Projects and Contracts with Proposed Awards over $500,000

Mobile Source and Climate Impacts Committee Meeting
October 11, 2023

Clair Keleher, Senior Staff Specialist
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Presentation Outcome

**Action item for the Committee to consider recommending the Board of Directors:**

1. Approve recommended projects with proposed grant awards over $500,000 as shown in Attachment 2; and

2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.
Presentation Outline

• Background and funding sources

• Proposed projects with awards over $500,000

• Status of incentive funding in Fiscal Year Ending (FYE) 2024
  o Funds available and awarded as of 7/1/23
  o Community benefits & project locations as of 7/1/23

• Recommendations
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

$104.6 million

DMV Fees

$11.2 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
- $29.5 million available for distribution through 60% Fund in FYE 2024

Regional Fund & Air District-Sponsored

County Program Manager Fund
Reformulated Gas Settlement Funds (RFG) Zero-Emission Grant Program

- Total Project Funding = $1.2 million
- Awarded to the Bay Area Clean Air Foundation from RFG in 2017 to expedite reductions in petroleum usage in and around West Oakland and adjacent 617 communities along the I-80 corridor, including Richmond and Western Alameda County
- Most funds awarded to projects 2018 - 2020, and due to fallout from projects cancelling, approximately $400,000 available for award in 2023
Proposed Projects

Recommend $9,120,905 in awards for four projects that will:

• Install 295 electric charging stations to support electric school buses serving schools in Alameda and San Francisco counties
• Replace 27 diesel heavy-duty trucks with electric trucks and install 27 charging stations
• Replace 13 large-spark ignition airport ground support units with zero-emissions units at SFO

Emissions Reductions
• Over 1.3 tons per year of criteria pollutants
$104.9 Million Available to Award in FYE 2024

$40.4 Million Awarded, Allocated, & Recommended

List of all projects is shown in Attachment 3

Updated as of 9/7/2023
# Funds Awarded by Project Category since July 2023 (in Millions)

**Total = $40.4 million**

<table>
<thead>
<tr>
<th>Project Category</th>
<th>Amount (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Light-duty Infrastructure and Cars</td>
<td>$0.7</td>
</tr>
<tr>
<td>Trucks &amp; Buses</td>
<td>$13.3</td>
</tr>
<tr>
<td>School Buses</td>
<td>$8.5</td>
</tr>
<tr>
<td>Off-road Equipment</td>
<td>$4.4</td>
</tr>
<tr>
<td>Marine &amp; Rail</td>
<td>$11.1</td>
</tr>
<tr>
<td>Air District Sponsored</td>
<td>$2.4</td>
</tr>
</tbody>
</table>

Updated as of 9/7/2023
$40.4 million (M) 
Total Funds Awarded

Projects estimated to achieve emissions reductions of *71.0 tons/year, including NOx, ROG, PM

*Reductions from regional allocations not reported

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>FUNDS AWARDED</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>$ 17.8M</td>
<td>44.2 %</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>$ 3.5M</td>
<td>8.8 %</td>
</tr>
<tr>
<td>Marin</td>
<td>$ 0.3M</td>
<td>0.6 %</td>
</tr>
<tr>
<td>Napa</td>
<td>$ 4.7M</td>
<td>11.7 %</td>
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<tr>
<td>San Francisco</td>
<td>$ 1.6M</td>
<td>4.0 %</td>
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<tr>
<td>San Mateo</td>
<td>$ 4.1M</td>
<td>10.1 %</td>
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<tr>
<td>Santa Clara</td>
<td>$ 6.6M</td>
<td>16.3 %</td>
</tr>
<tr>
<td>Solano</td>
<td>$ 0.4M</td>
<td>1.0 %</td>
</tr>
<tr>
<td>Sonoma</td>
<td>$ 1.4M</td>
<td>3.3 %</td>
</tr>
</tbody>
</table>

$40.4 million (M)
Total Funds Awarded

Projects estimated to achieve emissions reductions of *71.0 tons/year, including NOx, ROG, PM

*Reductions from regional allocations not reported
Benefits to Priority Areas since July 2023

~$30.5M to projects benefitting Priority Areas
- Disadvantaged & low-income communities
- Low–income residents
- CARE areas

Total Awards = $40.4M
~$3.1M allocated to regional grants
Actions Requested

Action item for the Committee to consider recommending the Board of Directors:

1. Approve recommended projects with proposed grant awards over $500,000 as shown in Attachment 2; and

2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.
Participation in FARMER Incentive Program Year 23-24

Mobile Source and Climate Impacts Committee Meeting
October 11, 2023

Adriana Kolev, Senior Staff Specialist
Strategic Incentives
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Action Items

Recommend that the Board of Directors:

• Authorize the Air District to accept, obligate, and expend new fiscal year 2023-2024 State funds from California Air Resources Board (CARB) for the Funding Agricultural Reduction Measures for Emission Reductions (FARMER) Program, up to $3.4 million;

• Adopt a resolution authorizing the Air District’s participation in the FARMER program; and

• Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding, and to execute grant agreements and amendments for projects with individual grant award amounts up to $500,000
Outline

- Background
- FARMER Program Year 2023-2024
- Recommended Actions
FARMER Program

• Created in 2017 to reduce emissions from the agricultural sector
• Voluntary program that funds emission reductions beyond regulatory requirements
• Replaces and upgrades highly polluting agricultural equipment with cleaner options
FARMER Year 23-24 Funding

• $75 million available statewide
  • $1.325 million tentatively proposed for Bay Area
  • Requesting additional $2 million if funds become available

• Up to 6.25% may be used for administrative costs

• Projects subject to CARB adopted 2018 FARMER Program Guidelines

• Funding will be awarded between 2023 – 2024 and all projects must be completed and paid out (liquidated) by 6/30/2027
Requested Actions

Recommend that the Board of Directors:

• Authorize the Air District to accept, obligate, and expend new fiscal year 2023-2024 State funds from CARB for the FARMER Program, up to $3.4 million;

• Adopt a resolution authorizing the Air District’s participation in the FARMER program; and

• Authorize the Executive Officer/APCO to enter into all agreements necessary to accept, obligate, and expend this funding, and to execute grant agreements and amendments for projects with individual grant award amounts up to $500,000
Proposed Updates to the Transportation Fund for Clean Air 40% Fund Policies for Fiscal Year Ending 2025

Mobile Source and Climate Impacts Committee Meeting
October 11, 2023
Minda Berbeco, PhD
Manager
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Action Item

Action item for the Committee to consider recommending to the Board of Directors:

• Approve the proposed Transportation Fund for Clean Air (TFCA) 40% Fund Policies for Fiscal Year Ending 2025 as shown in Attachment 1.

• Approve the proposed cost-effectiveness limit to enable Alameda County Transportation Commission (Alameda CTC) to award FYE 2024 TFCA 40% funds to an arterial management project, as shown in Table 1.
Outline

• Background

• Proposed updates to TFCA 40% Fund Policies for Fiscal Year Ending (FYE) 2025
  o Process and timeline
  o Proposed updates
  o Next steps

• Project and Cost-effectiveness Approval

• Recommendation
• Transportation Fund for Clean Air (TFCA) funding program authorized in 1991 by State Legislature to help air districts reduce on-road mobile source emissions

• $4 motor vehicle registration surcharge fee with 40% of funds distributed to the nine Bay Area congestion management agencies

• Annually, staff brings recommended updates to TFCA 40% Fund policies to Air District Board of Directors (Board) for consideration
Timeline for Update to FYE 2025 Policies

- **May**: Draft policies issued for comment
- **June**
- **July**: Open Comment Period
- **Aug**: MSCI Committee consideration
- **Sept**: Guidance package with approved Policies issued and projects awarded by counties after July 1, 2025
- **Oct**: Board consideration
Community Advisory Council (CAC) met on May 18, 2023, and provided feedback and questions about the 40% fund. Staff is working to address questions and feedback:

• In July staff met with administering agencies to discuss process for receiving input from CAC members and increasing transparency

• Meetings have been scheduled with CAC members and administering agencies

• Staff will be working with the administering agencies to add new reporting requirements
Summary of Proposed Updates for FYE 2025

- Include a cost-effectiveness limit for projects that request a case-by-case review under Policy #3.

- Remove *On-Road Truck Replacement* (Policy #25) -- this category no longer provides surplus emission reductions.

- Expand the definition of Priority Areas to also include Assembly Bill 617 communities, Priority Populations defined by SB 535 disadvantaged communities and AB 1550 low-income communities.

- Continue providing subgrantees with up to 24 months to commence their projects (policy #6) and clarify that this flexibility also applies to projects that are directly sponsored by administering agencies.
Summary of Proposed Updates for FYE 2025 (cont.)

- Simplify the design guidelines so that local and state standards would need to be followed for bikeways (policy #30).
- Allow upgrading a Class III and Class II (non-buffered bikeway) to a Class II buffered bike lane as an eligible project type (Policy #30).
- Clarify what qualifies as an *Infrastructure Improvement for Trip Reduction* Project (Policy #33).
Next Steps for Future Cycles

Continue coordinating with administering agencies on program refinements:

- Evaluate C/E limit for select project categories
- Review mechanisms for project administration
- Provide further guidance on evaluation of projects
- Add new reporting requirements for greater transparency on process for awarding funds, how equity is addressed, and opportunities for community participation
Request for Consideration of a Cost-Effectiveness Limit (Policy #3)

Requested by Alameda CTC and sponsored by the City of Hayward

Winton Ave/D St and Tennyson Road Corridors Signal Timing:

Purchase and install adaptive/actuated equipment for an estimated 17 intersections including: upgrades to support adaptive timing, communications upgrades, and video detection upgrades

TFCA 40% Funds Proposed for Award by Alameda CTC: $515,000

Estimated Total Project Cost: $812,600

Proposed Project Cost-Effectiveness Limit: $250,000/ton
Recommendation

Action items for the Committee to consider recommending to the Board of Directors:

• Approve the proposed Transportation Fund for Clean Air (TFCA) 40% Fund Policies for Fiscal Year Ending 2025 as shown in Attachment 1.

• Approve the proposed cost-effectiveness limit to enable Alameda County Transportation Commission (Alameda CTC) to award FYE 2024 TFCA 40% funds to an arterial management project, as shown in Table 1.