BAY AREA
AIR QUALITY

TRANSPORTATION
FUND FOR
CLEAN AIR

2008

Transportation Fund for Clean Air

County Program Manager Fund
Expenditure Program Guidance for Fiscal Year 2008/2009

Bay Area Air Quality Management District
939 Ellis Street, San Francisco, CA 94109
January 2008

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REMINDER CHECKLIST

- ❑ Submit your Expenditure Program application packet for fiscal year (FY) 2008/2009 electronically and provide a paper copy. Your application packet is due to the Bay Area Air Quality Management District's offices no later than **Wednesday, April 30, 2008 at 4 PM.**

- ❑ The Congestion Management Agency's Executive Director must sign and date the Summary Information Page.

- ❑ Application packet should include:
  - ❑ Governing Board approval resolution
  - ❑ Summary Information Page
  - ❑ Summary Information Addendum Page – list unallocated funds from projects completed under budget or cancelled
  - ❑ Project Information Sheet for each project
  - ❑ Individual Project Workbook for each project

- ❑ Line 1d of the Summary Information Page (Actual FY 2007/2008 DMV revenues) will not be available until March 2008 due to a lag in receipt of data from the Department of Motor Vehicles (DMV). The Air District will provide this as soon as the information is received.

- ❑ Submit a cost-effectiveness workbook for each project except TFCA County Program Manager administrative costs. Inputs and assumptions used in the cost-effectiveness analysis must be consistent with Air District instructions, default assumptions and guidelines. **If the Air District's guidelines are not used to determine the project's cost-effectiveness, the cost-effectiveness inputs and assumptions used *must* be clearly documented and explained in the Notes and Assumptions tab in each workbook.**

- ❑ Submit any other information required to evaluate the proposed project; for example, for heavy-duty vehicle projects, include the California Air Resources Board Executive Orders.

I. COUNTY PROGRAM MANAGER FUND SUMMARY

This document describes the Transportation Fund for Clean Air (TFCA) County Program Manager Fund and explains how to prepare an Expenditure Program for the FY 2008/2009 funding cycle.

Changes to Policies for FY 2008/2009

There are two substantive changes to the Policies for FY 2008/2009, relative to the previous year.

- Policy # 11, *Insurance*, has been added to reflect a requirement added in FY 2007/2008.
- Policy #20, *Light-Duty Vehicles*, has been changed so that each light-duty vehicle project will be evaluated on its own merits, versus qualifying for a set per-vehicle funding amount.

Eligible Project Types

The following project types are eligible for funding under the County Program Manager Fund, as outlined in the California Public Health and Safety Code Section 44241:

1. The implementation of ridesharing programs.[1]
2. The purchase or lease of clean fuel buses for school districts and transit operators.
3. The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
4. Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
5. Implementation of rail-bus integration and regional transit information systems.
6. Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. (No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.)
7. Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
8. Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
9. The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved

[1] For purposes of the TFCA County Program Manager Fund, "ridesharing" means carpooling, vanpooling, or transit. Other trip reduction projects, consistent with the county's adopted Congestion Management Program, are also eligible (e.g., police bicycle patrol projects).

area-specific plan, redevelopment plan, general plan, traffic calming plan, or other similar plan. (Note**:** this category is usually referred to as the "smart growth" category.)

Cost-Effectiveness

Program Managers must ensure that the cost-effectiveness of each individual project in their Expenditure Program achieves $90,000 or less per ton of emissions of reactive organic gases (ROG), oxides of nitrogen (NO_x) and weighted particulate matter (PM)[2] reduced, based upon the TFCA funds allocated. TFCA County Program Manager administrative costs are excluded from this cost-effectiveness calculation.

Schedule for FY 2008/09 TFCA County Program Manager Fund Cycle

January 10, 2008	Expenditure Program application packets sent out by Bay Area Air Quality Management District (Air District), including funding estimates
March 15, 2008	Target date for Air District to provide final funding amounts
April 30, 2008	**Deadline for Program Managers to submit application packets**
July 2008	Proposed Expenditure Program funding allocations reviewed by Air District Mobile Source Committee (tentative)
July 2008	Expenditure Program funding allocations considered for approval by Air District Board of Directors (tentative)
August 2008	Air District provides funding agreements for signature

Allocation and Expenditure of Funds

Any TFCA County Program Manager funds that are not allocated within six months of the Air District Board of Directors approval of the Program Manager's Expenditure Programs are subject to allocation to eligible projects by the Air District. Program Managers may choose to add additional projects after the submittal of their original Expenditure Program, if the corresponding costs can be covered by unallocated funds. Any such requests must be submitted in writing by the Program Manager to the Air District TFCA contact for that county and approved by the Air District Board of Directors.

Program Managers can only incur project costs after the date that the funding agreement was fully executed (i.e., signed by both the Air District and the Program Manager). The Air District will not fund any portion of a Program Manager or applicant's cost of preparing and submitting an Expenditure Program application packet.

Program Managers must expend the funds within two years of the first transfer of funds from the Air District to the Program Manager in the applicable fiscal year, unless a longer period is formally approved in advance by the Program Manager. See FY 2008/2009 TFCA County Program Manager Fund Policy #17 (Appendix C) for additional details.

[2] Consistent with CARB methodology to calculate particulate matter emission reductions for the Carl Moyer Program, weighted PM emissions are calculated by adding tailpipe PM multiplied by a factor of 20, plus the sum of tire, brake, and road dust PM emissions.

Administrative Cost Limit

Program Managers' administrative costs are limited to a maximum of five percent (5%) of total actual TFCA funds allocated to the Program Manager in a given fiscal year. Program Managers calculate an estimate of available funds for administrative costs at the beginning of the fiscal year on Line 6 of the Summary Information Page (sent by e-mail). The Air District must approve all administrative costs in advance. The Guidelines for Eligible TFCA Reimbursable Costs including administrative costs are contained in Appendix A.

Insurance Requirements

The sponsor of each project must provide documentation of insurance. Certain types of projects require more types of coverage than other projects. Guidelines for insurance, including the types of coverage that are considered usual and customary for various project types, are found in Appendix D.

How Program Managers Receive Funds

Funds allocated in FY 2008/2009 are Department of Motor Vehicles (DMV) surcharge fees generated during calendar year 2008. The Air District will forward funds to the Program Managers in two payments; one in the fall of 2008 and one in the spring of 2009. Each payment will represent forty percent (40%) of the revenues transmitted from the DMV to the Air District, less the Air District's administrative and audit costs.

Monitoring and Reporting Requirements

Program Managers should submit a Quarterly Funding Status Report form. The form documents if project funds are reprogrammed and how reprogrammed funds are assigned. A copy of this form is attached in Appendix B.

Program Managers must also submit annual progress reports as specified in the Funding Agreement. For each project, the Annual Report includes one of the following forms: completed projects require the Project Monitoring Form, and ongoing projects require the Project Status Reporting Form. A delay in receiving reports from the project sponsor may result in a delay of approval for project funds in the next funding cycle. The Project Monitoring Form for each specific project type is identified on page 9, subsection J. The Air District will issue guidance for the Annual Report in August 2008. The reports will be due on October 31, 2008.

Audits

Each project that receives TFCA County Program Manager funds will be subject to a fiscal audit every two years and may be subject to a performance audit. The Air District will select an independent auditor to conduct the fiscal audit. The fiscal audit will verify that each County Program Manager project is in compliance with the terms of the applicable project funding agreement and the provisions of the TFCA (Health and Safety Code Sections 44220 through 44242). It will also verify that administrative costs have not exceeded five percent (5%) of the total actual TFCA funds allocated to the Program Manager in a given fiscal year. Air District staff/contractor may conduct a performance audit to verify that projects have been implemented as approved. In the performance audit, projects are evaluated for compliance with monitoring requirements set forth in the funding agreement and to determine their effectiveness in reducing emissions from motor vehicles.

Additional Information

Program Managers are strongly encouraged to discuss their proposed Expenditure Programs with Air District staff prior to submittal. Please direct questions to the Air District contact for each county:

County	Air District Contact
Alameda	David Wiley (415) 749-4622 dwiley@baaqmd.gov
Contra Costa Napa Solano	Geraldina Grünbaum (415) 749-4956 ggrunbaum@baaqmd.gov
Marin San Francisco	Andrea Gordon (415) 749-4940 agordon@baaqmd.gov
San Mateo Santa Clara Sonoma	Avra Goldman (415) 749-5093 agoldman@baaqmd.gov

II. TIPS FOR SPECIFIC PROJECT TYPES

This section provides tips for each of the major eligible project types. Under each project type, "Basic Eligibility" identifies the applicable policies. "Strengthening Your Projects" indicates the particular attributes that Air District staff has found to enhance cost-effectiveness, based on the experience in administering the TFCA program. This information is advisory in nature. The purpose of the information in this section is to provide Program Managers with tools to help potential applicants within their jurisdictions identify the types of projects that are likely to result in a cost-effective use of TFCA funds.

Clean Air Vehicle Projects

Basic Eligibility: Projects for clean air vehicles must meet the applicable requirements outlined in FY 2008/2009 TFCA County Program Manager Fund Policies #19 through #24 (Appendix C). Projects must achieve the California Air Resources Board 2010 emissions standards. This is the only project type for which non-public entities may apply for funding. Note that, for new-vehicle projects, only a small portion of the total vehicle cost is eligible for TFCA funding—the maximum TFCA funding amount is the **difference** in cost between the new vehicle that surpasses the applicable emission standards and its new diesel counterpart that meets, but does not exceed, the standards.

Advanced Technology Demonstration Projects (County Program Manager Fund Policy #24, including projects that include both clean-air vehicles and infrastructure) must demonstrate the feasibility of reducing emissions from motor vehicles via innovative technologies. Such projects are subject to the cost-effectiveness requirement, and grant applications must include best available data that can be used to estimate cost-effectiveness on a case-by-case basis. It is important to contact Air District staff well in advance to discuss data needs. The data required include, but are not limited to: emissions factors used to calculate NO_x, ROG, PM and carbon dioxide (CO_2) reductions; vehicle miles traveled; years of effectiveness; fuel economy; and anticipated usage for any infrastructure projects. It is also important to demonstrate the degree of certainty for emission reduction claims, and how performance data from these demonstration projects would be collected and analyzed to determine the actual emission reduction benefits of the projects. Heavy-duty vehicle projects must demonstrate performance beyond the applicable 2010 California Air Resources Board (CARB) standards. In general, compressed natural gas (CNG) fueling stations and electric-vehicle charging stations do not qualify.

Strengthening Your Projects: The following projects are most cost-effective:

- For the replacement of Buses, Medium-Duty, and Heavy-Duty Vehicles with GVW greater than 10,000 lbs.: projects that scrap even more existing vehicles than required.
- For the acquisition of Light-Duty Alternative Fuel Vehicles—cars, trucks, and vans with a GVW of 10,000 lbs. or less (natural gas, electric, or hybrid-electric): vehicles that are shown to be in high-mileage service, e.g., taxicabs and shuttle vans.

Shuttle/Feeder Bus

Basic Eligibility: Shuttle/feeder bus projects must meet the requirements outlined in TFCA County Program Manager Fund Policy #25 (Appendix C).

Strengthening Your Projects: Projects with the following characteristics are typically more cost-effective in reducing emissions:

- Documented ridership such that TFCA funding does not exceed $1.50 per passenger (total annual boardings).
- Shuttle operates during peak periods only.
- Shuttle service can demonstrate that ridership has held steady or increased in recent years.
- Service is provided using clean fuel, low-emission (natural gas, electric, or hybrid electric) vehicles. Use of alternative fuel shuttle vehicles is not a requirement, provided that the applicant demonstrates compliance with the particulate matter standard as outlined in TFCA County Program Manager Fund Policy #25 (Appendix C).

Transit or Vanpool Incentive Programs

Basic Eligibility: Transit or vanpool incentive program projects must meet the requirements outlined in TFCA County Program Manager Fund Policy #13 (Appendix C).

Strengthening Your Projects: Projects should demonstrate a strong potential to shift trips from single occupant vehicles to an alternative mode of transportation in a cost-effective manner. Projects with the following characteristics are typically more cost-effective in reducing emissions:

- At least 50% of the incentive is provided by a match from the employer (or other non-TFCA source).
- Program administrative and overhead expenses represent no more than 25% of the project cost (i.e., at least 75% of the funds are directly expended for incentives).
- Program targets existing drive-alone commuters.

Bicycle Facility Improvements

Basic Eligibility: Projects for bicycle facility improvements must meet the requirements outlined in TFCA County Program Manager Fund Policy #26 (Appendix C).

Strengthening Your Projects: Bicycle projects with the following characteristics are typically most cost-effective:

- Install Bicycle Lanes (in adopted bicycle plan or congestion management plan):

  Install new bicycle lanes on streets with average daily traffic volume of 10,000 or more vehicles/day.

  Requested TFCA funds do not exceed $30,000 per mile of project length.

- Install Bicycle Lockers (Note: the relevant adopted bicycle plan should support bicycle parking facilities in general):

  Documented demand for the lockers (e.g., a waiting list).

  TFCA cost does not exceed $1,000 per locker (or $2,000 for a unit that accommodates two bikes).

- Install On-Street Bicycle Racks: Total cost (rack, installation, and overhead) does not exceed $250 per rack (two-bike capacity per rack).
- Provide Bicycle Racks on Transit Buses: Total cost (hardware, installation, and overhead) does not exceed $800 TFCA per unit (two-bike capacity rack).

Smart Growth

Basic Eligibility: Projects for smart growth or traffic calming must meet the requirements outlined in TFCA County Program Manager Fund Policy #28 (Appendix C).

For smart growth or traffic calming projects including bicycle elements, see Bicycle Facility Improvements in the preceding section.

Strengthening Your Projects: Smart growth and traffic calming projects should demonstrate a strong potential to reduce motor vehicle trips by improving mobility via walking, bicycling, and transit.

Arterial Management

Basic Eligibility: Projects for arterial management must meet the requirements outlined in TFCA County Program Manager Fund Policy #27 (Appendix C).

For arterial management projects that include bicycle elements, see Bicycle Facility Improvements above and for projects that include pedestrian elements, see Smart Growth Projects in the preceding section.

Strengthening Your Projects: Arterial management projects should demonstrate a strong potential to reduce motor vehicle trips by improving transit, bicycling, and pedestrian mobility.

Transit bus signal prioritization projects should demonstrate a strong potential to increase transit ridership by shifting trips from single occupant vehicles to transit bus. Projects should increase the average speed of the transit service along the project corridor.

III. APPLICATION INSTRUCTIONS

Application Process

This section includes application instructions for preparing a County Program Manager Expenditure Program application. Application documents that require input will be sent to the Program Managers by e-mail.

Expenditure Program applications must be received at the Air District's offices by **4:00 P.M. on Wednesday, April 30, 2008.** This will enable the Air District Board of Directors to take action on your application by July 2008. Applications sent to the Air District via fax machine will not be accepted. Submit your Expenditure Program application in hardcopy form and either on disk or by email to:

Damian Breen
Grant Programs Manager
Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109

Hand-delivered applications should be brought directly to the Air District offices, 939 Ellis Street, San Francisco, attn. Grant Programs Section.

Instructions for Completing Project Information Sheets

A. Project Number

Consecutively number projects funded with year, county code, and number, e.g., 08MAR01, 08MAR02 for Marin County. Zero (i.e., 08MAR00) is reserved in the Air District's database for County Program Manager TFCA funds allocated for administration costs.

B. Project Sponsor

Name of the entity sponsoring the project.

C. Project Contact

List a contact person with the project sponsor who is responsible for the day-to-day activities of the project.

D. Contact Phone Number and E-Mail

List the area code, phone number, and e-mail address for the project contact.

E. Project Title

Provide a concise, descriptive title for the project (e.g., "Elm Ave. Signal Interconnect" or "Purchase Two Electric Light Duty Delivery Trucks").

F. TFCA $ Allocated

Amount of proposed TFCA County Program Manager Funds.

G. Total Project Cost

Estimated total project cost. Include any funds that the project sponsor(s) or others are contributing to the project. List other funds by source. (Please note if the project sponsor will apply for TFCA Regional Funds for this project. List any other source of funds available in the event TFCA Regional Funds are not secured to complete the project.)

H. Project Description

Project descriptions should be concise, specific, and describe measurable actions and outcomes of the project in terms of services provided and trips and emissions reduced. Project descriptions are to include information regarding what, how many, frequency, location, expectations, length, size of target population, etc. as appropriate, in order to be sufficiently clear and comprehensive for inclusion in a contractual document. Descriptions should not, however, include extraneous details. Background information or justification should be brief. For shuttle/feeder bus projects, indicate the hours of operation, frequency of service, and rail station and employment sites/area served. See project description in the sample Project Information Sheet attached in Appendix E.

I. Project Schedule

List a start date and final report due date for each project. The final report date should reflect a project's timely completion, but the date should not be so aggressive that it is unlikely to be met.

J. Final Report Content

Reference the appropriate Project Monitoring Form that will be completed and submitted after project completion.

Form 1 – Ridesharing, Shuttles, Transit Information, Rail/Bus Integration, Smart Growth, and Traffic Calming Projects
Form 2 – Clean Air Vehicle Projects
Form 3 – Bicycle Projects
Form 4 – Arterial Management Projects

K. Project Cost-Effectiveness

Provide a copy of a completed cost-effectiveness workbook for the project. Workbooks are <u>not</u> needed for TFCA County Program Manager administrative costs.

Additional documentation is required for heavy-duty vehicle projects in order for emission reductions to be verified. For retrofit projects, the Engine Family Name (a string of 11 to 12 letters and numbers which can be found on the engine Executive Order and on the engine block) is required for each vehicle. Also, if emission reductions beyond the current CARB standard are being claimed for a repower or new vehicle project, then the CARB Executive Order for the engine is required. A hard copy of the Executive Order is acceptable; this document is available from dealers.

L. Comments

Provide any additional information or comments as necessary.

Instructions for Individual Project Cost-Effectiveness Workbooks

Consult the following instructions before entering data into the workbooks for estimating emission reductions for TFCA projects. Microsoft Excel workbooks will be provided to Program Managers by e-mail. The Emission Reductions worksheet in each workbook can be used to calculate project emission reductions and TFCA cost-effectiveness (TFCA $/ton of emission reductions). Program Managers must provide all relevant assumptions used to determine the project's cost-effectiveness; these should be provided on the Notes & Assumptions worksheet found on a separate tab in each workbook. Workbooks must be completed for all project types with the exception of TFCA County Program Manager administrative costs.

Project Type	**Workbook Name**
Ridesharing, Shuttles, Bicycle, Smart Growth, and Traffic Calming Projects	Trip Reduction 08
Arterial Management:	
Signal Timing	Arterial Management 08
Transit Bus Priority[3]	Trip Reduction 08
Bus and Heavy-Duty Vehicle	Heavy-Duty Vehicles 08
Reducing Emissions from Existing Diesels	Heavy-Duty Vehicles 08
Light-Duty Vehicles	Light-Duty Vehicles 08

Only make entries in the shaded areas of the Emission Reductions worksheet. The new filename should begin with the application number (i.e., 08NAP01), formatted as described below under General Project Information. This worksheet contains four sections: General Project Information, Cost Effectiveness Inputs, Emission Reduction Calculations, and Cost Effectiveness Results. Inputs to the General Information section do not affect the cost-effectiveness calculation for the worksheet. The Cost Effectiveness Inputs and Emission Reduction Calculations inputs are required inputs for the cost-effectiveness calculation on the worksheet. No information should be inputted into the Cost Effectiveness Results section.

Please provide an explanation of your assumptions in the Notes & Assumptions worksheet, found in a separate tab in the workbook.

Be sure to save the workbook with a new file name as soon as you enter any data.

Guidance on inputs for the workbooks is provided below:

A. Emission Reductions Worksheet

General Project Information

Project Title: Short descriptive title of project

[3] Emissions reduction for transit bus signal prioritization projects are estimated based on vehicular trip reduction. Therefore, for these projects, use the Trip Reduction 08 worksheet.

Project Sponsor: Entity requesting TFCA funds

Project Type Code: Insert the following codes for the corresponding project type. If none of the codes is appropriate, leave blank.

Code	Project Type	Code	Project Type
0	Administrative costs	6g	Shuttle services – Other fuel type
1a	NG buses (transit or shuttle buses)	7a	Class 1 bicycle paths
1b	EV buses	7b	Class 2 bicycle lanes
1c	Hybrid buses	7c	Class 3 bicycle routes
1d	Fuel cell buses	7d	Bicycle lockers
1e	Buses – other clean fuel	7e	Bicycle racks
2a	NG school buses	7f	Bicycle racks on buses
2b	EV school buses	7g	Attended bicycle parking ("bikestation")
2c	Hybrid school buses	7h	Other type of bicycle project (e.g., bicycle loop detectors)
2d	Fuel cell school buses	8a	Signal timing (Regular projects to speed traffic)
2e	School buses – other clean fuel	8b	Arterial Management – transit bus priority
3a	Other heavy-duty – NG (street sweepers, garbage trucks)	9a	Smart growth – traffic calming
3b	Other heavy-duty – EV	9b	Smart growth – pedestrian improvements
3c	Other heavy-duty – Hybrid	9c	Smart growth – other types
3d	Other heavy-duty – Fuel cell	10a	Rail-bus integration
3e	Other heavy-duty – Other clean fuel	10b	Transit information / marketing
4a	Light-duty vehicles – NG	11a	Telecommuting demonstration
4b	Light-duty vehicles – EV	11b	Congestion pricing demonstration
4c	Light-duty vehicles – Hybrid		
4d	Light-duty vehicles – Fuel cell		
4e	Light-duty vehicles – Other clean fuel		
5a	Implement TROs (pre-1996 projects only)	15a	Diesel Repower – Transit Bus
5b	Regional Rideshare Program	15b	Diesel Repower – Shuttle Bus
5c	Incentive programs (for any alternative mode)	15c	Diesel Repower – School Bus
5d	Guaranteed Ride Home programs	15d	Diesel Repower – Heavy-Duty Vehicle
5e	Ridesharing – Vanpools (if cash incentive only, use 5c)	15e	Other Repower (Repower with natural gas engine)
5f	Ridesharing – School carpool match	16a	Retrofit – Transit Bus
5g	Other ridesharing / trip reduction projects	16b	Retrofit – Shuttle Bus
5h	Trip reduction bicycle projects (e.g., police on bikes)	16c	Retrofit – School Bus
6a	Shuttle services – diesel powered	16d	Retrofit – Heavy-Duty Vehicle
6b	Shuttle services – gasoline powered	17a	Fuel Substitute – Transit Bus
6c	Shuttle services – NG powered	17b	Fuel Substitute – Shuttle Bus
6d	Shuttle services – EV powered	17c	Fuel Substitute – School Bus
6e	Shuttle services – Fuel cell powered	17d	Fuel Substitute – Heavy-Duty Vehicle
6f	Shuttle services – Hybrid vehicle		

Proj. Sponsor Contact:	Name of individual responsible for implementing the project
Proj. Sponsor Phone #:	Phone number of project sponsor contact
Proj. Sponsor E-mail:	E-mail address of project sponsor contact
Calculated by:	Initials of person responsible for workbook inputs.
Application #:	The application number is composed of three parts: 1st - fiscal year in which project will be funded (Ex: 08) 2nd - county implementing project (Ex: SOL for Solano) 3rd - two digit number identifying project (Ex: 13) (Example: 08MAR04 = fiscal year **2008/09**, **Mar**in, Project #**04)**

Use the following abbreviations to identify counties:

ALA - Alameda	CC - Contra Costa	MAR - Marin
SC - Santa Clara	SON – Sonoma	NAP - Napa
SM - San Mateo	SF - San Francisco	SOL - Solano

Cost Effectiveness Inputs

# Years Effectiveness:	Years of effectiveness for project. See table on pages 13-17.
Total Project Cost:	Total cost of project including TFCA funding, sponsor funding, and funds contributed by other entities.
TFCA Cost:	TFCA 40% County Program Manager Funds and the 60% Regional Funds (if any) listed separately.

Emission Reduction Calculations

Instructions for completing the Air District's worksheets for calculating emissions reductions are provided in the attached table on pages 13-17.

Default values for years of effectiveness are provided in the table below for the different project types. (Note that there are no defaults for Smart Growth projects.) Several cells have input choices or information built in, as pull-down menus or comments in Excel. Drop-down menus are accessed by clicking on a cell. Comments are indicated by a small triangle in the upper right corner of a cell, and are made visible by resting the cursor over the cell.

B. Notes & Assumptions Worksheet

Please provide an explanation of your assumptions in the Notes & Assumptions worksheet, found in a separate tab in the Excel workbook. If you do not use the Air District's guidelines to determine the project's cost-effectiveness, you *must* document and explain your cost-effectiveness inputs and assumptions. Air District staff will perform an independent evaluation of the individual cost-effectiveness workbooks.

Emission Reduction Inputs

Project Type/Workbook Name	Input Data Needed	Default Assumptions
Ridesharing / Trip Reduction Project Type = 5, 8b, 9, 11a, or 11b Workbook = Trip Reduction 08 Note: For ridesharing, the Air District generally assumes that the maximum number of vehicle trips reduced per day is 1% of target population.	**Ridesharing**	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, 1 yr
	• # Trips/Day (1-way) eliminated [% of target population (# employees)]	• Enter in Step 1-Column A, 1% of target population
	• Days/Yr	• Enter in Step 1-Column B, 240 days (max.)
	• Trip Length (1-way)	• Step 1-Column C, Default = 16 miles (1-way commute distance from MTC's Commuter Profile 2005)
	School-Based Ridesharing	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, 1 yr
	• # Trips/Day (1-way) eliminated [% of target population (total # students)]	• Step 1-Column A, No Default
	• Days/Yr	• Enter in Step 1-Column B, 180 days (max.)
	• Trip Length (1-way)	• Step 1-Column C, 1-3 miles
	Transit Incentive Campaigns	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, 1 yr
	• # Trips/Day (1-way) eliminated [% of target population]	• Step 1-Column A, No Default
	• Days/Yr	• Enter in Step 1-Column B, 90 days (max.)
	• Trip Length (1-way)	• Step 1-Column C, No Default
	• # New Trips/Day (1-way) to access transit	• Step 2-Column A, No Default
	• Days/Yr (new trips)	• Enter in Step 2 - same as # days used in Step 1
	• Trip Length (1-way) for new trips	• Step 2-Column C, Default = 3 miles
	Guaranteed Ride Home Programs	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, 1 year
	• # Trips/Day (1-way) eliminated	• Enter in Step 1-Column A, 0.2% of target population.
	• Days/Yr	• Enter in Step 1-Column B, 240 days (Max.)
	• Trip Length (1-way)	• Step 1-Column C, Default = 16 miles
	Transit Bus Signal Prioritization	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, 4 yrs
	• # Trips/Day (1-way) eliminated	• Step 1-Column A, No Default
	• Days/Yr	• Enter in Step 1-Column B, 250 days (Max.)
	• Trip Length (1-way)	• Step 1-Column C, No Default

Emission Reduction Inputs

Project Type/Workbook Name	Input Data Needed	Default Assumptions
Bicycle Projects Project Type = 7 Workbook = Trip Reduction 08 Methodology to estimate number of trips reduced for bike paths, lanes, & routes based on: - the type of facility (Class 1, 2, or 3) - the length of the project segment - the traffic volume (ADT) on the facility. For Class 1 projects, use the ADT on the most appropriate parallel road. For gap closure projects (where project will close a gap between two existing segments of bikeway), use the length for the total facility. Note: the maximum number of vehicle trips reduced per day is 240. The Air District generally assumes that no bike project will reduce more than 240 vehicle trips per day. The Air District normally uses an average trip length of 3 miles (one-way) for bicycle projects.	**Bicycle Projects (Paths, Lanes, Routes)** • # Years Effectiveness Class 1 bike path (or bike bridge) Class 2 bike lane Class 3 bike route • # Trips/Day (1-way) eliminated (depends on length of project segment and ADT on project segment) Class 1 bike path & Class 2 bike lane ADT < 12,000 vehicles per day Class 1 bike path & Class 2 bike lane ADT > 12,000 and < 24,000 Class 1 bike path w/ADT = 24,000 + Class 2 bike lane w/ ADT = 24,000 + Class 3 bike route • Days/Yr • Trip Length (1-way)	 • Enter in Cost Effectiveness Inputs: 20 years for Class 1 projects (trails/paths) 15 years for Class 2 & Class 3 projects • Enter in Step 1-Column A: Length < 1 mile = 0.4% ADT Length >1 and <2 miles = 0.6% ADT Length >2 miles = 0.8% ADT Length < 1 mile = 0.3% ADT Length >1 and <2 miles = 0.45% ADT Length >2 miles = 0.6% ADT Length < 1 mile = 0.25% ADT Length >1 and <2 miles = 0.35% ADT Length >2 miles = 0.45% ADT Route < 1 mile = 0.1% ADT Route >1 and <2 miles = 0.15% ADT Route >2 miles = 0.25% ADT • Enter in Step 1-Column B, 240 days • Enter in Step 1-Column C, 3 miles
	Bicycle Lockers & Racks • # Years Effectiveness • # Trips/Day (1-way) eliminated • Days/Yr • Trip Length (1-way)	 • Enter in Cost Effectiveness Inputs, 10 yrs • Enter in Step 1-Column A: Capacity of lockers x 1 trip/day Capacity of racks x 0.5 trips per day • Enter in Step 1-Column B, 240 days • Enter in Step 1-Column C, 3 miles

Emission Reduction Inputs

Project Type/Workbook Name	Input Data Needed	Default Assumptions
Shuttles / Rail-Bus Integration / Transit Info Project Type =6, 10a, or 10b Workbook = Trip Reduction 08	**<u>Shuttle/Feeder Bus, Rail-Bus Integration, and Transit Information Systems</u>**	
	• # Years Effectiveness	• Cost Effectiveness Inputs, 1 year
	• # Trips/Day (1-way) eliminated trips	• Step 1-Column A, For on-going service, use survey results For new service, use 50% seating capacity (max.)
	• Days/Yr eliminated trips	• Step 1-Column B, Enter number of operating days. Default =254 days/yr.
	• Trip Length (1-way) eliminated trips. Average trip length that will be eliminated due to shuttle passengers taking BART or CalTrain before accessing the shuttle.	• Enter in Step 1-Column C, 16 miles (Avg.)
	• # Trips/Day (1-way) new trips to access transit	• Step 2-Column A, Default is 50% of # Trips/Day Eliminated (Step 1-Column A)
	• Days/Yr new trips	• Enter in Step 2-Column B, same # as in Step 1-Column B.
	• Trip Length (1-way) new trips. Average trip length of shuttle passengers that drive from home to the BART/CalTrain station.	• Enter in Step 2-Column C, default is 3 miles for home to rail trips
		For vans and shuttle vehicles, use Step 3A. *For buses, use Step 3B.*
	• Shuttle/vanpool vehicle gross vehicle weight (GVW)	• Step 3A - Column D, enter gross vehicle weight. (Default use 1 for Vanpool, 2 for Shuttle)
	• Vehicle fuel type • Model Year	• Step 3A - Column E, enter appropriate emission rating. Use the Default Baseline for gas or diesel powered vehicles (unless vehicle has been certified to ULEV or cleaner standard).
	• Total annual miles VMT = [length of shuttle/van trip (one-way)] X [# one-way trips per day] X [# days of service per year]	• Step 3A – Column F, No Default • Step 3B – Column D, Default = 1 • Step 3B – Column E, No Default

Emission Reduction Inputs

Project Type/Workbook Name	Input Data Needed	Default Assumptions
Arterial Management Project Type = 8a Workbook = Arterial Management 08	**Arterial Management**	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs: 2 yrs for signal timing/synchronization
	• Name of Arterial (not required)	• Enter under Column A the name of the arterial and the direction of travel.
	• Segment Length (miles)	• Enter under Column B the length of arterial over which speeds will be increased.
	• Days/Yr.	• Enter under Column C the number of days per year over which the project would affect traffic. Default equals 250 days.
	• Time Period (not required)	• Enter under Column D the time period over which the traffic volumes and speed will change (e.g. AM peak, 4-7 PM, etc.). Include all the hours in a period that will benefit, not just the peak hour.
	• Traffic Volume	• Enter under Column E the traffic volume before implementation of the project for the corresponding Time Period and direction of travel.
	• Traffic Speed w/o the Project	• Enter under Column F the average traffic speed along the length of the arterial before implementation of the project.
	• Travel Speed w/ Project	• Enter under Column G the average estimated traffic speed along the length of the arterial after implementation of the project. *Note: Maximum increase in speed is 25%.*
Smart Growth	**Smart Growth / Traffic Calming**	No default assumptions can be provided for "smart growth" or traffic calming projects.

Emission Reduction Inputs

Project Type/Workbook Name	Input Data Needed	Default Assumptions
	Arterial Management	
Clean Air Vehicles: Heavy-Duty Project Types = 1a, 1b, 1c, 1d, 1e, 2a, 2b, 2c, 2d, 2e, 3a, 3b, 3c, 3d, 3e, 15a, 15b, 15c, 15d, 15e, 16a, 16b, 16c, 16d Workbook = Heavy Duty Vehicles 08	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs: 10 yrs for new vehicles 7 yrs for repowers 5 yrs for retrofits
Clean Air Vehicles: Light-Duty Project Types = 4a, 4b, 4c, 4d, 4e Workbook = Light-Duty Vehicles 08	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs 5 years

IV. BAAQMD TRANSPORTATION GRANT PROGRAMS

Please see the Air District's web site, www.baaqmd.gov, for the latest information on grant and incentive programs.

Program	Contact Information	Eligibility	Specifics
Regional Fund (Competitive Program)	David Wiley 415-749-4622 dwiley@baaqmd.gov	Public Agencies; Private Entities (vehicle-based projects only)	Approximately $10 million available annually. Eligible project types set by statute include: ridesharing, shuttle services, clean air vehicle projects, bicycle facility improvements (via the Bicycle Facility Program), arterial management, and smart growth.
County Program Manager Fund	David Wiley 415-749-4622 dwiley@baaqmd.gov	Public Agencies; Private Entities (vehicle-based projects only)	Funds vary annually and by county, proportional to motor vehicle registrations in the county. Eligible project types include as above for Regional Fund. Funds are allocated by the nine Bay Area County Congestion Management Agencies.
Vehicle Buy Back Program	1-888-690-CASH grants@baaqmd.gov	Individuals	The District pays $650 to scrap your qualifying 1985 or older vehicle. **Voluntary program.**
Carl Moyer Program (funded by CARB)	Anthony Fournier 415-749-4961 afournier@baaqmd.gov	Public and Private Entities	Funds to retrofit, repower or replace heavy-duty equipment with cleaner engines and vehicles. Eligible equipment includes on-road, off-road, agricultural, airport ground support, forklifts, marine vessels, and others.
Lower-Emission School Bus Program	Geraldina Grünbaum 415-749-4956 ggrunbaum@baaqmd.gov	Public School Districts; School Transportation Contractors (retrofit program only)	This program has two components: 1) School bus replacement program 2) Retrofit program
Other TFCA-funded Programs			
Program	**Contact Information**	**Eligibility**	**Specifics**
Smoking Vehicle Program	1-800-EXHAUST www.baaqmd.gov/exhaust exhaust@baaqmd.gov	Anyone	Provide the license number, date, time, and place a smoking vehicle is spotted. The District sends a letter to the vehicle owner notifying them of the air quality consequences, warning them of possible citation, and encouraging vehicle repair.
Spare the Air	www.sparetheair.org	Anyone	Advisories available when particulate matter ($PM_{2.5}$) is predicted to be at concentrations unhealthy for the general public.

APPENDIX A

GUIDELINES FOR ELIGIBLE TFCA REIMBURSABLE COSTS

The Transportation Fund for Clean Air (TFCA) enabling legislation allows the vehicle registration fees collected for the program to be used for project implementation costs, as well as administrative project costs. Both project implementation costs and administrative project costs may be further divided into direct and indirect costs. This appendix provides guidance differentiating direct and indirect project implementation costs from direct and indirect administrative costs, as well as guidance on reporting and calculating these costs. The Air District will use the definitions and interpretations discussed below in the financial accounting of the TFCA program. The Air District conducts periodic audits on TFCA-funded projects to ensure that the TFCA funds have been spent in accordance with the guidelines established in this Appendix.

Although allowed, many project sponsors choose not to charge administrative project costs to the TFCA program. Project sponsors that choose to charge administrative project costs must comply with Health and Safety Code, Section 44233, as interpreted in this Appendix and TFCA County Program Manager Fund Policy #16 in this guidance document. The Health and Safety Code states that not more than five percent (5%) of the TFCA funds distributed by the Air District can be used for administrative project costs.

Project Implementation Costs

Project implementation costs are charges associated with implementing a TFCA-funded project and can encompass both direct and indirect costs.

Direct Project Implementation Costs

Direct project implementation costs include the following:

- Documented hourly labor charges (salaries, wages, and benefits) directly and solely related to implementation of the TFCA project,
- Capital costs,
- Capital equipment installation costs,
- Equipment maintenance costs,
- Shuttle driver labor costs,
- Labor costs related to capital purchases,
- Operator or personnel training directly related to project implementation,
- Contractor labor charges related to the TFCA project, and
- Overhead costs associated with the previously mentioned costs.

The direct project implementation costs that are approved by the Air District will be outlined in Attachment A of the Funding Agreement. The project sponsor may seek reimbursement for these costs by providing proper documentation with project invoices. Such documentation must show how the direct project implementation costs were calculated, for example, by listing the date when the hours were worked, employee job title, employee hourly pay rates, tasks, and total charges. Documentation of hourly charges may be provided with time sheets or any other generally accepted accounting method to allocate and document staff time.

TFCA funds may be used to pay for travel and training costs only if these costs are directly related to the implementation of the TFCA-funded project. For example, the cost of training mechanics to service natural gas clean air vehicles is an allowable direct project implementation cost.

Indirect Project Implementation Costs

Indirect project implementation costs are the reasonable overhead costs incurred to provide a physical place of work and other general support services and oversight related to the implementation of the TFCA-funded project. Indirect project implementation costs associated with implementing the project might include rent, utilities, office supplies, computer, payroll, reproduction, mailroom support staff, and management oversight. Although the Health and Safety Code is silent on the issue of indirect project implementation costs, the Air District will reimburse project sponsors for these costs provided the project sponsor requests and justifies the reimbursement in the grant application (Regional Fund) or Expenditure Program (County Program Manager Fund). The Air District guidance on calculating indirect project implementation costs are provided in the last section of this appendix. A project sponsor may choose not to charge any indirect project implementation costs to a TFCA project. The accounting methods used by many public agencies do not include identification of indirect project implementation costs or the application of an indirect cost rate. The agency may determine that it is not cost-effective to implement a new system.

Administrative Project Costs

Administrative project costs are the costs associated with the administration of a TFCA project, and do not include project capital or operating costs, as discussed above. The combined direct and indirect administrative project costs that are reimbursable to a project sponsor are limited to a maximum of five percent (5%) of the total TFCA funds received annually. For the County Program Manager program, the interest earned on prior DMV funds received shall not be included in the calculation of the administrative project costs.

All reimbursement of both direct and indirect administrative project costs must be requested and justified in writing in the project application (Regional Funds) or Expenditure Program (County Program Manager Funds). If administrative project costs are approved by the Air District, they will be identified in Attachment A of the Funding Agreement. The project sponsor may seek reimbursement for direct and indirect administrative project costs by providing proper documentation with project invoices.

Documentation for direct administrative project costs will show how these costs were calculated by listing the date when the hours were worked, employees' job titles, employees' hourly pay rates, tasks being charged, and total charges. Documentation of hourly charges may be provided with time sheets or any other generally accepted accounting method to allocate and document staff time. The Air District recommends that documentation of indirect administrative project costs use the methodology provided at the end of this appendix.

Administrative project costs are limited to the following:

- Direct and indirect costs associated with entering into a TFCA Funding Agreement, including documented hourly labor and overhead costs (salaries, wages, and benefits). Hourly labor charges must be expressed on the basis of hours worked on the TFCA project. Note that costs incurred in the preparation of a TFCA application are not eligible for reimbursement;
- Accounting for TFCA funds; and
- Fulfilling all monitoring, reporting, and record-keeping requirements specified in the TFCA Funding Agreement, including the preparation of quarterly reports, invoices, and final reports.

Reporting and Calculating Direct and Indirect Project Costs

The following methodology is recommended to determine direct and indirect costs for both Project Implementation and administrative project costs. In general, when expenses are shared among programs or functions within an organization, they are defined as indirect costs. Indirect costs are shared among TFCA and other programs in an organization, so they are not charged to TFCA in full, but pro-rated among the programs. The project sponsor must determine the proportion of indirect costs that each program should bear. The Air District relies on OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments for determining appropriate indirect costs for TFCA projects. The Air District uses the following definition, consistent with the Circular: "indirect costs are the reasonable overhead costs incurred in providing a physical place of work and in performing general support services and oversight. Examples include rent, utilities, office supplies, computer, payroll, reproduction, mailroom support staff, and management oversight."

The District recommends that the indirect costs for a TFCA project be estimated based on actual indirect cost rates from the most recent fiscal audit of the agency. The following method is recommended:

1. From the most recent fiscal audit of the agency, identify all of the activities carried on by the project sponsor, and their costs.
2. Classify the activities as project implementation costs or administrative project costs, using the definitions provided above.
3. Classify the TFCA Implementation and Administrative activities and estimate their costs as direct or indirect costs. Refer to OMB Circular A-87 for assistance.
4. Direct project implementation costs may be charged to the Air District as line items in project invoices. Note that these costs must be documented as explained above.

5. Direct administrative project costs may be charged to the Air District as line items in project invoices. Note that these costs must be approved in advance by the Air District, must be documented as explained above, and when combined with indirect administrative project costs, as calculated in 7b below, may not exceed the five percent (5%) cap.
6. Indirect project implementation costs and indirect administrative project costs may be charged to the Air District as separate line items in project invoices by multiplying the indirect cost rate(s) calculated below by the direct project implementation costs and the direct administrative project costs.
7. Indirect project implementation costs and indirect administrative project costs may be determined using the following method. This method assumes that the ratio of the indirect costs to total personnel expenses for all of an agency's activities is the same as for implementation of the TFCA project(s) by that agency. The most recent agency financial audit should be used as the source of costs in calculating the indirect cost rate(s) below. The indirect cost rate(s) based on costs in the most recent audit are applied to the direct project implementation costs and direct administrative project costs to calculate the indirect project implementation costs and indirect administrative project costs.
   a. The indirect project implementation costs and indirect administrative project cost rates may be calculated separately or the same rate may be used for both costs calculated from an agency's most recent financial audit and the following methodology:

      Step 1 - Remove from the agency's total indirect costs any capital purchases or other unallowable costs. Unallowable costs include functions unrelated to the implementation of projects.

      Step 2 - Calculate the agency's direct cost base as the total personnel expenses (all agency functions or programs) minus indirect personnel expenses (support functions or programs, unallowable personnel costs). Personnel expenses include salaries, wages, and benefits.

      Step 3 - Divide the total remaining indirect costs by the direct cost base.

$$\textbf{Indirect Cost Rate} = \frac{\textbf{(Total Indirect Costs – Capital Purchases, External Contracts, and Unallowable Costs)}}{\textbf{(Total Personnel Expenses – Indirect Personnel Expenses)}}$$

   b. The TFCA direct project implementation costs and direct administrative project costs multiplied by the indirect cost rates will equal the amount of indirect costs recoverable as part of the TFCA project implementation costs and administrative project costs. Both the indirect project implementation costs and indirect administrative project costs may be charged to the Air District as line items in project invoices.

Indirect Costs Recoverable From TFCA = TFCA Direct Costs (or Project Direct Costs) x Indirect Cost Rate

APPENDIX B

QUARTERLY FUNDING STATUS REPORT

Date: _____

TFCA Funds Reprogrammed

BAAQMD Project #	Project Sponsor	Project Name	TFCA Funds Allocated	TFCA Funds Reprogrammed	TFCA Funds Reprogrammed to (Project # or FY)	Project Name	Written Request Sent to District Yes/No	Comments

Note: Please provide information for all TFCA funds that were reprogrammed to another project or fiscal year

APPENDIX C

BOARD-ADOPTED TFCA COUNTY PROGRAM MANAGER FUND POLICIES FOR FY 2008/2009

The following policies apply only to the Transportation Fund for Clean Air (TFCA) County Program Manager Fund.

BASIC ELIGIBILITY

1. **Reduction of Emissions**: A project must result in the reduction of motor vehicle emissions within the Air District's jurisdiction to be considered eligible for TFCA funding. Projects that are subject to emission reduction regulations, contracts, or other legally binding obligations must achieve surplus emission reductions to be considered for TFCA funding. Surplus emission reductions are those that exceed the requirements of applicable State or federal regulations or other legally binding obligations at the time the Air District Board of Directors approves a grant award. Planning activities (e.g., feasibility studies) that are not directly related to the implementation of a specific project are not eligible for TFCA funding.

2. **TFCA Cost-Effectiveness:** The Air District will only approve grant awards for projects included in County Program Manager expenditure plans that achieve a TFCA cost-effectiveness, on an individual project basis, equal to or less than $90,000 of TFCA funds per ton of total reactive organic gases (ROG), oxides of nitrogen (NOx), and weighted particulate matter 10 microns in diameter and smaller (PM_{10}) emissions reduced ($/ton). TFCA County Program Managers' administrative costs are excluded from the calculation of TFCA cost-effectiveness.

3. **Viable Project:** Each grant application should clearly identify sufficient resources to complete the respective project. Grant applications that are speculative in nature, or contingent on the availability of unknown resources or funds, will not be considered for funding.

4. **Eligible Recipients:** TFCA grants may be awarded to public agencies and to non-public entities. Grant recipients must be responsible for the implementation of the project and have the authority and capability to complete the project. Non-public entities may only be awarded TFCA grants to implement certain clean air vehicle projects to reduce mobile source emissions within the Air District's jurisdiction for the duration of the useful life of the vehicle(s) or reduced emission equipment. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles.

   As a condition of receiving TFCA funds for projects sponsored by non-public entities, a County Program Manager must provide a written, binding agreement that commits the non-public entity to operate the clean air vehicle(s) within the Air District for the duration of the useful life of the vehicle(s) or reduced emission equipment.

5. **Public Agencies Applying on Behalf of Non-Public Entities:** A public agency may apply for TFCA funds for clean air vehicle projects on behalf of a non-public entity. As a condition of receiving TFCA funds on behalf of a non-public entity, the public agency shall provide a written, binding agreement that commits the non-public entity to operate the clean air vehicle(s) within the Air District for the duration of the useful life of the vehicle(s) or reduced emission equipment.

6. **Consistent with Existing Plans and Programs:** All projects must conform to the types of projects listed in the California Health and Safety Code Section 44241 and the transportation control measures and mobile source measures included in the Air District's most recently approved strategy(ies) for State and national ozone standards and, when applicable, with other adopted State and local plans and programs.

7. **Readiness:** A project will be considered for TFCA funding only if the project will commence in calendar year 2009 or sooner. For purposes of this policy, "commence" means to order or accept delivery of vehicles or other equipment being purchased as part of the project, to begin delivery of the service or product provided by the project, or to award a construction contract.

8. **Maximum Two Years Operating Costs:** TFCA grant applications that request operating funds to provide a service, such as ridesharing programs, bicycle stations, and shuttle and feeder bus projects, are eligible for funding for up to two years. Grant applicants who seek TFCA funds for additional years must re-apply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

9. **Failed Audit:** Project sponsors who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project will be excluded from future funding for five (5) years, or another 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 fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the project was not implemented as set forth in the project funding agreement.

10. **Signed Funding Agreement:** Only a fully executed funding agreement (i.e., signed by both the Air District and the County Program Manager) constitutes a final approval and obligation on the part of the Air District to fund a project. While the Air District Board of Directors approval of grant awards is necessary for the funding of a project, such approval does not constitute a final obligation on the part of the Air District to fund a project.

11. **Insurance:** Each County Program Manager and project sponsor must maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with estimated coverage amounts provided in Air District guidance and final amounts specified in the respective funding agreements.

INELIGIBLE PROJECTS

12. **Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects and therefore do not achieve additional emission reductions will not be considered for funding. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.

13. **Employee Subsidy:** Grant applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor will not be considered for funding. For projects that provide such subsidies, the direct or indirect financial transit or rideshare subsidy must be available, in addition to the employees of the project sponsor, to employees other than those of the project sponsor.

USE OF TFCA FUNDS

14. **Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project. For the purpose of calculating TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.

15. **Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.

16. **Administrative Costs:** administrative costs for TFCA County Program Manager Funds are limited to a maximum of five percent (5%) of the actual Department of Motor Vehicles (DMV) fee revenues that correspond to each county, received in a given year. Interest earned on prior DMV funds received shall not be included in the calculation of the administrative costs.

    All reimbursement with TFCA funds of administrative costs (i.e., direct and indirect) must be requested and justified in writing in the project application or expenditure plan, and approved in advance and in writing by 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 longer period is formally (i.e., in writing) approved in advance by the County Program Manager. A County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-year) schedule extensions for a project, and must notify the Air District of each extension. Any subsequent schedule extensions for projects can only be given if the Air District finds that significant progress has been made on a project, and written approval is received by the Program Manager from the Air District

18. **Payments:** TFCA funds may not be expended for the implementation of a project if: a) the corresponding funding agreement with the Air District has not been fully and properly executed, b) the costs were incurred (i.e., an obligation made to pay funds that cannot be refunded) before the date that the funding agreement with the Air District was executed, or c) the project is no longer eligible for TFCA funding (e.g., due to additional information becoming available after grant award approval by the Air District Board of Directors).

CLEAN AIR VEHICLE PROJECTS

19. **Non-public entities:** Non-public entities may only apply for funding for certain clean air vehicle projects. Non-public entities may not apply for light-duty vehicle projects. No single non-public entity may be awarded more than $500,000 in TFCA County Program Manager Funds for clean air vehicle projects in each funding cycle.

20. **Light-Duty Clean Air Vehicles**

    Eligibility: For TFCA purposes, light-duty vehicles are those with a gross vehicle weight (GVW) of 10,000 pounds or lighter. Only public agencies, including public agencies applying on behalf of non-public entities, are eligible for TFCA grants for light-duty vehicles. Light-duty chassis-certified vehicles certified by the California Air Resources Board (CARB) as meeting established super ultra low emission vehicle (SULEV), partial zero emission vehicle (PZEV), advanced technology-partial zero emission vehicle (ATPZEV), or zero emission vehicle (ZEV) standards are eligible for TFCA funding. Hybrid-electric vehicles that meet the SULEV, PZEV, AT-PZEV, or ZEV standards are eligible for TFCA funding. Gasoline and diesel light-duty vehicles are not eligible for TFCA funding. Vehicle infrastructure is not eligible for TFCA funding, except under Policy 24.

    Funding participation: Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of a clean air vehicle. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emissions standards and its new conventional vehicle counterpart that meets, but does not exceed, the emissions standards. Compliance with the TFCA cost-effectiveness requirement is not waived or altered by this policy.

21. **Heavy-Duty Clean Air Vehicles**

    Eligibility: For TFCA Purposes, heavy-duty vehicles are on-road motor vehicles with a GVW of 10,001 pounds or heavier. Vehicle infrastructure is not eligible for TFCA funding, except under Policy 24.

    Funding Participation: Project sponsors may be awarded TFCA funds to cover no more than the incremental cost of the new clean air vehicle. This includes public transit agencies that have elected to pursue the alternative fuel path under CARB's urban transit bus regulation. Incremental cost is the difference in the purchase or lease price of the new clean air vehicle that surpasses the applicable emission standards, and its new diesel counterpart that meets, but does not exceed, the emission standards. Compliance with the cost-effectiveness requirement is not waived or altered by this policy.

Scrapping Requirements: Project sponsors of heavy-duty vehicles purchased or leased with TFCA funds that have model year 1993 or older heavy-duty diesel vehicles in their fleet are required to scrap one model year 1993 or older heavy-duty diesel vehicle for each new vehicle purchased or leased with TFCA funds. Project sponsors with model year 1994 and newer vehicles in their fleet may, but are not required to, scrap an existing operational model year 1994 or newer heavy-duty diesel vehicle within their fleet. Emission reductions associated with scrapping an existing operational diesel vehicle will be factored into the calculations of the overall cost-effectiveness for the project. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

22. Reducing Emissions from Existing Heavy-Duty Diesel Engines:

Options available to reduce emissions from existing heavy-duty diesel engines include:

a) Repowers – To be eligible for TFCA funding, the new engine selected to repower an existing heavy-duty vehicle must reduce emissions by at least 15% compared to the direct exhaust emission standards of the existing engine that will be replaced.

b) Diesel Emission Control Strategies – Diesel emission control strategies compatible with existing heavy-duty diesel engines are eligible for TFCA funding, subject to the conditions described below:

   1) All control strategies must be verified by CARB to reduce emissions from the relevant engine;
   2) TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the emission control strategy; and
   3) The project sponsor must install the highest level (i.e., most effective) diesel emission control strategy that is verified by CARB for the specific engine.

c) Clean Fuels or Additives – Clean fuels or additives compatible with existing heavy-duty engines are eligible for TFCA funding, subject to the conditions described below:

   1) All clean fuels or additives must be approved by CARB to reduce emissions and for use with the relevant engine; and
   2) TFCA will fund, at most, the incremental cost (over what is standard or required by regulation) of the clean fuel or additive.

d) Replacement of Compressed Natural Gas (CNG) Fuel Tanks – the replacement of CNG fuel tanks will only be considered for projects that achieve surplus emissions via repowers or emission control strategies, described in a) and b) above.

23. Bus Replacements: For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than fifteen (15) persons, including the driver. A vehicle designed, used, or maintained for carrying more than ten (10) persons, including the driver, which is used to transport persons for compensation or profit, or is used by any nonprofit organization or group, is also a bus. A vanpool vehicle is not considered a bus.

24. **Advanced Technology Demonstration Projects:** Vehicle-based advanced technology demonstration projects (i.e., technologies, motor vehicles and/or emission control devices not authorized by CARB) are eligible for TFCA funding. Such projects are subject to the TFCA cost-effectiveness requirement, and grant applications for such projects must include best available data that can be used to estimate the cost-effectiveness of such projects. For motor vehicles, only projects that achieve emissions performance beyond CARB's most stringent adopted regulatory requirements are eligible for funding under this category. For infrastructure projects, only applications that include vehicles and that include advanced infrastructure technology not currently being implemented in the Bay Area qualify for funding.

SHUTTLE/FEEDER BUS SERVICE PROJECTS

25. **Shuttle/Feeder Bus Service:** Shuttle/feeder bus service projects are those requesting funds to operate a shuttle or feeder bus route. The service route must go to or from a rail station, airport, or ferry terminal, and the project must:

    a) Be submitted by a public transit agency; or

    b) Be accompanied by documentation, from the General Manager of the transit agency that provides service in the area of the proposed shuttle route, which demonstrates that the proposed shuttle service does not duplicate or conflict with existing transit agency revenue service.

    All shuttle/feeder bus service to rail or ferry stations must be timed to meet the rail or ferry lines being served.

    Independent (non-transit agency) shuttle/feeder bus projects that received TFCA funding prior to FY 2007/08 and obtained a letter of support from all potentially affected transit agencies need not comply with b) above unless funding is requested for a new or modified shuttle/feeder bus route.

    All vehicles used in any shuttle/feeder bus service must meet the applicable CARB particulate matter (PM) standards for public transit fleets. For the purposes of TFCA funding, shuttle projects comply with these standards by using one of the following types of shuttle/feeder bus vehicles:

    a) an alternative fuel vehicle (CNG, liquefied natural gas, propane, electric);

    b) a hybrid-electric vehicle;

    c) a post-1994 diesel vehicle and a diesel emission control strategy verified by CARB to reduce emissions from the relevant engine; or

    d) a post-1989 gasoline-fueled vehicle.

    No other types of vehicles, except for those listed in a) through d) immediately above, are eligible for funding as shuttle/feeder bus service projects.

BICYCLE PROJECTS

26. Bicycle Projects: New bicycle facility projects that are included in an adopted countywide bicycle plan or Congestion Management Program (CMP) are eligible to receive TFCA funds. For purposes of this policy, if there is no adopted countywide bicycle plan, the project must be in the county's CMP, or the responsible Congestion Management Agency must provide written intent to include the project in the next update of the CMP. Eligible projects are limited to the following types of bicycle facilities for public use: a) new Class-1 bicycle paths; b) new Class-2 bicycle lanes; c) new Class-3 bicycle routes; d) bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels; e) bicycle lockers; f) attended bicycle storage facilities; g) the purchase of bicycles, mounted equipment required for the intended service, and helmets; and g) development of a region-wide web-based bicycle trip planning system. All bicycle facility projects must, where applicable, be consistent with design standards published in Chapter 1000 of the California Highway Design Manual.

ARTERIAL MANAGEMENT PROJECTS

27. Arterial Management: Arterial management grant applications must specifically identify a given 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 funding. Incident management projects on arterials are eligible to receive TFCA funding. Transit improvement projects include, but are not limited to, bus rapid transit and transit priority projects. For signal timing projects, TFCA funds may only be used for local arterial management projects where the affected arterial has an average daily traffic volume of 20,000 motor vehicles or more, or an average peak hour traffic volume of 2,000 motor vehicles or more.

SMART GROWTH PROJECTS

28. Smart Growth/Traffic Calming: Physical improvements that support development projects and/or calm traffic, resulting in motor vehicle emission reductions, are eligible for TFCA funds, subject to the following conditions: a) the development project and the physical improvements must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, traffic-calming plan, or other similar plan; and b) the project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District strategy for State and national ozone standards. Pedestrian projects are eligible to receive TFCA funding. Traffic calming projects are limited to physical improvements that reduce vehicular speed by design and improve safety conditions for pedestrians, bicyclists or transit riders in residential and retail areas.

APPENDIX D

INSURANCE GUIDELINES

This appendix provides guidance on the insurance coverage and documentation typically required for TFCA Program Manager Fund projects. Note that the Air District reserves the right to specify different types or levels of insurance in the funding agreement.

The typical funding agreement requires that each project sponsor provide documentation showing that the project sponsor meets the following requirements for each of its projects. The Program Manager is not required to meet these requirements itself, unless it is acting as a project sponsor.

1. **Liability Insurance** with a limit of not less than $1,000,000 per occurrence, of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, vessels, engines or equipment operated by the Project Sponsor.

2. **Property Insurance** in an amount of not less than the insurable value of Project Sponsor's vehicles, vessels, engines or equipment funded under the Agreement, and covering all risks of loss, damage or destruction of such vehicles, vessels, engines or equipment.

3. **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A, VII. The Air District may, at its sole discretion, waive or alter this requirement or accept self-insurance in lieu of any required policy of insurance.

Below is a table listing the types of insurance coverage generally required for each project type. The requirements may differ in specific cases. Program Managers should contact their Air District liaison with questions, especially about unusual projects.

County Program Manager Fund Contract Activity	Insurance Required
Vehicle Purchase	Automobile Liability Automobile Physical Damage
Engine Repowers/Retrofits	Automobile Liability Automobile Physical Damage
Operation of shuttle from transit hubs to private business and other locations	Commercial General Liability Automobile Liability Automobile Physical Damage
Transit pass subsidy or commute incentives	None
Transit Marketing Program	Commercial General Liability

County Program Manager Fund Contract Activity	Insurance Required
Guaranteed Ride Home Program	None
Bicycle Facilities, including bike paths, bike lanes (either striping and signs or construction of roadway shoulders) bike routes, bike lockers, bike racks.	Commercial General Liability Automobile Liability (when construction or lane striping is done by truck)
Bike racks and lockers	None
Constructing a bike/pedestrian overpass	Commercial General Liability Automobile Liability Workers Compensation
Signal timing	Commercial General Liability

APPENDIX E

[SAMPLE] PROJECT INFORMATION

A. Project Number: 08CA01 B. Project Sponsor: City of Clean Air

C. Project Contact: Jane Doe D. Contact Phone #: (012) 345-6789

E-mail: janedoe@cleanair.ci.ca.us

E. Project Title: Class-2 Bicycle Lanes – Main Street

F. TFCA $ Allocated: $ 95,000 G. Total Project Cost: $ 200,000

Other Funding:	Amount	Source
	$105,000	City of Clean Air

H. Project Description: (Include sufficient information regarding what, how many, frequency, location, expectations, length, size of target population, etc. as appropriate for the evaluation of emission reductions and for use in a binding contract. Do not include extraneous details that may trigger contract amendments due to inconsequential changes. Background information or justification should be brief.)

City of Clean Air will install Class-2 bicycle lanes on a 2.0 mile segment of Main Street, between Broadway and First Street. The project will require widening the paved roadway surface (to eight feet wide) to provide adequate width for the bicycle lanes. The City will stripe and sign approximately two miles of bicycle lanes. The approximate widths will be: a nine-feet parking lane, a four-foot bicycle lane, and an eleven-foot travel lane in each direction.

This segment of the bicycle lanes is part of the Countywide Bicycle Plan and will eliminate the last remaining gap in bicycle lanes on Main Street between First Street corridor and Last Street corridor. This project will support increase in bicycle activity on Main Street and enhance safety for the bicyclists and pedestrians.

The project is scheduled to start on November 1, 2008, with construction phase lasting from November 1, 2008 to February 1, 2009. The post-construction data collection will begin on about April 1, 2009 for the Final Report to be submitted on January 1, 2010.

I. Project Schedule: Start Date (mo/yr) November 1, 2008 Final Report Due Date (mo/yr) August 1, 2010

J. Final Report Content: Complete and submit Project Monitoring Form 3, Bicycle Projects

K. Attach copy of cost-effectiveness worksheet and any other information required to evaluate the proposed project; for example, for heavy-duty vehicle projects, include the CARB Executive Orders.

L. Comments (if any):