



Memorandum

Date: June 20, 2018
To: Transportation Authority Board
From: Anna LaForte – Deputy Director for Policy and Programming
Subject: 07/10/18 Board Meeting: Approve Part 1 of the Fiscal Year 2018/19 Transportation Fund for Clean Air Program of Projects, Programming \$444,503 to Five Projects

<p>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> • Approve Part 1 of the Fiscal Year (FY) 2018/19 Transportation Fund for Clean Air (TFCA) Program of Projects, Programming \$444,503 to Five Projects: <ul style="list-style-type: none"> ○ Emergency Ride Home (\$50,734 to San Francisco Environment) ○ Ford GoBike Memberships for San Francisco State University (SFSU) Students (\$56,500 to SFSU) ○ Bike Cage at SFSU Thornton Hall (\$40,069 to SFSU) ○ Off-Street Car Share Electrification DC Fast Chargers (\$127,200 to EVgo) ○ Grace Cathedral DC Fast Chargers (\$170,000 to ABM Parking Service) • Place \$319,740 in FY 2018/19 TFCA funds on reserve, to be programmed following a second call for projects <p>SUMMARY</p> <p>As the San Francisco TFCA County Program Manager, the Transportation Authority annually develops the Program of Projects for San Francisco’s share of TFCA funds. Funds come from a portion of a \$4 vehicle registration fee in the Bay Area and are used for projects that reduce motor vehicle emissions. For FY 2018/19, we are recommending fully funding five of the six project applications received. We are not recommending the San Francisco Municipal Transportation Agency’s Dynamic Carpool Pickup Curbs project because it does not meet the Air District’s cost-effectiveness eligibility screening threshold for ridesharing projects and thus is not eligible for TFCA funds.</p> <p>We will issue an additional call for projects for the remaining \$319,740. The Board must approve programming of these funds by November 2, 2018.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Fund Allocation <input checked="" type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contracts <input type="checkbox"/> Procurement <input type="checkbox"/> Other: <hr/>
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DISCUSSION

Background.

The TFCA Program was established to fund the most cost-effective transportation projects that achieve emission reductions from motor vehicles in accordance with the Bay Area Air Quality Management District’s (Air District) Clean Air Plan. Funds are generated from a \$4 surcharge on the vehicle registration fee collected by the Department of Motor Vehicles on motor vehicles registered in the nine Bay Area counties. Forty percent of the revenues are distributed on a return-to-source basis to Program Managers for each of the nine counties in the Air District. The Transportation Authority is the designated County Program Manager for the City and County of San Francisco. The remaining sixty percent of the revenues, referred to as the TFCA Regional Fund, are distributed to applicants from the nine Bay Area counties via programs administered by the Air District.

On March 2, 2018 we issued the FY 2018/19 TFCA San Francisco County Program Manager call for projects. We received six project applications by the April 20, 2017 deadline, requesting \$1,209,996 in TFCA funds compared to \$764,243 available.

Available Funds.

As shown in the table below, the amount of available funds is comprised of estimated FY 2018/19 TFCA revenues, interest income, and de-obligated funds from completed and canceled prior-year TFCA projects.

Estimated TFCA Funds Available for Projects FY 2018/19	
Estimated TFCA Revenues (FY 2018/19)	\$759,899
Interest Income	\$1,549
De-obligated Funds from Prior Cycles	\$50,289
Total Funds	\$811,737
6.25% Administrative Expense	(\$47,494)
Total Available for Projects	\$764,243

After netting out 6.25% for Transportation Authority staff administrative expenses as allowed by the Air District, the estimated amount available to program to projects is \$764,243.

Prioritization Process.

We evaluated the TFCA project applications following the Board adopted prioritization process for developing the TFCA Program of Projects shown in Attachment 1. The first step involved screening projects to ensure eligibility according to the Air District’s TFCA guidelines. One of the most important aspects of this screening was ensuring a project’s cost effectiveness (CE) ratio was calculated correctly and was low enough to be eligible for consideration. The Air District’s CE ratio, described in detail in Attachment 1, is designed to measure the cost effectiveness of a project in reducing air pollutant emissions and to encourage submittal of projects that leverage funds from non-TFCA sources. CE ratio limits vary by project type: for 2018/19 the limit for Ridesharing Projects, which encompasses transit and transportation demand management projects, is \$150,000 per ton of emissions reduced, the limit for the Bicycle Projects and Alternative Fuel Infrastructure categories is \$250,000 per ton of emissions reduced.

We performed our review of the CE ratio calculations in consultation with project sponsors and the Air District. The focus was to ensure that the forms were completed correctly, that values other than default values had adequate justification, and that assumptions were consistently applied across all project applications for a fair evaluation. Inevitably, as a result of our review, we had to adjust some of the submitted CE worksheets. In these cases, we worked with the project sponsor to determine the correct CE ratio and whether or not it exceeded the Air District's CE threshold.

We then prioritized projects that passed the eligibility screening using factors such as project type (e.g., first priority to zero emission projects), cost effectiveness, program diversity, project delivery (i.e., readiness), and other considerations (e.g., a sponsor's track record for delivering prior TFCA projects). Our prioritization process also considered carbon dioxide (CO₂) emissions reduced by each project. CO₂ emissions are estimated in the Air District's CE worksheets but are not a factor in the CE calculations.

Staff Recommendation.

We are recommending programming a total of \$444,503 to five of the six candidate projects and placing the remaining \$319,740 on reserve to be programmed through a subsequent call for projects. Attachment 2 contains two tables: projects recommended for funding and projects not recommended for funding. Both tables include a brief project description, total project cost, the amount of TFCA funds requested, the cost-effectiveness ratio, and other information.

Of the five projects recommended for funding, three are zero emissions non-vehicle projects, which is the top priority project type in the Board-adopted prioritization criteria, and two are electric vehicle infrastructure projects. The Off-Street Car Share Electrification DC Fast Chargers project, recommended for \$127,200, requires a policy waiver from the Air District to allow the chargers to be dedicated for carshare vehicles instead of publicly available to any electric vehicle. We are optimistic that we will receive the waiver from the Air District in Fall 2018. If the waiver is not approved by the Air District, we will add the funds to the reserve for reprogramming.

The San Francisco Municipal Transportation Agency's (SFMTA's) Dynamic Carpool Pickup Curbs project does not meet the Air District's cost-effectiveness threshold for ridesharing projects and thus is not eligible for TFCA funds. The project is primarily focused on increasing eastbound carpools in the evening commute across the Bay Bridge, and to meet cost-effectiveness guidelines would have to almost double the total number of current casual carpool users. The project would provide little to no cost-saving or time-saving incentives to encourage single-occupant vehicle drivers to carpool, as the project would primarily offer convenient pickup spots to encourage carpooling in the evening commute. People joining new carpools in the evening commute would likely be current transit riders, in which case these new carpools would not reduce emissions from car trips. The SFMTA is considering requesting Prop K funds to further develop and implement the project through the underway 5-Year Prioritization Program update.

Additional Call for Projects.

We anticipate releasing the additional call for projects in July 2018 to program the remaining \$319,740 in San Francisco TFCA funds. We have already begun working with project sponsors to identify potential TFCA project candidates. We plan to present a recommendation to the CAC in September and Board in October 2018.

Schedule for Funds Availability.

We expect to enter into a master funding agreement with the Air District by August 2018 after which we will issue grant agreements for the recommended FY 2018/19 TFCA funds. Pending timely review

Agenda Item 13

and execution of the grant agreements by the Air District and project sponsors, we expect funds to be available for expenditure beginning in September 2018.

FINANCIAL IMPACT

The estimated total budget for the recommended FY 2018/19 TFCA program is \$811,737. This includes \$764,243 for projects and \$47,494 for administrative expenses. Revenues and expenditures for the TFCA program are included in the proposed Transportation Authority's FY 2018/19 budget, which will be considered for adoption by the Transportation Authority Board on June 26, 2018.

CAC POSITION

The CAC will be briefed on this item at its June 27, 2018 meeting.

SUPPLEMENTAL MATERIALS

Attachment 1 - FY 2018/19 TFCA Local Expenditure Criteria

Attachment 2 - FY 2018/19 TFCA Program of Projects – Detailed Staff Recommendation

Attachment 3 - FY 2018/19 TFCA Program of Projects – Summary of Staff Recommendation



Attachment 1

Fiscal Year 2018/19 Transportation Fund for Clean Air (TFCA)

LOCAL EXPENDITURE CRITERIA (Adopted 2/27/2018)

The following are the Fiscal Year 2018/19 Local Expenditure Criteria for San Francisco's TFCA County Program Manager Funds.

ELIGIBILITY SCREENING

In order for projects to be considered for funding, they must meet the eligibility requirements established by the Air District's TFCA County Program Manager Fund Policies for Fiscal Year 2018/19. Consistent with the policies, a key factor in determining eligibility is a project's cost effectiveness (CE) ratio. The TFCA CE ratio is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. TFCA funds budgeted for the project are divided by the project's estimated emissions reduction. The estimated reduction is the weighted sum of reactive organic gases (ROG), oxides of nitrogen (NO_x), and particulate matter (PM) emissions that will be reduced over the effective life of the project, as defined by the Air District's guidelines.

TFCA CE is calculated by inputting information provided by the applicant into the Air District's CE worksheets. Transportation Authority staff will be available to assist project sponsors with these calculations, and will work with Air District staff and the project sponsors as needed to verify reasonableness of input variables. The worksheets also calculate reductions in carbon dioxide (CO₂) emissions, which are not included in the Air District's official CE calculations, but which the Transportation Authority considers in its project prioritization process.

Consistent with the Air District's Guidelines, in order to be eligible for Fiscal Year 2018/19 TFCA funds, a project must meet the CE ratio for emissions (i.e., ROG, NO_x, and PM) reductions as specified in the guidelines for each project type. Projects that do not meet the appropriate CE threshold cannot be considered for funding.

PROJECT PRIORITIZATION

Candidate projects that meet the cost effectiveness thresholds will be prioritized for funding based on the two-step process described below:

Step 1 - TFCA funds are programmed to eligible projects, as prioritized using the Transportation Authority Board-adopted Local Priorities (see next page).

Step 2 – If there are TFCA funds left unprogrammed after Step 1, the Transportation Authority will work with project sponsors to develop additional TFCA candidate projects. This may include refinement of projects that were submitted for Step 1, but were not deemed eligible, as well as new projects. This approach is in response to an Air District policy that does not allow County Program Managers to rollover any unprogrammed funds to the next year's funding cycle. If Fiscal Year 2018/19 funds are not programmed within 6 months of the Air District's approval of San Francisco's funding allocation, expected in June 2018, funds can be redirected (potentially to non-San Francisco projects) at the Air

District's discretion. New candidate projects must meet all TFCA eligibility requirements and will be prioritized based on the Transportation Authority Board's adopted Local Priorities.

Local Priorities

The Transportation Authority's Local Priorities for prioritizing TFCA funds include the following factors:

Project Type – In order of priority:

- 1) Zero emissions non-vehicle projects including, but not limited to, bicycle and pedestrian facility improvements, transit priority projects, traffic calming projects, and transportation demand management projects;
- 2) Shuttle services that reduce vehicle miles traveled (VMT);
- 3) Alternative fuel vehicles and alternative fuel infrastructure; and
- 4) Any other eligible project.

Emissions Reduced and Cost Effectiveness – Priority will be given to projects that achieve high CE (i.e. a low cost per ton of emissions reduced) compared to other applicant projects. The Air District's CE worksheet predicts the amount of reductions each project will achieve in ROG, NO_x, PM, and CO₂ emissions. However, the Air District's calculation only includes the reductions in ROG, NO_x, and PM per TFCA dollar spent on the project. The Transportation Authority will also give priority to projects that achieve high CE for CO₂ emission reductions based on data available from the Air District's CE worksheets. The reduction of transportation-related CO₂ emissions is consistent with the City and County of San Francisco's 2013 *Climate Action Strategy*.

Project Readiness – Priority will be given to projects that are ready to proceed and have a realistic implementation schedule, budget, and funding package. Projects that cannot realistically commence in calendar year 2019 or earlier (e.g. to order or accept delivery of vehicles or equipment, begin delivery of service, award a construction contract, start the first TFCA-funded phase of the project) and be completed within a two-year period will have lower priority. Project sponsors may be advised to resubmit these projects for a future TFCA programming cycle.

Program Diversity – Promotion of innovative TFCA projects in San Francisco has resulted in increased visibility for the program and offered a good testing ground for new approaches to reducing motor vehicle emissions. Using the project type criteria established above, the Transportation Authority will continue to develop an annual program that contains a diversity of project types and approaches and serves multiple constituencies. The Transportation Authority believes that this diversity contributes significantly to public acceptance of and support for the TFCA program.

Other Considerations – Projects that are ranked high in accordance with the above local expenditure criteria may be lowered in priority or restricted from receiving TFCA funds if either of the following conditions applies or has applied during Fiscal Years 2016/17 or 2017/18:

- **Monitoring and Reporting** – Project sponsor has failed to fulfill monitoring and reporting requirements for any previously funded TFCA project.
- **Implementation of Prior Project(s)** – Project sponsor has a signed Funding Agreement for a TFCA project that has not shown sufficient progress; the project sponsor has not implemented the project by the project completion date without formally receiving a time extension from the Transportation Authority; or the project sponsor has violated the terms of the funding agreement.

Attachment 2

San Francisco County Transportation Authority

Draft Fiscal Year 2018/2019 TFCA Program of Projects – Detailed Staff Recommendations

PROJECTS RECOMMENDED FOR TFCA FUNDS [sorted by cost-effectiveness (CE) ratio]										
No.	Sponsor ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
1	SFE	Emergency Ride Home - Provides a free or low cost ride home in cases of emergency for employees who use alternative modes to get to work. The ride comes in the form of taxi, carshare or rental car reimbursement to employees of businesses participating in the program when a supervisor-approved unscheduled overtime or an emergency situation occurs. This program provides one year of funding for processing employer registrations and reimbursements.	Citywide	1	Yes	\$15,064	1,814.2	\$50,734	\$50,734	\$ 50,734
2	SFSU	Ford GoBike Memberships for SF State Students - San Francisco State University is requesting funds for a 2-year pilot program that will provide free "Bike Share for All" memberships to Ford GoBike for up to 400 Pell Grant-eligible students at San Francisco State University. It will also provide 150 free yearly passes for students and 300 single month passes for students who are not Pell-Grant eligible.	7	1	No	\$73,416	311.5	\$56,500	\$56,500	\$ 56,500
3	SFSU	Bike Cage at SF State Thornton Hall - The Thornton Hall bicycle storage cage will provide secure storage for 118 bicycles. The cage will use an automated door with card access to provide 24-hour access. SF State affiliates will gain access using their campus ID cards and members of the public will be able to request a card for access. The locker will contain racks, basic repair tools and an air pump.	7	1	Yes	\$225,521	71.9	\$40,069	\$40,069	\$ 40,069
4	EVgo	Off-Street Car Share Electrification - DC Fast Chargers - SFE is collaborating with EVgo, an electric car charger operator, and Maven, a carshare company, to provide the first all-electric carshare vehicle option in San Francisco. This project would provide 2 DC Fast Chargers at a to be determined location in central San Francisco for Maven carshare vehicles. EVgo will work with SFE and the Planning Department to identify the two designated car share spaces. Requires TFCA Policy Waiver - Funding this project requires a waiver from the Bay Area Air Quality Management District to allow the chargers to be dedicated for carshare vehicles instead of publicly available to any electric vehicle. Electric carshare vehicles require that the charger be available once the user returns the car to the designated carshare parking spot. A decision on the waiver is expected in Fall 2018. If the waiver is not approved by the Air District, we will add the funds to the reserve for reprogramming.	TBD	3	No	\$239,735	544.1	\$182,200	\$127,200	\$ 127,200

Attachment 2
 San Francisco County Transportation Authority
 Draft Fiscal Year 2018/2019 TFCA Program of Projects – Detailed Staff Recommendations

PROJECTS RECOMMENDED FOR TFCA FUNDS [sorted by cost-effectiveness (CE) ratio]										
No.	Sponsor ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
	ABM Parking 5 Service	Grace Cathedral DC Fast Chargers - The Grace Cathedral parking garage has 120 self park spaces. The garage is used by monthly parkers, tourists, church members, employees of the Cathedral and neighboring businesses. Grace Cathedral would install two DC Fast chargers for electric vehicles. The chargers would be installed near existing power panels (1200 AMPS). The chargers would be available seven days a week.	3	3	No	\$246,203	708.1	\$170,000	\$170,000	\$ 170,000
TOTAL								\$499,503	\$444,503	\$444,503

Total TFCA Funding Available for Projects: \$764,243

Reserve (to be programmed through a second call for projects and approved by the Board by November 2, 2018) \$ 319,740

Attachment 2
 San Francisco County Transportation Authority
 Draft Fiscal Year 2018/2019 TFCA Program of Projects – Detailed Staff Recommendations

TABLE B. PROJECTS NOT RECOMMENDED FOR TFCA FUNDS

No.	Sponsor ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
1	SFMTA	<p>Dynamic Carpool Pickup Curbs - Project would create new passenger pickup curb zones in the downtown that provide safe, convenient and preferential locations for drivers to pick up passengers traveling eastbound on the Bay Bridge primarily during the evening commute. Project seeks to reduce travel times, idling, and conflicts with public transit, pedestrians and cyclists. Beyond promoting traditional casual carpool activity, these curb zones could stimulate the adoption of smartphone carpool matching services and make carpooling a more convenient option.</p> <p>Project Does Not Meet CE Ratio Requirement, Making It Ineligible to Receive Funds: To be cost-effective, the project would need to result in nearly double the number of current casual carpool users, which is unlikely given that there is no cost-savings or time-savings incentives to encourage single-occupant vehicle drivers to carpool. In addition, the people joining new carpools in the evening commute are likely to be transit riders, in which case these new carpools would not reduce emissions from car trips.</p>	3, 6	2 or 4	Yes	\$237,480	1733.6	\$3,443,674	\$764,243	\$ -
Total:									\$	-

Project Exceeds Air District's \$150,000 per ton of emissions reduced threshold for rideshare projects and is therefore, ineligible to receive funds.

¹ Sponsor acronyms include Department of the Environment (SFE), San Francisco Municipal Transportation Agency (SFMTA) and San Francisco State University (SFSU).
² Priority based on project type is established in the Local Expenditure Criteria, with zero-emissions non-vehicle projects as the highest priority, followed by shuttle services, followed in turn by alternative fuel vehicle projects, and finally any other eligible project.
³ The TFCA cost effectiveness ratio (CE) is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. CE ratio limits vary by project type: for FY 18/19 the limit for Ridesharing/Trip Reduction Projects, which encompasses Emergency Ride Home, Ford GoBike memberships for SFSU Students, and Dynamic Carpool Pickup Curbs is \$150,000 per ton of emissions reduced, and the limit for the Bicycle Projects and Alternative Fuel Infrastructure categories is \$250,000 per ton of emissions reduced.
⁴ CO₂ Reduction is based on tons of carbon dioxide reduced over the lifetime of the project. This figure is calculated in the cost effectiveness worksheet.

Attachment 3
San Francisco County Transportation Authority
Fiscal Year 2018/19 Transportation Fund for Clean Air County Program Manager Fund
Summary of Draft Recommendations

RECOMMENDED PROJECTS (sorted by cost-effectiveness (CE) ratio)				
Sponsor²	Project	Total Project Cost	TFCA Requested	TFCA Recommended
SFE	Emergency Ride Home	\$50,734	\$50,734	\$50,734
SFSU	Ford GoBike memberships for SF State Students	\$56,500	\$56,500	\$56,500
SFSU	Bike Cage at SF State Thornton Hall	\$40,069	\$40,069	\$40,069
EVgo	Off-Street Car Share Electrification (DC Fast Chargers)	\$182,200	\$127,200	\$127,200
ABM Parking Service	Grace Cathedral Electric Car Chargers	\$170,000	\$170,000	\$170,000
	Totals:	\$499,503	\$444,503	\$444,503

Total TFCA Funding Available for Projects: **\$764,243**

Reserve (to be programmed through a second call for projects and approved by the Board by November 2, 2018) **\$319,740**

¹Projects are listed in ranked order by cost-effectiveness ratio.

²See Attachment 2 for acronyms and other notes.