000
- Status of incentive funding
 - Revenue sources
 - Community benefits & project locations
- Recommendations

Requested Actions



1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

CMP/MSIF, CAPP, and FARMER



Carl Moyer
Program
(CMP)

Funding Agricultural
Replacement Measures
for Emission
Reductions **(FARMER)**

Community Air
Protection Program
(CAPP)

Mobile Source
Incentive
Fund
(MSIF)

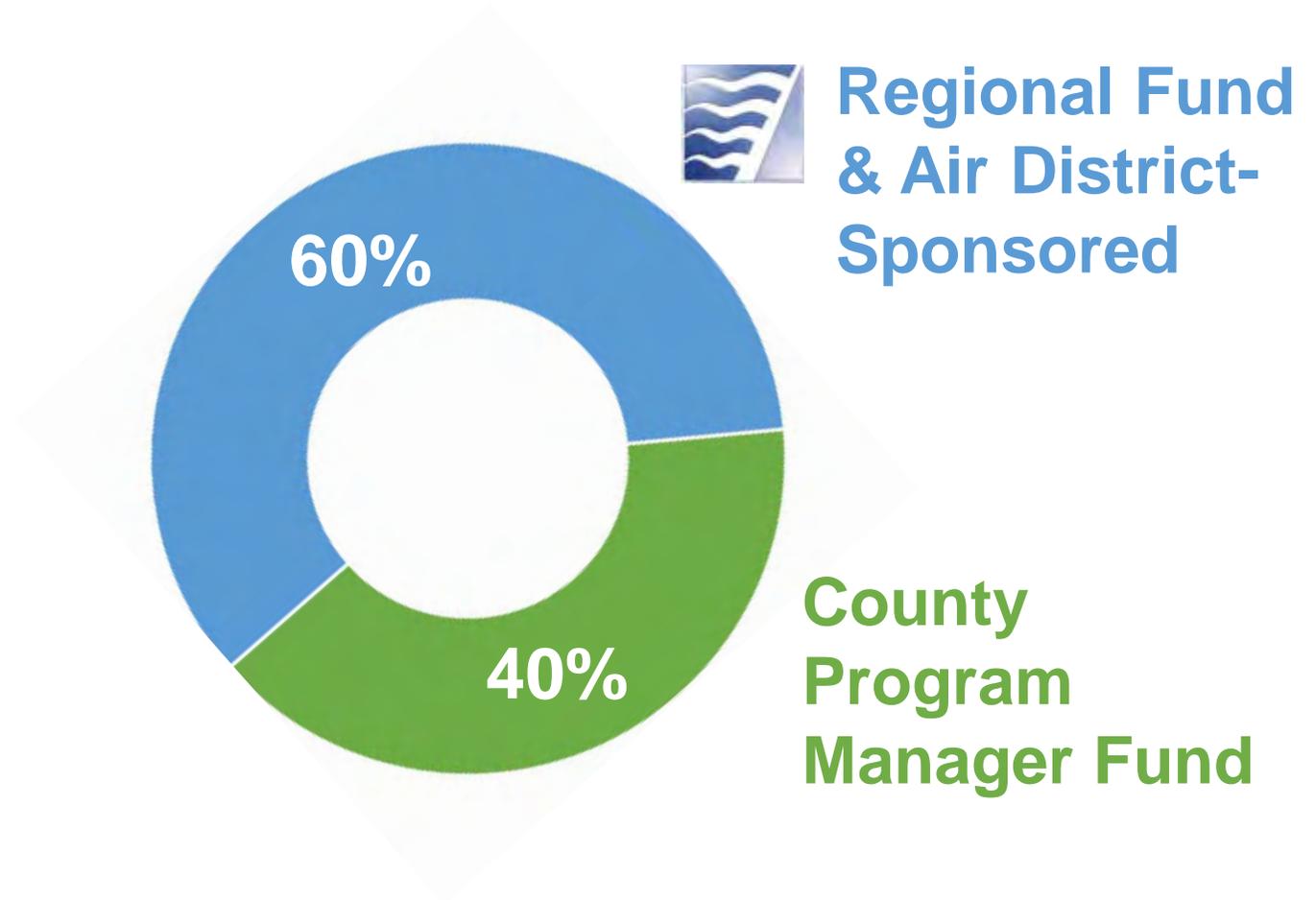
California Air Resources Board
\$34 million

DMV Fees
\$12 million

Transportation Fund for Clean Air (TFCA)



- Statutory authority set forth in California Health and Safety Code Sections 44241 and 44242
- Funding provided by a \$4 surcharge on motor vehicles



CMP/MSIF, CAPP, FARMER, and TFCA



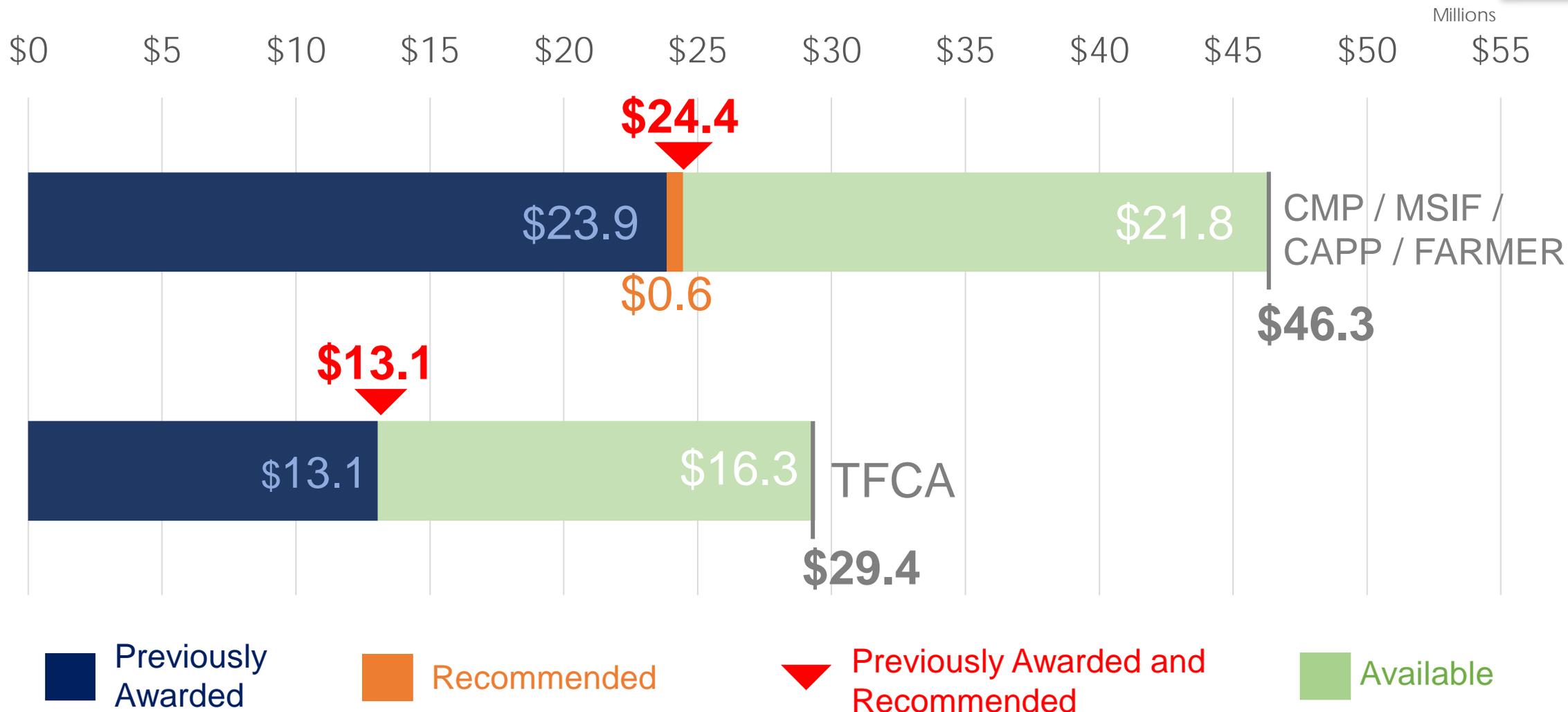
- **Recommend \$591,700 in awards for three projects to replace:**
 - ✓ Twelve diesel agricultural tractors

Emissions Reductions

- ❖ Over 1.4 tons per year of criteria pollutants



Incentive Funding Awarded & Recommended Since July 2021 by Revenue Source (in \$millions)



Funds Awarded & Recommended Since July 2021 by Project Category (in Millions)



Total = \$37.5M

List of projects is shown in Attachments 2 & 3



**Light-duty
Infrastructure
and Cars**

**Trucks &
Buses**

**School
Buses**

**Off-road
Equipment**

**Marine
& Rail**

**Trip
Reduction**

\$7.4

\$0.1

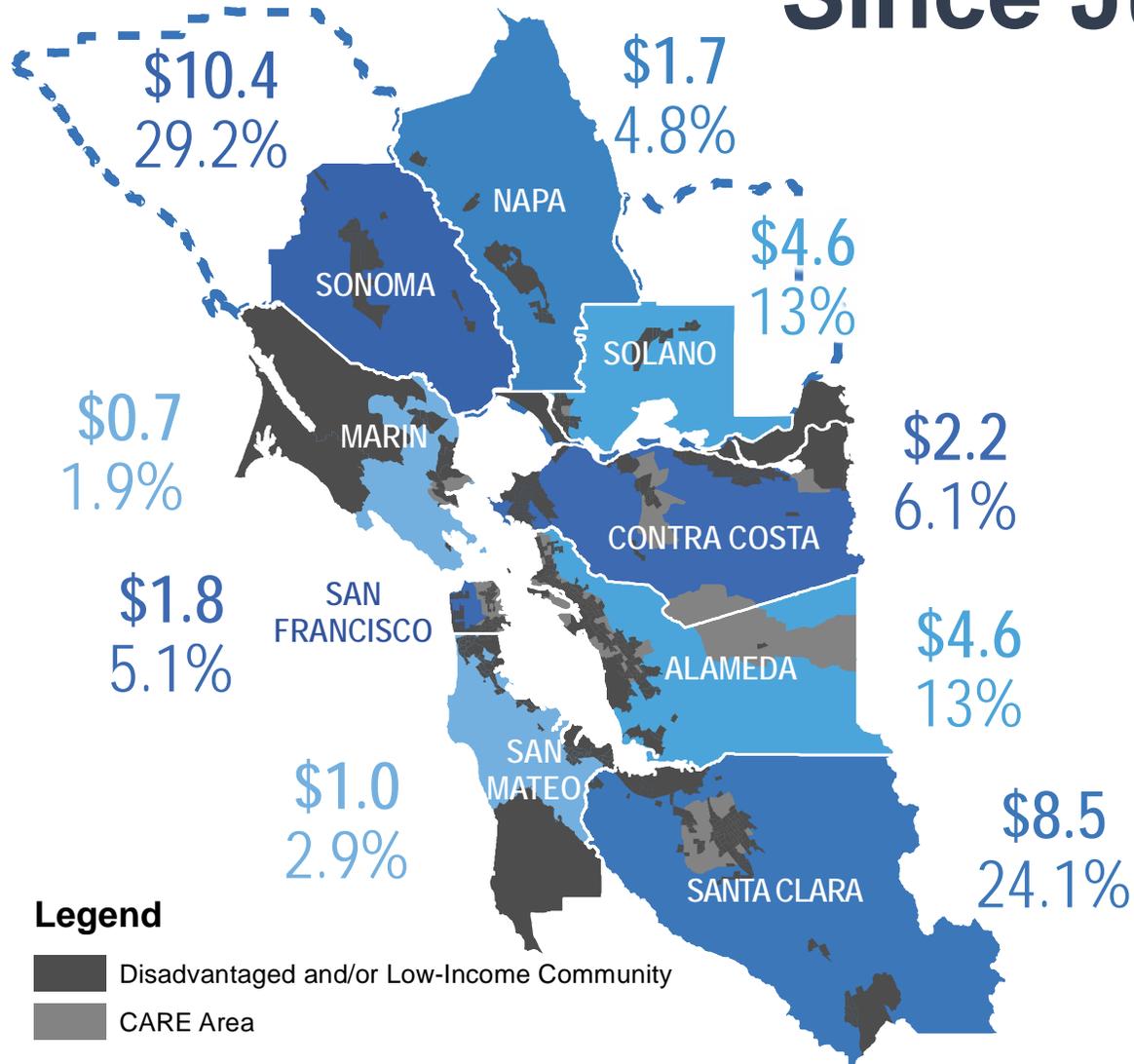
\$17.4

\$4.4

\$5.7

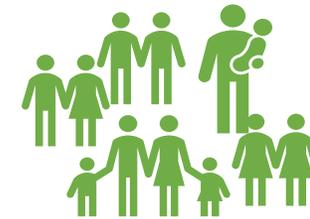
\$2.5

Funds Awarded & Recommended Since July 2021 (in Millions)



\$37.5M total awarded*

* includes ~\$2M in regional grants not attributed to counties



> 82% to CARE areas, disadvantaged and low-income communities, and low-income residents

Legend

-  Disadvantaged and/or Low-Income Community
-  CARE Area

Actions Requested



1. Approve recommended projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 6

Transportation Fund for Clean Air Allocation Fiscal Year Ending 2023

**Mobile Source and Climate Impacts Committee
March 24, 2022**

**Minda Berbeco, PhD
Manager, Strategic Incentives
mberbeco@baaqmd.gov**

Presentation Outcome



Approval of proposed allocation of new revenue and proposed cost-effectiveness requirements for Air District-sponsored programs in the Transportation Fund for Clean Air (TFCA) for fiscal year ending (FYE) 2023.

Presentation Outline



- Background on TFCA
- Proposed for FYE 2023
 - Allocation of new and remaining revenues for Regional Fund and Air District-sponsored programs and projects
 - Cost-effectiveness limits for Air District-sponsored programs
- Feedback Requested/Prompt

Presentation Requested Action



Recommend Board of Directors:

1. Approve the proposed allocation of the estimated new TFCA monies to the programs and projects listed in Table 1; and
2. Authorize the proposed cost-effectiveness limits for the Air District-sponsored programs and projects listed in Table 2.

TFCA Background



- \$4 motor vehicle registration fee surcharge since 1991
- Funds eligible projects that reduce on-road motor vehicle emissions
- Air District Board of Directors approves policies and cost-effectiveness (C/E) criteria annually



Strategies for Reducing Emissions



Clean Air Vehicles



- Zero emissions vehicles



- Fueling & charging infrastructure



- Vehicle Buy-Back
- Enhanced Mobile Source Inspections



Trip Reduction

- Biking & Walking
- Last-mile connection services



- Rideshare



- Outreach and Education:
 - Spare the Air
 - Commuter Benefits Program

Proposed FYE 2023 TFCA Funding Allocation



Program Categories	New \$ (millions)	Carryover (millions)	Total \$ Available (millions)
Clean Air Vehicles	\$6.00	\$14.00	\$20.00
Trip Reduction	\$4.28	\$2.00	\$6.28
Air District Sponsored Programs	\$2.64	\$0.00	\$2.64
Subtotal for programs & projects	\$12.92	\$16.00	\$28.92
Admin & Audit	\$1.68	\$0.00	\$1.68
Total funding estimated for FYE 23	\$14.60	\$16.00	\$30.60

Proposed FYE 2023 TFCA Funding Allocation Cont'd



Clean Air Vehicles \$20M

- Zero-Emission Vehicles and Infrastructure
- Clean Cars for All



Trip Reduction \$6.3M

- Bicycle Facilities (bikeways and parking)
- Infrastructure Improvements to expand access to mass transit
- Last-Mile Commuter Connections

Proposed FYE 2023 TFCA Funding Allocation Cont'd



Air District-Sponsored Programs \$2.64M



Outreach and Education:

- ✓ Spare the Air
- ✓ Commuter Benefits Program



Enhanced Mobile Source Inspections

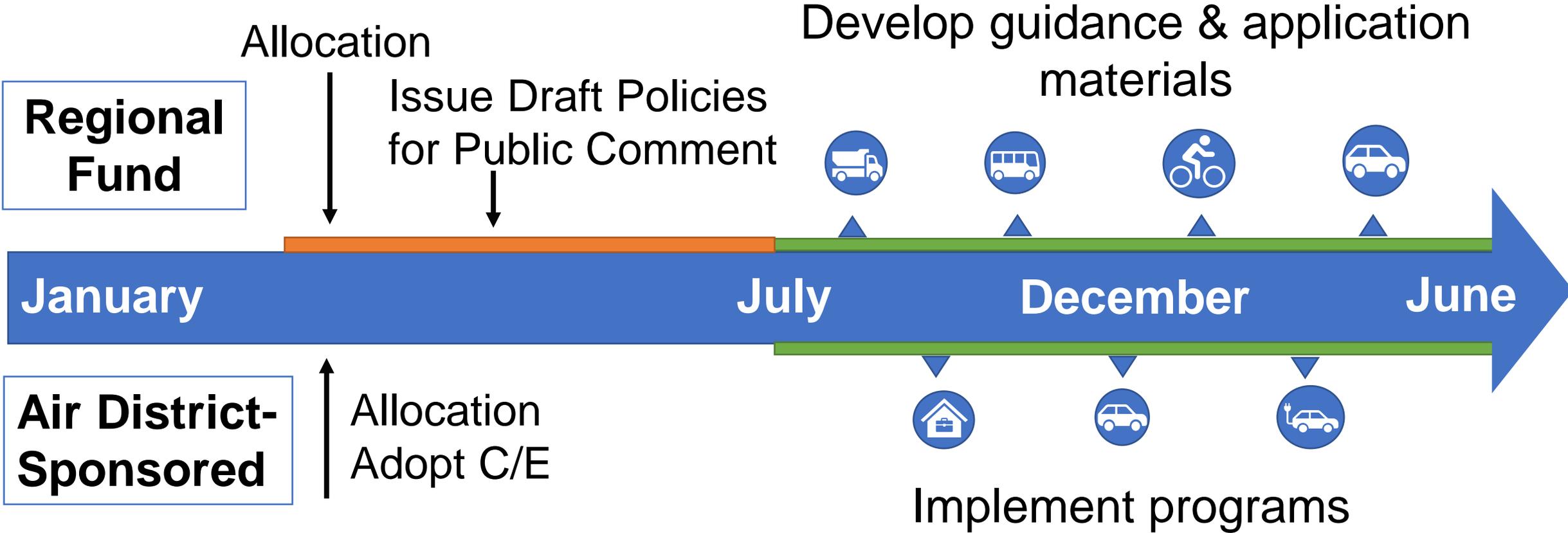
Vehicle Buy Back (direct mail costs only)

Proposed Cost Effectiveness Air District-Sponsored Programs



Program Categories	Max. C/E (per ton of emissions reduced)	Project Operational Period (in Years)
Spare the Air and Commuter Benefits	\$500,000	1
Enhanced Mobile Source Inspections	\$500,000	1
Clean Cars for All	\$500,000	3
Vehicle Buy Back	\$500,000/ N/A	N/A

FYE 2023 TFCA Timeline



Feedback Requested/Prompt



Recommend Board of Directors:

1. Approve the proposed allocation of the estimated new TFCA monies to the programs and projects listed in Table 1; and
2. Authorize the proposed cost-effectiveness limits for Air District-sponsored programs and projects listed in Table 2.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 7

2021 Report of the Air District's Voluntary Emissions Reduction Grant Programs

**Mobile Source & Climate Impacts Committee Meeting
March 24, 2022**

**Chengfeng Wang
Air Quality Program Manager
cwang@baaqmd.gov**

**Karen Messina Schkolnick
Director, Strategic Incentives Division
kschkolnick@baaqmd.gov**

Presentation Outcome



- Receive a report of the Air District's voluntary emissions reduction grant programs, including the results of projects awarded in calendar year 2021, grant program revenue and priorities for calendar year 2022, and challenges and opportunities.
- Obtain Board of Directors' authorization to increase the Executive Officer/APCO's signature authority up to \$500,000 for the execution of individual grant agreements and amendments for voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees.

Presentation Outline



- Results of funds awarded in 2021
- Historical trends (awards and revenue)
- Projected revenues and priorities for 2022
- Opportunities, challenges and risks
- Request to increase signature authority
- Recommendation

Requested Action



Recommend the Board of Directors to authorize an increase in the Executive Officer/APCO's signature authority up to \$500,000 for the execution of individual grant agreements and amendments for voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees.

2021 Key Results



\$76.3 million (M) awarded

>86% benefits AB 617 communities

- Community Air Risk Evaluation (CARE) areas
- Disadvantaged Communities (DAC)
- Low-income areas (LIA)



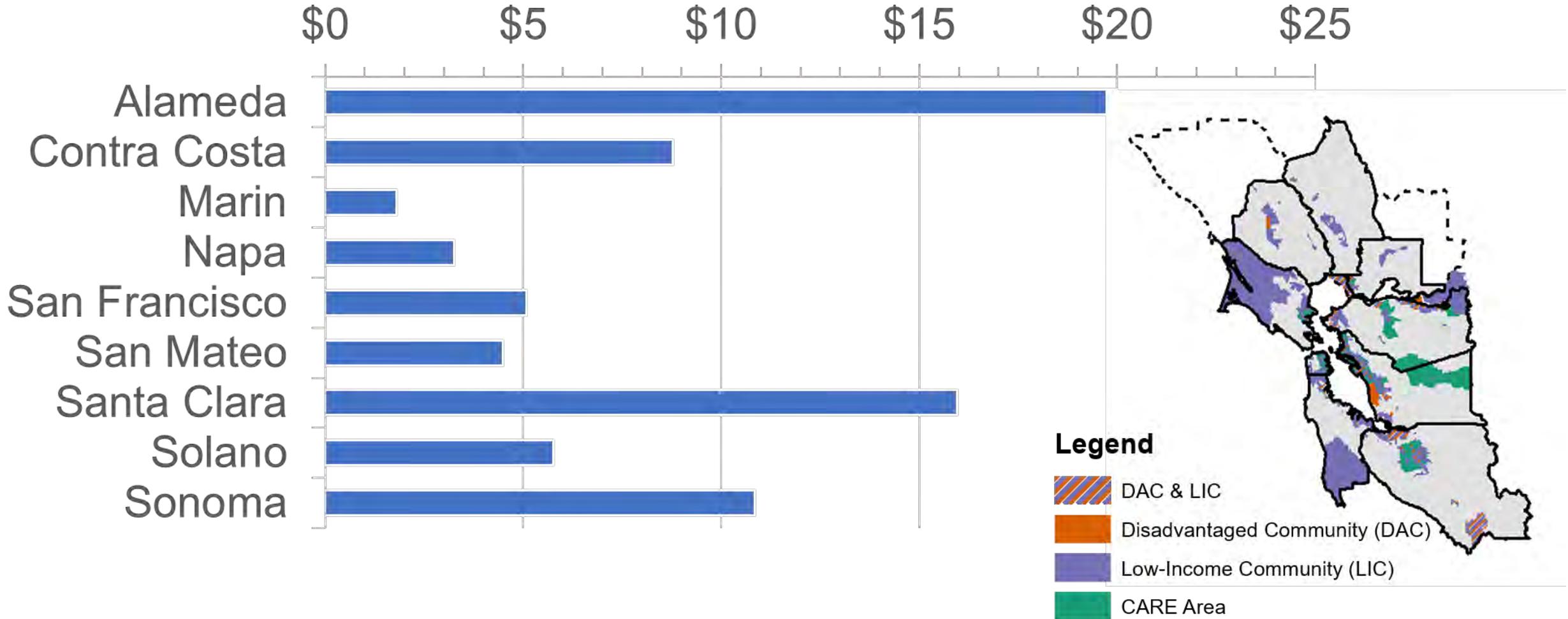
Diesel free by 33'

- \$21M awarded to >850 pieces of zero-emission equipment & publicly accessible infrastructure

Emissions reduced in tons per year (TPY)

- >359 TPY of criteria pollutants and >11,800 TPY of CO₂

2021 Results by County (in Millions)



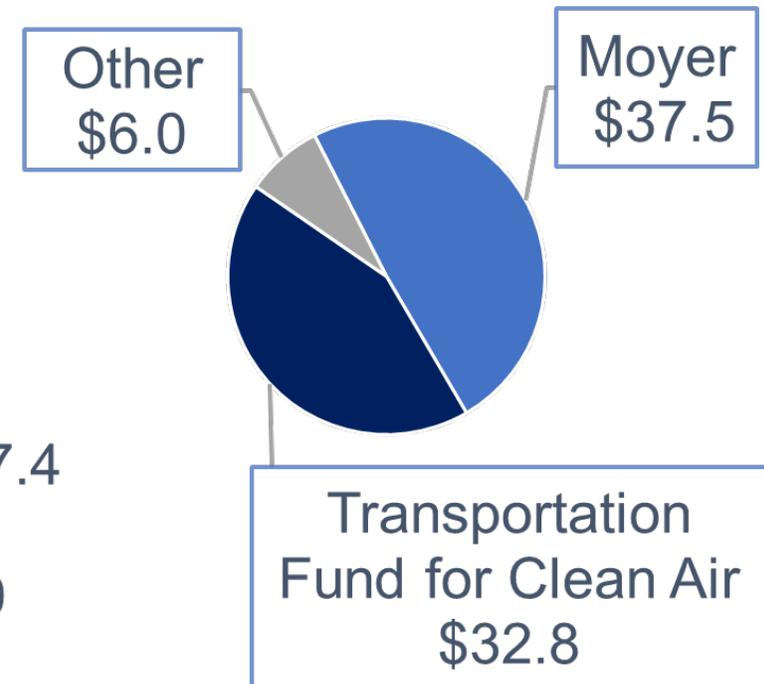
2021 Results (in Millions)



Project Categories



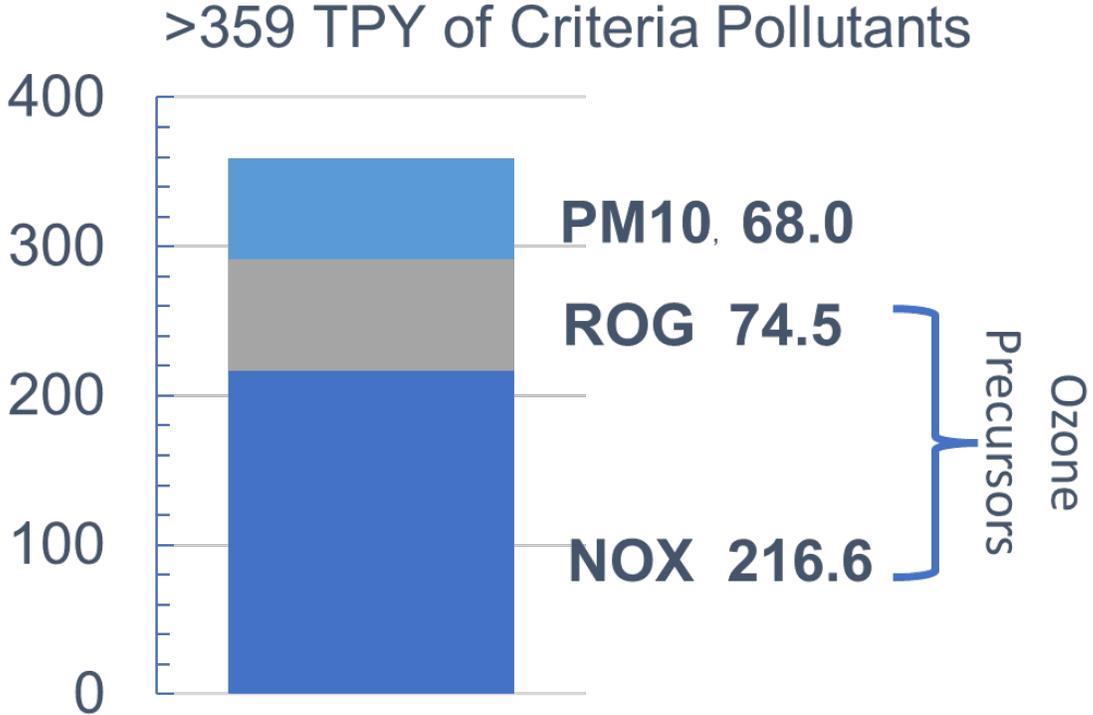
Funding Programs



2021 Results*



Estimated Emissions Reduced Tons/Year (TPY)



Climate Protection

- >11,800 TPY of carbon dioxide (CO₂)
- Other GHG emission reductions, e.g., black carbon, CH₄, are not evaluated

*not all programs evaluate criteria pollutant or CO₂ reductions

2021 Results by Fuel Type



\$21M awarded for >850 zero-emissions pieces of equipment

0% 25% 50% 75% 100%

On-Road (heavy-duty)



64

On-Road (light-duty)

221/563

Off-Road (large)

0

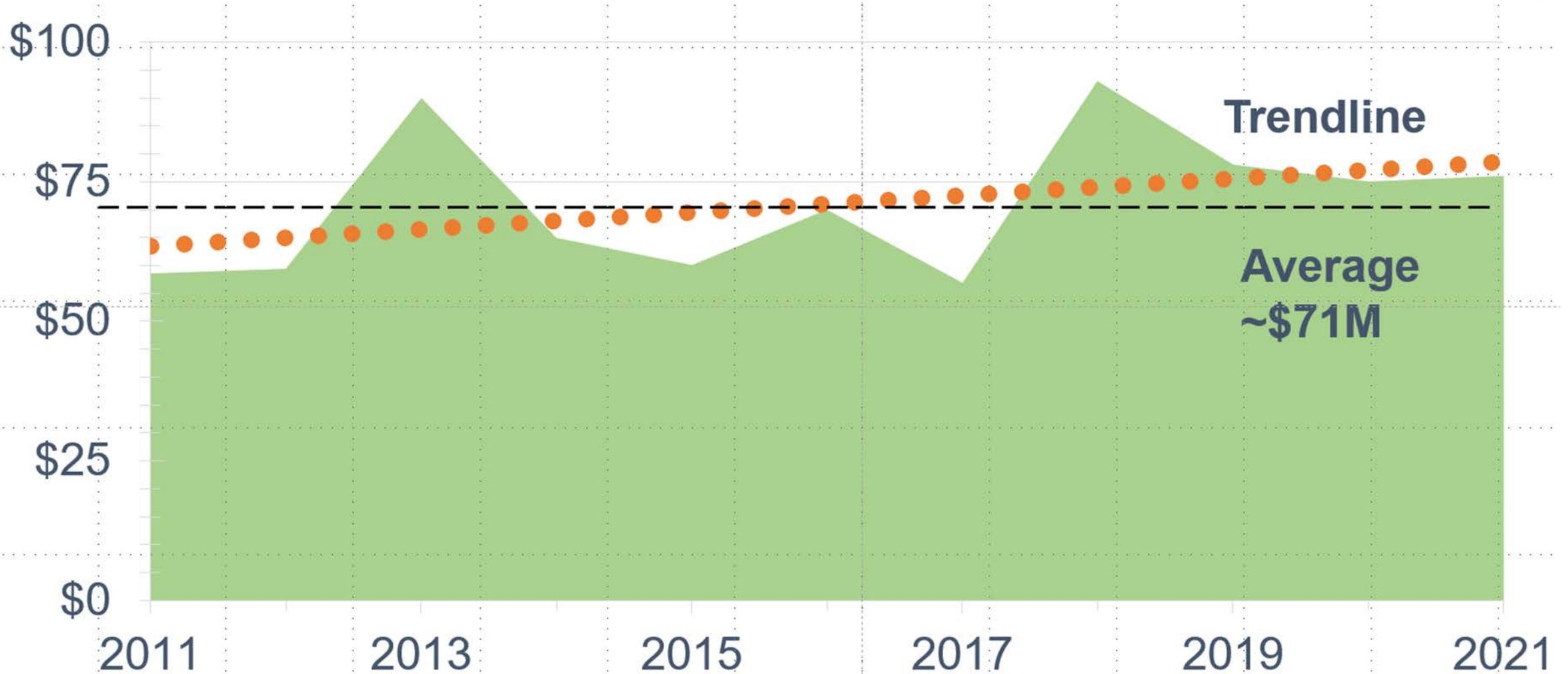
Off-Road (small)

3

**Zero-emission
vehicles,
equipment, &
infrastructure**

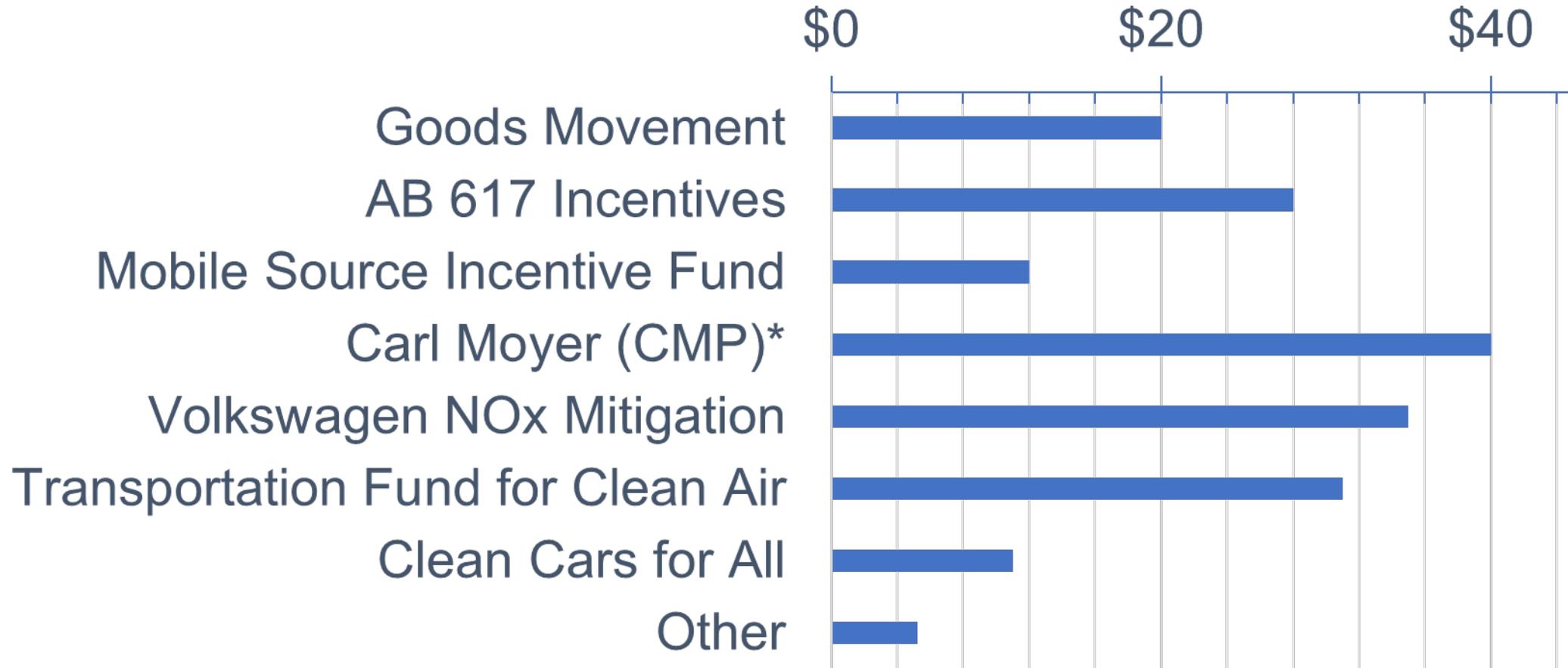
■ Zero-Emission ■ Combustion

Historical Trend Grant Funds Awarded 2011-2021



Projected Funds Available 2022

>\$182 Million



*Carl Moyer includes CMP, State Reserve and FARMER funds

2022 Grant Program Priorities

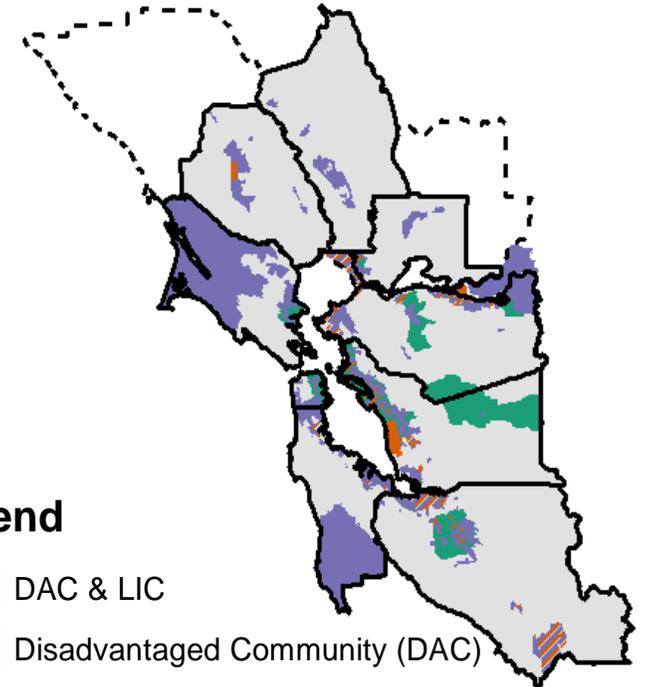


- **Impacted and AB 617 communities**

- *Communities near ports, roadways, and other activities that drive increased health risk*
- *Equity Programs, e.g., Vehicle Incentive Program, Clean Cars for All*

- **Zero emission technologies & projects**

- *Diesel Free by '33*
- *Trip reduction to reduce single-occupancy vehicle miles traveled (VMT)*



Legend

-  DAC & LIC
-  Disadvantaged Community (DAC)
-  Low-Income Community (LIC)
-  CARE Area



Opportunities, Challenges, and Risks



Opportunity:

- Increased funding = more projects, emissions reductions, and staffing
 - ✓ **5 FTE** approved for FYE 22 (on-hold) and **1 FTE** proposed for FYE 23

Challenges:

- Lead time for new staff to be proficient in all program requirements
- Aggressive contractual deadlines
- Delays from shelter-in-place (grantees, manufactures & vendors)

Risks:

- Timely completion of projects and pay-out within deadlines
- Possible audit risks

Request to Increase Signature Authority

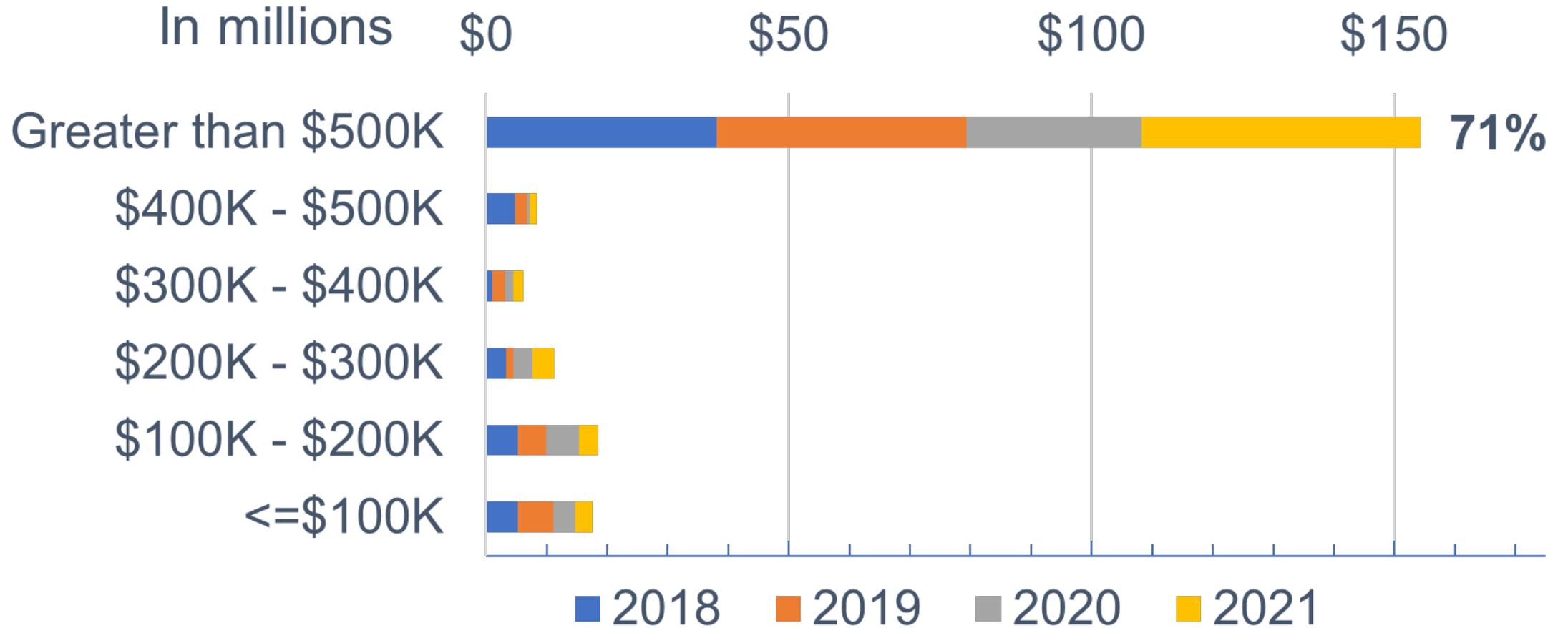


- Streamline approval process and minimize delays
- Increase speed of contracting for applicants
- Reduce staff administrative burden for staff
- Reduce risk of missing contractual deadlines

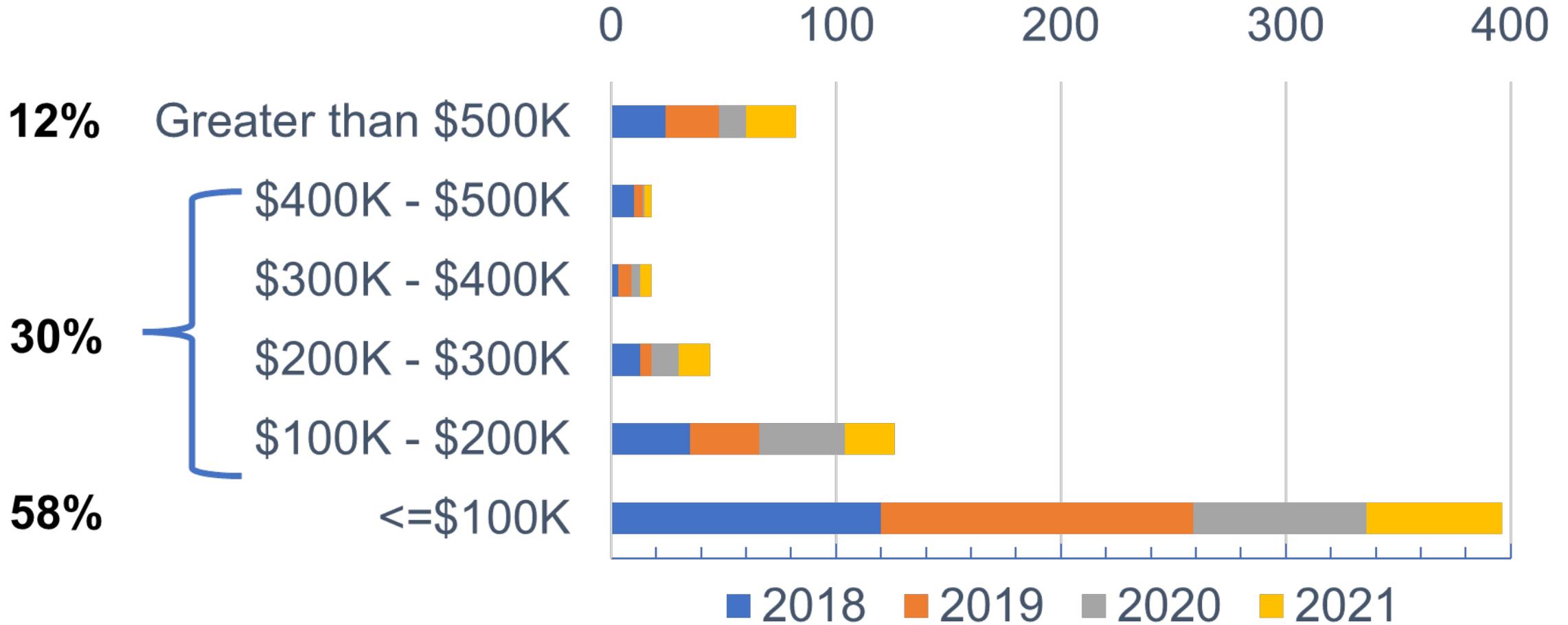
2018 – 2021: ~\$216 million awarded

- **42%** of projects were >\$100,000 representing **92%** funds awarded
- **12%** of projects were >\$500,000 representing **71%** funds awarded

Amount of Funds Awarded (2018-2021)



Number of Projects Awarded (2018-2021)



Action Requested



Recommend the Board of Directors to authorize an increase in the Executive Officer/APCO's signature authority up to \$500,000 for the execution of individual grant agreements and amendments for voluntary emissions reduction projects that are funded by state revenues and local vehicle registration fees.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 8

Proposed CEQA Thresholds for Evaluating the Significance of Climate Impacts From Land Use Projects and Plans

Mobile Source & Climate Impacts Committee
March 24, 2022

Henry Hilken
Director, Planning & Climate Protection
hhilken@baaqmd.gov

Presentation Outcome



The Mobile Source and Climate Impacts Committee (Committee) will consider staff request to recommend Board of Directors adoption of the proposed CEQA Thresholds for Evaluating the Significance of Climate Impacts From Land Use Projects and Plans and associated Justification Report

Presentation Outline



- Background and context for the thresholds update
- Proposal for updated thresholds of significance
- Stakeholder feedback
- Requested action

Presentation Requested Action



The Committee will consider staff request to recommend the Board of Directors adopt the proposed CEQA Thresholds for Evaluating the Significance of Climate Impacts From Land Use Projects and Plans and associated Justification Report

Background and Context



The Air District's Role in CEQA:

- **Lead agency** when it has the primary authority to implement or approve a project
- **Responsible agency** when it has limited discretionary authority over a portion of a project
- **Commenting agency** when it has concerns about the air quality or greenhouse gas impacts of a proposed project.

Background and Context (cont.)



The Air District supports lead agencies with CEQA by:

- Establishing recommended **thresholds** of significance for air quality and greenhouse gases
- Providing **guidance** on methodology and best practices
- Developing **tools** to assist practitioners with the analysis

Background and Context (cont.)



The Air District encourages local jurisdictions to:

- Build mixed-use, infill, transit-oriented development
- Provide adequate levels of housing and minimize automobile use
- Meet Plan Bay Area goals for housing and transportation
- Align with aggressive statewide goals for reducing GHG emissions

Background and Context (cont.)



What is driving this CEQA thresholds update?

- New State GHG Targets
 - Assembly Bill (AB) 32's 2020 targets replaced by Senate Bill (SB) 32 target for 2030
 - 2017 Scoping Plan sets 2030 targets
- Executive Order B-55-18: Carbon neutrality as soon as possible; no later than 2045
- Local governments are asking us to update our GHG thresholds to support their planning
- Evolving case law

Proposed Thresholds: Land Use Developments



Buildings & Transportation



Proposed Thresholds: Land Use Developments (cont.)



Must include A or B:

A. Projects must include, at a minimum, the following project design elements:

1) Buildings

- a) The project will not include natural gas appliances or natural gas plumbing (in both residential and nonresidential development).
- b) The project will not result in any wasteful, inefficient, or unnecessary energy usage as determined by the analysis required under CEQA Section 21100(b)(3) and Section 15126.2(b) of the State CEQA Guidelines.

B. Projects must be consistent with a local GHG Reduction Strategy that meets the criteria under the CEQA Guidelines section 15183.5(b) C.

Proposed Thresholds: Land Use Developments (cont.)



Must include A or B (continued):

A. Projects must include, at a minimum, the following project design elements

2) Transportation

- a) Achieve compliance with electric vehicle requirements in the most recently adopted version of CALGreen Tier 2
- b) Achieve a reduction in project-generated vehicle miles traveled (VMT) below the regional average consistent with the current California Climate Change Scoping Plan (currently 15 percent) or meet a locally adopted SB 743 VMT target, reflecting recommendations in the Governor's Office of Planning and Research's *Technical Advisory on Evaluating Transportation Impacts in CEQA*:
 - i. Residential projects: 15 percent below the existing VMT per capita
 - ii. Office projects: 15 percent below the existing VMT per employee
 - iii. Retail projects: no net increase in existing VMT

B. Be consistent with a local GHG Reduction Strategy that meets the criteria under the CEQA Guidelines section 15183.5(b)

Proposed Thresholds: Long-range Plans



Must include A or B:

- A. Meets State's goals to reduce emissions to 40% below 1990 levels by 2030 and carbon neutrality by 2045.

- B. Is consistent with a local GHG reduction strategy that meets the criteria under State CEQA Guidelines Section 15183.5(b).



Justification Report



- Provides rationale and evidence to support the use of the CEQA thresholds by the Air District and other Lead Agencies
- In order to have a less than significant climate impact:
 - Land use projects must be built so they can be carbon neutral by 2045
 - Community-wide plans guide community to being carbon neutral by 2045
- Land use projects
 - Determining a project's "Fair Share" in achieving State's climate goals
 - How the design elements connect to the State's 2030 and 2045 climate goals
- Community-wide plans
 - Reinforce need for local climate action plans aligned with State goals

Stakeholder Engagement



- **Nine Focus Groups (August – November, 2021)**
 - Local government planning staff
 - CEQA practitioners
 - Environmental Justice and Equity groups
- **Two Public Workshops (December 2021 and March 2022)**
 - Public comment period on draft justification report – February 16 to March 18, 2022
- **Board presentations**
 - Mobile Source and Climate Impacts Committee – September 23, 2021
 - Mobile Source and Climate Impacts Committee – March 24, 2022

Stakeholder Input (to date)



- Overall support for the approach
 - General support for the qualitative approach and the design elements
 - Appreciate the alignment with state policy, codes and standards
 - Many good suggestions were made about different strategies and measures that could be included in the Guidance
- Some concerns expressed
 - Projects that include special uses with limited alternatives to natural gas
 - Recently adopted CAPs may not take carbon neutrality into account
 - Rural communities can have difficulty meeting State SB743 VMT reductions

Feedback Requested/Prompt



Staff requests the Committee recommend Board of Directors' adoption of the proposed CEQA Thresholds for Evaluating the Significance of Climate Impacts From Land Use Projects and Plans and associated Justification Report



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 9

Introduction to the Mobile Source and Climate Impacts Committee and 2022 Work Plan

Mobile Source and Climate Impacts Committee
March 24, 2022

Damian Breen
Sr. Deputy Executive Officer of
Operations
dbreen@baaqmd.gov

Presentation Outcome



- Staff will share a proposed work plan for the meetings of the Mobile Source and Climate Impacts Committee in 2022.

Presentation Outline



- Work plan outlined from months March 2022 – December 2022.

Presentation Requested Action



- None – informational presentation

2022 Mobile Source and Climate Impacts Committee Work Plan



- March

- Projects and Contracts with Proposed Grant Awards Over \$100,000
- Fiscal Year Ending (FYE) Transportation Fund for Clean Air (TFCA) Funding Allocation
- Air District Grant Programs Overview

- April

- Projects and Contracts with Proposed Grant Awards Over \$100,000
- FYE 2022 TFCA County Program Manager Expenditure Plans

2022 MSCI Work Plan Cont'd



- May
 - Projects and Contracts with Proposed Grant Awards Over \$100,000
 - Updates to the TFCA Regional Fund Policies and Evaluation Criteria for FYE 2023
 - TIO – Charge! recommendations
 - TIO – Electric Vehicle (EV) contractor recommendations
- June
 - Projects and Contracts with Proposed Grant Awards Over \$100,000

2022 MSCCI Work Plan Cont'd



- July
 - Projects and Contracts with Proposed Grant Awards Over \$100,000
- August
 - No Meeting
- September
 - Projects and Contracts with Proposed Grant Awards Over \$100,000
 - Diesel Free by '33 Update

2022 MSCI Work Plan Cont'd



- October
 - Projects and Contracts with Proposed Grant Awards Over \$100,000
 - Proposed Updates to the TFCA County Program Manger Fund Policies for FYE 2024
- November
 - No Meeting
- December
 - Projects and Contracts with Proposed Grant Awards Over \$100,000
 - Report on TFCA Projects Expenditures and Effectiveness for FYE 2023
 - TFCA Program Regional Fund Projects – Audit #22 Results

Discussion/Questions

