San Francisco County Transportation Authority
1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

AGENDA

PLANS AND PROGRAMS COMMITTEE
Meeting Notice

Date: Tuesday, February 14, 2017; 10:00 a.m.

Location: Committee Room 263, City Hall

Commissioners: Tang (Chair), Farrell (Vice Chair), Breed, Safai, Sheehy and Peskin (Ex Officio)

Clerk: Steve Stamos

Page

1. Roll Call

2. Citizens Advisory Committee Report – INFORMATION* 5

3. Approve the Minutes of the January 17, 2017 Meeting – ACTION* 15

4. Recommend Allocation of $4,456,324 in Prop K Funds and $2,540,359 in Prop AA Funds, with Conditions, for Five Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules – ACTION* 17

As summarized in Attachments 1 and 2, we have five requests totaling $6,996,683 in Prop K and Prop AA funds to present to the Plans and Programs Committee. The San Francisco Municipal Transportation Agency (SFMTA) has requested Prop K funds for two projects: $797,000 for the construction phase of bicycle, pedestrian, and traffic calming improvements along the residential portion of the Wiggle bicycle route between the Church/Duboce and Fell/Scott intersections; and $100,000 to leverage a $300,000 Caltrans Planning Grant for an extensive community planning process to develop neighborhood greenway designs along three key corridors in District 11. San Francisco Public Works (SFPW) has requested $80,000 in Prop K funds to design pathways to help bicyclists and pedestrians safely navigate the western entrance to the Bayshore Boulevard/Cesar Chavez Street/Potrero Avenue intersection (The Hairball). SFPW has also requested funds for two pavement renovation projects: $3,479,324 in Prop K funds for the construction phase of the Filbert & Leavenworth Streets Pavement Renovation project, and $2,540,359 in Prop AA funds for pavement renovation on Brannan Street from The Embarcadero to 10th Street/Division Street/Potrero Avenue intersection.

5. Recommend Adoption of the Fiscal Year 2017/18 Transportation Fund for Clean Air Local Expenditure Criteria – ACTION* 25

Transportation Fund for Clean Air (TFCA) funds come from a $4 per vehicle surcharge collected by the California Department of Motor Vehicles on motor vehicle registrations in the nine-county Bay Area region. A portion of the funds (40 percent) is available to each county on a return-to-source basis from the Bay Area Air Quality Management District (Air District). These funds are used to implement strategies to improve air quality by reducing motor vehicle emissions in accordance with the Air District's Clean Air Plan. As the Program Manager for the City and County of San Francisco, the Transportation Authority is required to adopt Local Expenditure Criteria for the programming of the local TFCA funds. Our proposed Fiscal Year (FY) 2017/18 Local Expenditure Criteria (Attachment 1) are the same as those used in past cycles and are consistent with the Air District's TFCA policies for FY 2017/18. The criteria establish a clear prioritization methodology for applicant projects, including project types ranked by local priorities, emissions reduced, program diversity, project readiness, and past project sponsor

delivery. Following Board approval of the Local Expenditure Criteria, we plan to issue the FY 2017/18 call for projects by March 7 and anticipate having approximately $724,500 to program to projects.

6. Recommend Adoption of the One Bay Area Grant Program Cycle 2 San Francisco Call for Projects Framework – ACTION* 81

This is the second cycle of the Metropolitan Transportation Commission's (MTC's) One Bay Area Grant program (OBAG 2) for which the Transportation Authority has $44.2 million to program over the next five fiscal years (2017/18–2021/22). The OBAG program directs federal funding to projects and programs that integrate the region's transportation program with California's climate law and Plan Bay Area, the Regional Transportation Plan/Sustainable Communities Strategy. About 45% of OBAG funds are directed to congestion management agencies (CMAs), such as the Transportation Authority. Provided that the CMAs comply with rather extensive OBAG requirements (such as requiring that at least 70% of San Francisco OBAG funds must be invested in our Priority Development Areas shown in Attachment 1), CMAs have flexibility to program funds to a wide variety of project types from transit capacity and enhancement projects to pedestrian and bicycle safety projects to street resurfacing. For San Francisco's $44.2 million, we propose assigning $1.9 million for CMA planning activities (consistent with Cycle 1, augmenting the base amount of CMA planning funds we receive from MTC), $1.797 million for Safe Routes to School (MTC-guaranteed minimum) with priority to non-infrastructure projects (which have limited discretionary funding opportunities), and the remaining $40.489 million for a competitive call open to all OBAG-eligible projects. In addition to MTC's required selection criteria, we propose retaining most of the Board-approved OBAG Cycle 1 criteria and adding new criteria that reflect the City's growing need to address core capacity and reliability improvements. Approval of the proposed approach will allow us to release the call for projects in early March 2017. The recommended project list would come back to the to the Board for approval in June, enabling us to submit with the list and related documentation to MTC by its July deadline.

7. Presentation on Regional Measure 3 – INFORMATION* 95

One of our key work program items this calendar year is providing input on San Francisco's project priorities for a potential toll increase (known as Regional Measure 3 or RM3) on the Bay Area's seven state-owned toll bridges. The Metropolitan Transportation Commission (MTC) is contemplating placing RM3 on either the June or November 2018 ballot in all nine Bay Area counties. RM3 would increase the tolls on the region's state-owned toll bridges by $1-3, potentially generating $1.7-$5 billion through a 25-year capital bond for projects that help relieve congestion on the toll bridge corridors. As a fee, a simple majority of voters would be needed to approve the measure. The Bay Area congestion management agencies (CMAs) and transit agencies have been asked to provide input into the toll program of projects. At the Plans and Programs Committee meeting we will provide background information on existing bridge tolls in the region, an update on the legislative process for RM3 (e.g., it requires state legislative authorization), and MTC's proposed RM3 principles. We will also provide some initial thoughts on a policy framework to guide San Francisco RM3 advocacy and on a list of potential RM3 priority projects. We anticipate returning to the Board next month to endorse a San Francisco RM3 policy framework and a draft list of San Francisco RM3 priorities. In the meantime, we are continuing to coordinate with San Francisco agencies (particularly the San Francisco Municipal Transportation Agency), regional transit operators and other transportation agencies that serve San Francisco to help develop a common advocacy strategy for RM3. We have included in this agenda packet the RM3 materials that MTC Commissioners discussed at their November retreat, which provide a good overview of the topic.

8. Introduction of New Items – INFORMATION

During this segment of the meeting, Committee members may make comments on items not specifically listed above, or introduce or request items for future consideration.

9. Public Comment

10. Adjournment

* Additional materials

Please note that the meeting proceedings can be viewed live or on demand after the meeting at www.sfgovtv.org. To know the

exact cablecast times for weekend viewing, please call SFGovTV at (415) 554-4188 on Friday when the cablecast times have been determined.

The Legislative Chamber (Room 250) and the Committee Room (Room 263) in City Hall are wheelchair accessible. Meetings are real-time captioned and are cablecast open-captioned on SFGovTV, the Government Channel 26. Assistive listening devices for the Legislative Chamber and the Committee Room are available upon request at the Clerk of the Board's Office, Room 244. To request sign language interpreters, readers, large print agendas or other accommodations, please contact the Clerk of the Authority at (415) 522-4800. Requests made at least 48 hours in advance of the meeting will help to ensure availability.

The nearest accessible BART station is Civic Center (Market/Grove/Hyde Streets). Accessible MUNI Metro lines are the F, J, K, L, M, N, T (exit at Civic Center or Van Ness Stations). MUNI bus lines also serving the area are the 5, 6, 7, 9, 19, 21, 47, and 49. For more information about MUNI accessible services, call (415) 701-4485.

There is accessible parking in the vicinity of City Hall at Civic Center Plaza and adjacent to Davies Hall and the War Memorial Complex. Accessible curbside parking is available on Dr. Carlton B. Goodlett Place and Grove Street.

In order to assist the Transportation Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at all public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the Transportation Authority accommodate these individuals.

If any materials related to an item on this agenda have been distributed to the Plans and Programs Committee after distribution of the meeting packet, those materials are available for public inspection at the Transportation Authority at 1455 Market Street, Floor 22, San Francisco, CA 94103, during normal office hours.

Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign & Governmental Conduct Code Sec. 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the San Francisco Ethics Commission at 25 Van Ness Avenue, Suite 220, San Francisco, CA 94102; telephone (415) 252-3100; fax (415) 252-3112; website www.sfethics.org.

This Page Intentionally Left Blank

San Francisco County Transportation Authority
1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

DRAFT MINUTES

CITIZENS ADVISORY COMMITTEE

Wednesday, January 25, 2017

1. Committee Meeting Call to Order

Chair Waddling called the meeting to order at 6:05 p.m.

CAC members present were Myla Ablog, Santiago Lerma, Jacqualine Sachs, Peter Sachs, Peter Tannen, Chris Waddling, Bradley Wiedmaier and Shannon Wells-Mongiovi (8). Brian Larkin entered during Item 7.

Transportation Authority staff members present were Seon Joo Kim, Anna LaForte, Maria Lombardo and Mike Pickford.

2. Chair's Report – INFORMATION

Chair Waddling reported that at the January 24, 2017 Board meeting Commissioner Peskin was elected Chair and Commissioner Tang was elected Vice Chair. He said the Treasure Island Mobility Management Authority Board also met briefly and elected Commissioner Kim Chair and Commissioner Yee Vice Chair. He announced that the Transportation Authority's 2016 Annual Report would be published soon and read an excerpt from Board Chair Peskin's press release regarding enhancements to the Transportation Authority's project oversight function. Chair Waddling announced that at the February CAC meeting there would be presentations on the impacts on congestion by transportation network companies (as requested by Bradley Wiedmaier), on draft recommendations from the Late Night Working Group (as requested by Jackie Sachs), and on the status of the Central Subway project. Finally, he announced two upcoming workshops organized by the Metropolitan Transportation Commission for the Bay Area Core Transit Core Capacity Study.

There was no public comment.

3. Election of Chair and Vice Chair for 2017 – ACTION

Chair Waddling announced that at the November 30, 2016 CAC meeting, nominations were held for the positions of CAC Chair and Vice Chair for 2017. He said that for the Chair seat, he was the only member nominated and therefore eligible to be elected, while for the Vice Chair seat, Peter Sachs and Bradley Wiedmaier were nominated.

Chair Waddling opened public comment for the election of Chair, which there was none.

The motion to elect Chris Waddling as Chair was approved by the following vote:

Ayes: CAC Members Ablog, Lerma, J. Sachs, P. Sachs, Tannen, Wiedmaier and Wells-Mongiovi (7)

Abstain: Waddling (1)

Absent: CAC Members Hogue, Larkin and Larson (3)

Chair Waddling opened public comment for the election of Vice Chair, to which there was none.

The motion to elect Bradley Wiedmaier as Vice Chair was not approved by a majority of the

CAC Members.

The motion to elect Peter Sachs as Vice Chair was not approved by a majority of the CAC Members.

Since neither of the nominees received a majority of the vote, Chair Waddling continued the item to the February 22 CAC meeting to allow absent CAC members to vote.

Shannon Wells-Mongiovi requested that the Vice Chair nominees speak about their interests and qualifications prior to the election of Vice Chair at the next CAC meeting.

Consent Calendar

4. **Approve the Minutes of the January 11, 2017 Special Meeting – ACTION**
5. **State and Federal Legislative Update – INFORMATION**
6. **Accounting Report and Investment Report for the Six Months Ending December 31, 2016 – INFORMATION**

There was no public comment

Peter Tannen moved to approve the item, seconded by Shannon Wells-Mongiovi.

The Consent Calendar was approved by the following vote:

Ayes: CAC Members Ablog, Lerma, J. Sachs, P. Sachs, Tannen, Waddling, Wiedmaier and Wells-Mongiovi (8)

Absent: CAC Members Hogue, Larkin and Larson (3)

End of Consent Calendar

7. **Adopt a Motion of Support for the Allocation of $4,306,324 in Prop K Funds and $2,540,359 in Prop AA Funds, with Conditions, for Five Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules – ACTION**

Anna LaForte, Deputy Director for Policy and Programming, presented the item per staff memorandum.

Peter Sachs asked why permeable pavement was planned for only three segments of the Wiggle project. Craig Raphael with the San Francisco Municipal Transportation Agency (SFMTA) replied that the Wiggle was one of the first projects in the City to include that feature, which was included as a kind of pilot project to be replicated elsewhere in the City if successful. He said available funding may also have been a constraint. Mr. Sachs asked if there were plans to construct the improvements labeled on the Hairball project map as Segments B, C and E. Ms. LaForte replied that the 2012 Cesar Chavez East Community Design Plan recommended prioritizing Segments F, G, M and N, and that those were the segments prioritized for funding by the Neighborhood Transportation Improvement Program. She said however that the Board had expressed interest in funding more of the recommended improvements.

Peter Tannen asked about the criteria for selecting the intersections in the Wiggle project that would be improved with raised crosswalks. Mr. Raphael replied that stormwater drainage considerations limited the locations, since the raised walkways could obstruct runoff. Mr. Tannen asked about the public outreach for the traffic diverter planned for the southwest corner of Scott and Fell Streets; as he pointed out that the city had a history of unsuccessful traffic diverters. Mr. Raphael said that outreach had been done for the traffic diverter, which was part of an attempt to improve bicycle safety by compensating for the heavy southbound traffic flows on Scott Street, and that the SFMTA had recently implemented "Green Wave" traffic timing on Divisadero Street in anticipation of increased vehicle flows on that corridor. He added that the

SFMTA would evaluate the success of the strategy after it was fully implemented. Mr. Tannen requested a copy of the improvement plans for Segments M, N and O on the Hairball project map. Ms. LaForte said staff would provide a copy of the report presented to the Plans and Programs Committee.

Santiago Lerma asked about maintenance funding for the proposed greenways, noting that some recent greenscape improvements appeared neglected. Ms. LaForte said that in general a maintenance plan and any necessary commitments were required to be in place prior to construction. Rachel Alonso with San Francisco Public Works (SFPW), acknowledged that enforcement of maintenance agreements was a problem and that the City was learning from past experiences. She said a draft Memorandum of Understanding between SFPW and SFMTA included a provision that the lead agency for installing public improvements would be responsible for ensuring that they were maintained. She added that it was her understanding that the San Francisco Public Utilities Commission would have primary responsibility for maintenance of the Greenways project.

Shannon Wells-Mongiovi asked if any Spanish language or Chinese language groups would be included in the outreach efforts for the District 11 Neighborhood Greenways project. Mr. Raphael replied in the affirmative, and said the SFMTA had worked with People Organizing to Demand Environmental and Economic Rights (PODER) during preparation of the Caltrans planning grant for the project.

Chair Waddling asked how street segments were prioritized for re-paving, and asked if geographic equity was a criterion. Ramon Kong with SFPW, replied that SFPW used five criteria which were applied dynamically. He said the criteria included (1) functional classification, since heavily used streets experience more wear; (2) Pavement Condition Index (PCI) score, with high-scoring segments receiving micro-surfacing and the lowest scoring segments requiring complete reconstruction; (3) geographic equity to try to ensure equitable street quality city-wide, though he noted that the most heavily used streets required more frequent repair regardless of location; (4) project readiness, i.e. ensuring that pavement repairs are coordinated with ancillary projects such as utility, complete streets and transit improvements; and (5) public requests to correct safety-related problems such as drainage, potholes, and storm damage. Myla Ablog expressed interest in the design of the permeable paving to be included along the Wiggle. Ms. LaForte said detailed design was complete and the specifications should be available.

Chair Waddling asked about a previous request by the SFMTA for funds to re-paint green boxes and sharrows along the Wiggle on pavement that was in poor condition. Mr. Raphael said that as he recalled, the CAC had expressed concern about coordination between SFPW's paving program and SFMTA's maintenance of street markings, and said he could provide a more complete response by email.

Bradley Wiedmaier asked if the Wiggle project included new signage to warn motorists on the Oak/Fell Street corridor about the bicycle corridor crossings. Mr. Raphael said he was not aware of any new signage planned as part of the project. Ms. Sachs recommended that the SFMTA consider including multi-lingual signage where the Wiggle crossed the Oak/Fell Street corridor because it was the main artery for access to the University of California, San Francisco medical center on Parnassus Street. Mr. Raphael responded that in general SFMTA traffic engineers favored street design elements over street signs as a more effective way of encouraging safe behavior by drivers. He said the SFMTA had conducted studies showing that driver response to road signs tended to be low, partly because the signs added to the visual overload along roadsides.

Mr. Wiedmaier asked what kinds of street design elements might be preferred to street signs. Mr.

Raphael said street elements such as bulbouts that would force drivers to be more cautious when making turns, raised crosswalks to make pedestrians more visible, and head-start indicators at crosswalks were all treatments that were generally preferred over street signs. Ms. Sachs said it was important to consider emergency responders and the disabled community when designing street improvements.

Mr. Wiedmaier asked why bulbouts were included at the Wiggle crossing on Fell Street but not on Oak Street. Mr. Raphael said his understanding was that the bulbouts planned for the Wiggle were mainly intended to slow bicyclists and make pedestrians more visible to them. He said bicycle traffic turning onto Scott Street from Fell Street had been identified as more of a problem than turns onto Scott Street from Oak Street since the latter crossing was a continuation of a straight segment of the bicycle route.

There was no public comment

Brian Larkin moved to approve the item, seconded by Myla Ablog.

The item was approved by the following vote:

Ayes: CAC Members Ablog, Larkin, Lerma, J. Sachs, P. Sachs, Tannen, Waddling, Wiedmaier and Wells-Mongiovi (9)

Absent: CAC Members Hogue and Larson (2)

8. Adopt a Motion of Support for Authorization to Borrow up to $46,335,835, to a Total Amount Not to Exceed $140,000,000 from the Revolving Credit Agreement with State Street Public Lending Corporation – ACTION

Cynthia Fong, Deputy Director for Finance and Administration, presented the item per the staff memorandum.

Peter Sachs asked if the agency was planning to issue a bond this year or in the future, and whether approving the item would speed up or slow down the need for a bond. Ms. Fong replied that the item would slow down the need for a bond, and that implementing the short term facility would be a bridge enabling the agency to access funding quickly, providing time for the agency to issue a bond or other financing instrument. She said that if the agency was going to issue a bond it would likely be in Fiscal Year 2017/18.

During public comment, Edward Mason asked what the anticipated cost of the interest rate would be. He asked if the agency had considered a sinking funding whereby funds were set aside so that funds would not need to be borrowed in order to avoid financing costs. He said he recognized that this only short-term financing but that in the big picture the funds would not be available for physical assets that could be purchased with the funds paid toward interest. Ms. Fong replied that staff was not able to forecast what the interest rate would be if it were to issue a bond but noted that the City and County of San Francisco recently issued a Geo-Bond with an interest rate of 2.91%. She said staff was currently looking at interest rates of 4% but that it would be hard to estimate going forward, and noted that the agency currently had an interest rate of 0.73%. Ms. Fong said the agency had considered not issuing any type of financial instrument but that the tradeoff was that it wouldn't be able to advance projects and provide the public benefits as soon as it was currently able to.

Maria Lombardo, Chief Deputy Director, added that the agency did not take issuing debt lightly and acknowledged Mr. Mason's good questions. She noted that Prop K provided funds over a 30-year period and gave an example of how a pay as you go approach didn't work so well, specifically citing an example wherein the San Francisco Municipal Transportation Agency had a unique opportunity to exercise options to purchase new light rail vehicles, enabling it to lock in a

better price and to deliver new vehicles sooner.

Jacqualine Sachs moved to approve the item, seconded by Peter Sachs.

The item was approved by the following vote:

Ayes: CAC Members Ablog, Lerma, J. Sachs, P. Sachs, Tannen, Waddling, Wiedmaier and Wells-Mongiovi (8)

Absent: CAC Members Hogue, Larkin and Larson (3)

9. Adopt a Motion of Support for the Adoption of the Fiscal Year 2017/18 Transportation Fund for Clean Air Local Expenditure Criteria – ACTION

Mike Pickford, Transportation Planner, presented the item per staff memorandum.

Peter Sachs asked if Electric Vehicle (EV) infrastructure was eligible, to which Mr. Pickford responded that a public entity could apply for Transportation Fund for Clean Air (TFCA) funding for EV infrastructure in a publicly accessible location or for the City fleet.

Chair Waddling asked if a private entity would be eligible to apply for a bike share project. Mr. Pickford responded that only public entities were eligible applicants, so a public entity could apply if it desired to launch a bike share project, especially at locations where Bay Area Bike Share was not established. Chair Waddling expressed his support for the revision in the Fiscal Year 2017/18 policies that allowed upgrades to an existing bicycle facility.

There was no public comment.

Peter Tannen moved to approve the item, seconded by Peter Sachs.

The item was approved by the following vote:

Ayes: CAC Members Ablog, Lerma, J. Sachs, P. Sachs, Tannen, Waddling, Wiedmaier, and Wells-Mongiovi (8)

Absent: CAC Members Hogue, Larkin, and Larson (3)

10. Adopt a Motion of Support for the Adoption of the One Bay Area Grant (OBAG) Program Cycle 2 San Francisco Call for Projects Framework – ACTION

Amber Crabbe, Assistant Deputy Director for Policy and Programming, presented the item per the staff memorandum.

Bradley Wiedmaier asked how geographic equity would be considered. Ms. Crabbe responded that the OBAG program focused on investments in Priority Development Areas, but in developing recommendations staff would consider growth challenges across the City. Maria Lombardo, Chief Deputy Director, added that the OBAG project recommendations would also look at the pending Proposition AA and TFCA project recommendations to consider geographic equity across all three grant programs since each fund source came with different requirements and some were better fits for certain kinds of projects than others.

During public comment, Edward Mason asked why growth wasn't paying its fair share, and why the infrastructure couldn't be funded through the recently-approved Transportation Sustainability Fee. Ms. Crabbe said that jurisdictions were struggling with this issue across the region, since planning and constructing transportation is best done before the growth happens. Ms. Lombardo observed that most projects currently in the City's development pipeline were approved prior to approval of the Transportation Sustainability Fee, but going forward, the idea was that development would do a better job contributing its fair share.

Brian Larkin moved to approve the item, seconded by Jacqualine Sachs.

The item was approved by the following vote:

Ayes: CAC Members Ablog, Hogue, Larkin, Larson, Lerma, J. Sachs, Wells-Mongiovi, Waddling and Wiedmaier (9)

Absent: CAC Members P. Sachs and Tannen (2)

11. Presentation from the San Francisco Municipal Transportation Agency on Bus and Train Bunching – INFORMATION

Jeffrey Flynn, Acting Chief Transit Officer at the San Francisco Municipal Transportation Agency (SFMTA), presented the item.

Peter Tannen asked how many street supervisors would be put into place as a result of staff reassignments and how that compared to historic staffing. Mr. Flynn replied that historically there were many vacancies for that job, but with new job classes at the Transportation Management Center (TMC), many staff that had formerly worked at Operations Central Control would be reclassed, resulting in a 20% increase in street staff. Mr. Tannen asked what supervisors could do when they identified a poor performing bus line. Mr. Flynn replied that interventions were intended to minimize the impact on customers while getting buses spaced out along the route. He said that part of the solution was focusing on maintaining evenly spaced headways, rather than sticking to scheduled times, but that it took time and staff training to make sure this concept could be implemented.

Bradley Wiedmaier asked if the TMC had the ability to control traffic signals. Mr. Flynn said that it did not, but that there would hopefully be additional control over signals with the implementation of the SF Go project. He said that the goal of ramping up transit signal priority (TSP) was more aspirational at this point. Mr. Wiedmaier said that bus bunching seemed worse at peak travel times and asked if there was really anything that could be done to improve bunching at rush hour. Mr. Flynn replied that there was a standard toolbox of interventions when bunching occurred, including sending empty buses directly to the end of a line or holding some buses back. He said that the SFMTA needed to be more proactive about repositioning its resources including sending parking control officers (PCOs) to bottlenecks to direct traffic, especially when there was an incident, such as a collision.

Myla Ablog asked about retraining for bus operators as it sometimes seemed up to the operator whether to decide that a bus was full and bypass additional passengers. Mr. Flynn replied that the new computer aided dispatch/automatic vehicle locator (CAD/AVL) system could tell when a bus was full and provide passenger counts to the SFMTA in real time so that operators did not need to notify supervisors. He said that they were in the process of retraining 2,500 operators on the new system and that they had retrained 1,800 so far. He said that, in the past, operators would give up on trying to get assistance from Operations Central Control because the radio connection quality was so poor, but that now operators that are on vehicles equipped with the new radio system could get clear and quick responses from TMC staff.

Santiago Lerma asked if the new light-rail cars would allow for longer trains and what the passenger capacity was for the new trains. Mr. Flynn said that he believed the capacity of the new trains was similar or slightly higher than the current trains. He said that in the subway, SFMTA was planning to run three- and four-car shuttles, but that on the street in the western part of the city the length of blocks limited the length of the trains. He said that SFMTA staff was working on streetscape changes to allow three-car trains on lines like the N-Judah without the train blocking an intersection, and added that the T-Third was designed for two-car trains.

Chair Waddling asked if the new train cars would be focused on specific lines or spread around. Mr. Flynn replied that they would be focused on lines that had the most crowding issues, while

ensuring equitable service across the city. He said that the T-Third line would get two-car trains as soon as Central Subway opened. Peter Sachs said that the SFMTA should maintain a culture of experimentation, continuing to make changes on the fly to see what works and what doesn't, especially if the new systems allowed for additional flexibility.

Jacqualine Sachs said that she saw a picture of the interior of a new train car and was upset that it only had bench seating along the sides and focused on providing more room for people to stand. Mr. Flynn said that there was an extensive public outreach campaign across the city with mock train cars that passengers could try. He said that based on public input the SFMTA decided to go with bench seating.

Mr. Tannen asked whether outbound trains could be assigned to different lines as they started off from Embarcadero Station in order to maintain evenly spaced headways. Mr. Flynn replied that because the Muni train system operated in mixed flow traffic and was susceptible to traffic delays it led to uneven service coming into the subway. He said that he would like to see dynamically reassigned trains at the Embarcadero Station to take that situation into account, rather than assigning each operator to a certain line for the day, but that that was an aspirational goal. He said that most of the rail lines, except for the KT, were approximately the same length and had similar cycle times, so that it could be possible to rebalance lines across the system. He said this was something that the SFMTA needed to get better at and do more of.

Mr. Wiedmaier said that with increasing congestion South of Market, bus lines in the area were not keeping to schedules and asked if there was flexibility to route bus lines around Bay Bridge traffic. He also said that he supported bus rapid transit (BRT) in dense areas, such as the Van Ness corridor, but he asked if BRT infrastructure made it more difficult to have buses pass one another to reduce bunching. Mr. Flynn said it depended on how the BRT was designed and that if there were two parallel bus lanes with no barrier between them, then buses could pass one another when there was an opening in oncoming traffic. He said that there could be an impact on flexibility, but that the dedicated lanes would hopefully help the bus lines to function better to start with. In terms of bus lines affected by traffic, he said that the SFMTA changed schedules and other aspects of bus lines on a quarterly basis, but that they tried not to shift buses from one line onto another line if they were simply stuck in traffic. He said that one tool available was to have standby buses at strategic locations throughout the city that could be redeployed. He said that as the SFMTA returned to full operator staffing over the next few months, they would look at doing more staging of standby buses.

Mr. Sachs asked if there was space at West Portal station to board or de-board multiple trains at once. Mr. Flynn replied that as part of the Twin Peaks Tunnel track replacement project, the SFMTA would look at ways to reduce train congestion at West Portal. He said that one factor was trains switching from automatic train control to operator control at that location. He also said that the intersection at West Portal had a stop sign that did not allow giving priority to transit.

During public comment, Edward Mason asked if the SFMTA knew what the top five causes of bus bunching were. He also asked if the SFMTA could have a sign on buses that said "Coach Following" to let riders know that if a crowded bus did not stop for them, there would be another bus coming shortly thereafter. Mr. Flynn replied that the top reasons for bus bunching included incidents on buses, crowding, and traffic. He said that on bus lines with high frequencies, such as the 38, a very slight delay could lead to bunching. He noted that the "Coach Following" sign sounded like a great idea.

12. **Update on Caltrain Service Changes from the Peninsula Corridor Electrification Project – INFORMATION**

Catherine David and Casey Fromson, from Caltrain, presented the item.

Peter Sachs asked if Caltrain would provide special service to San Francisco Giants home games after the interim weekend service schedule had been implemented. Ms. David said Caltrain would continue to provide service to special events, and that when the Giants publish its season schedule Caltrain would publish a brochure and web page for special service to games.

Chair Waddling asked if the interim schedule would revert to normal service on completion of construction. Ms. David replied that as soon as construction and testing were completed the schedule would revert back. Ms. Fromson added that completion of the project would provide an opportunity for Caltrain to revamp the entire schedule to utilize the faster train speeds and shorter dwell times to increase service frequency. She confirmed that the reduced weekend service would be required for about three years.

Peter Tannen asked if it was correct that 12 to 15 trains per day would require passengers to transfer at the Redwood City station. Ms. David replied that was correct since Caltrain offered three kinds of service, each with a different number of stops. She said the transfers gave passengers flexibility to choose a train with the fewest stops that would still get them to their destinations.

Shannon Wells-Mongiovi noted that Caltrain ridership had been increasing and asked how Caltrain expected ridership to be affected during and after the interim schedule. Ms. David replied that Caltrain would continue the popular baby bullet service and was looking into the possibility of using full-length six-car trains for every weekend run to accommodate enough passengers. Ms. Fromson pointed out that most of the ridership increase had been during weekday commute hours, which would not be affected by the interim schedule, so Caltrain was not expecting to see a major dip in ridership. Ms. Wells-Mongiovi commented that she strongly supported the electrification project.

There was no public comment.

13. Introduction of New Business – INFORMATION

Chair Waddling asked for a future presentation by the Port on how its purview of transportation demand management relates to that of the Transportation Authority and how the two agencies coordinate their efforts.

Jacqualine Sachs said she would like a presentation on the study requested by Commissioner Tang to explore the idea of partnerships with private shuttle services to provide transportation options for K-5 students.

Bradley Wiedmaier expressed concern that the CAC did not get a chance to consider the Geary Bus Rapid Transit Project Final Environmental Impact Report, since the 17-day comment period occurred over the December holiday recess.

There was no public comment.

14. Public Comment

During public comment, Edward Mason presented a written listing of 44 violations by private commuter shuttle services in the Noe Valley neighborhood during December 2016. He said violations included idling, blocking Muni vehicles, mid-block discharge of passengers, and operating without a California license or commuter shuttle placard.

Jacqualine Sachs recommended that the City install traffic signals at the intersections of 11th and Market Streets and 9th Avenue and Clement Street. Chair Waddling asked if there was a better way to submit requests for new traffic signals. Maria Lombardo, Chief Deputy Director, said

that staff would be happy to relay Ms. Sachs' request to SFMTA's signals group and have SFMTA staff follow-up.

15. Adjournment

The meeting was adjourned at 8:22 p.m.

This Page Intentionally Left Blank

San Francisco County Transportation Authority

1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

DRAFT MINUTES

PLANS AND PROGRAMS COMMITTEE
Tuesday, January 17, 2017

1. Roll Call

Chair Tang called the meeting to order at 10:04 a.m. The following members were:

Present at Roll Call: Commissioners Safai, Sheehy and Tang (3)

Absent at Roll Call: Commissioners Breed and Farrell (2)

2. Citizens Advisory Committee Report – INFORMATION

Chris Waddling, Chair of the Citizens Advisory Committee (CAC), reported that at its January 11 special meeting, the CAC considered and passed Item 4 from the agenda.

There was no public comment.

3. Approve the Minutes of the December 6, 2016 Meeting – ACTION

There was no public comment.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Safai, Sheehy and Tang (3)

Absent: Commissioners Breed and Farrell (2)

4. Recommend Allocation of $653,101 in Prop K Funds, with Conditions, to the Bay Area Rapid Transit District for the Balboa Park Station Eastside Connections – Additional Scope Project, Subject to the Attached Fiscal Year Cash Flow Distribution Schedule – ACTION

Mike Pickford, Transportation Planner, presented the item per the staff memorandum.

Chair Tang asked Mr. Pickford to address the cost increases mentioned in Mr. Waddling's CAC report. Mr. Pickford replied that the work under consideration was a contract option that was separate from other aspects of the project. He said that previous lower cost estimates for the overall project presented to the Board were less completely developed than the current estimate, and that the current level of construction activity throughout the city had resulted in higher costs for many projects.

Anna LaForte, Deputy Director for Policy and Programming, added that the base contract had been bid on over a year prior. She said that staff discussed project costs with BART staff and that they said higher costs for the overall project were due to the added scope of the contract option under consideration as well as the bidding environment at the time that the contract was put out for bid. She said that the construction costs were typical for recent contracts and that there were also corresponding increases in contingency costs when a project scope was increased.

Commissioner Tang asked about concerns that the CAC had related to the architectural design of the station. Ms. LaForte replied that BART staff said that there had been many discussions related to the design with the architect of the station additions and that it was agreed that the station needed a "front door" access point. She said that the discussions also conclude that a glass structure would be appropriate for the largely concrete station structure.

Commissioner Safai said that he thought the project was an important step to open up a poorly designed station, especially to provide pedestrian access.

During public comment, Chris Waddling said that he had spoken to the architect who designed the new station features included in the project. He said the design for the greenhouse was based on the brutalist work of the architect James Stirling, whose glass structures responded to their often overcast weather settings. He said the shape and material of the new glass roof would provide an opposite complement to the heavy forms of the existing station. He said the architect considered the passions of the original station architect, Ernest Born, and thought Born would have considered the new design an aesthetic foil to the heavy massing of the original design.

Chair Tang said that she thought almost any change would look better than the current conditions.

The item was approved without objection by the following vote:

Ayes: Commissioners Safai, Sheehy and Tang (3)

Absent: Commissioners Breed and Farrell (2)

5. Introduction of New Items – INFORMATION

There were no new items introduced.

6. Public Comment

During public comment, Andrew Yip commented on the openness of the human heart.

7. Adjournment

The meeting was adjourned at 10:19 a.m.

San Francisco County Transportation Authority
1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

Memorandum

Date: 02.07.17 **RE:** Plans and Programs Committee February 14, 2017

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Breed, Safai, Sheehy and Peskin (Ex Officio)

From: Anna LaForte – Deputy Director for Policy and Programming

Through: Tilly Chang – Executive Director

Subject: ACTION – Recommend Allocation of $4,456,324 in Prop K Funds and $2,540,359 in Prop AA Funds, with Conditions, for Five Requests, Subject to the Attached Fiscal Year Cash Flow Distribution Schedules

Summary

As summarized in Attachments 1 and 2, we have five requests totaling $6,996,683 in Prop K and Prop AA funds to present to the Plans and Programs Committee. The San Francisco Municipal Transportation Agency (SFMTA) has requested Prop K funds for two projects: $797,000 for the construction phase of bicycle, pedestrian, and traffic calming improvements along the residential portion of the Wiggle bicycle route between the Church/Duboce and Fell/Scott intersections; and $100,000 to leverage a $300,000 Caltrans Planning Grant for an extensive community planning process to develop neighborhood greenway designs along three key corridors in District 11. San Francisco Public Works (SFPW) has requested $80,000 in Prop K funds to design pathways to help bicyclists and pedestrians safely navigate the western entrance to the Bayshore Boulevard/Cesar Chavez Street/Potrero Avenue intersection (The Hairball). SFPW has also requested funds for two pavement renovation projects: $3,479,324 in Prop K funds for the construction phase of the Filbert & Leavenworth Streets Pavement Renovation project, and $2,540,359 in Prop AA funds for pavement renovation on Brannan Street from The Embarcadero to 10th Street/Division Street/Potrero Avenue intersection.

BACKGROUND

We have received five requests for a total of $4,456,324 in Prop K funds and $2,540,359 in Prop AA Funds to present to the Plans and Programs Committee at its February 14, 2017 meeting, for potential Board approval on February 28, 2017. As shown in Attachment 1, the requests come from the following Prop K and Prop AA categories:

- Prop K Street Resurfacing, Rehabilitation, and Maintenance
- Prop K Traffic calming
- Prop K Pedestrian Circulation/Safety
- Prop K Transportation / Land use Coordination
- Prop AA Street Repair & Reconstruction

Transportation Authority Board adoption of a 5-Year Prioritization Program (5YPP) for Prop K and Prop AA programmatic categories is a prerequisite for allocation of funds from these categories.

DISCUSSION

The purpose of this memorandum is to present four Prop K requests totaling $4,456,324 and one Prop AA request totaling $2,540,359 to the Plans and Programs Committee and to seek a recommendation to allocate the funds as requested. Attachment 1 summarizes the five requests, including information on proposed leveraging (i.e. stretching Prop K dollars further by matching them with other fund sources) compared with the leveraging assumptions in the Prop K Expenditure Plan. Attachment 2 provides a brief description of each project. A detailed scope, schedule, budget and funding plan for each project are included in the enclosed Allocation Request Forms.

Staff Recommendation: Attachment 3 summarizes the staff recommendations for the requests, highlighting special conditions and other items of interest.

Transportation Authority staff and project sponsors will attend the Plans and Programs Committee meeting to provide brief presentations on some of the specific requests and to respond to any questions that the Committee may have.

ALTERNATIVES

1. Recommend allocation of $4,456,324 in Prop K funds and $2,540,359 in Prop AA funds, with conditions, for five requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, as requested.
2. Recommend allocation of $4,456,324 in Prop K funds and $2,540,359 in Prop AA funds, with conditions, for five requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its January 25, 2017 meeting and unanimously adopted a motion of support for the staff recommendation. Since then, the staff recommendation for the Wiggle Neighborhood Green Corridor has been revised from $647,000 to $797,000 in Prop K funds to reflect the San Francisco Municipal Transportation Agency's (SFMTA's) additional $150,000 request to cover the higher-than-anticipated construction bid and associated contingency. The SFMTA attributes the increase in bid prices to the rising demand for construction services in San Francisco, as well as the project's green infrastructure that limited the competition to contractors with specialized training and expertise.

FINANCIAL IMPACTS

This action would allocate $4,456,324 in Fiscal Year (FY) 2016/17 Prop K sales tax funds, with conditions, and $2,540,359 in FY 2016/17 Prop AA funds, with conditions, for five requests. The allocations would be subject to the Fiscal Year Cash Flow Distribution Schedules contained in the enclosed Allocation Request Forms.

Attachment 4, Prop K/Prop AA Allocation Summary - FY 2016/17, shows the total approved FY 2016/17 allocations and appropriations to date, with associated annual cash flow commitments as well as the recommended allocations and cash flows that are the subject of this memorandum.

Sufficient funds are included in the proposed FY 2016/17 budget to accommodate the recommended actions. Furthermore, sufficient funds will be included in future budgets to cover the recommended

cash flow distribution for those respective fiscal years.

RECOMMENDATION

Recommend allocation of $4,456,324 in Prop K funds and $2,540,359 in Prop AA funds, with conditions, for five requests, subject to the attached Fiscal Year Cash Flow Distribution Schedules.

Attachments (4):

1. Summary of Applications Received
2. Project Descriptions
3. Staff Recommendations
4. Prop K/Prop AA Allocation Summary – FY 2016/17

Enclosure:

1. Prop K/Prop AA Allocation Request Forms (5)

Attachment 1: Summary of Applications Received

							Leveraging			
Source	EP Line No./ Category [1]	Project Sponsor [2]	Project Name	Current Prop K Request	Current Prop AA Request	Total Cost for Requested Phase(s)	Expected Leveraging by EP Line [3]	Actual Leveraging by Project Phase(s) [4]	Phase(s) Requested	District
Prop K	34	SFPW	Filbert & Leavenworth Streets Pavement Renovation	$ 3,479,324		$ 3,479,324	79%	0% for project, but Prop K is 11% of funding for SFPW's FY16/17 paving program	Construction	2
Prop K	38, 40	SFMTA	Wiggle Neighborhood Green Corridor	$ 797,000		$ 2,473,110	48%	68%	Construction	5
Prop K	40	SFPW	Bayshore Blvd/Cesar Chavez St/Potrero Ave Intersection Improvements (The Hairball) [NTIP Capital]	$ 80,000		$ 80,000	25%	0%	Design	9, 10
Prop K	44	SFMTA	District 11 Neighborhood Greenways	$ 100,000		$ 400,000	40%	75%	Planning	11
Prop AA	Street Repair & Reconstruction	SFPW	Brannan Street Pavement Renovation		$ 2,540,359	$ 3,994,926	NA	36%	Construction	6
			TOTAL	**$ 4,456,324**	**$ 2,540,359**	**$ 10,427,360**	**39%**	**33%**		

Footnotes

[1] "EP Line No./Category" is either the Prop K Expenditure Plan line number referenced in the 2014 Prop K Strategic Plan or the Prop AA Expenditure Plan category referenced in the 2012 Prop AA Strategic Plan, including: Street Repair and Reconstruction (Street), Pedestrian Safety (Ped), and Transit Reliability and Mobility Improvements (Transit).

[2] Acronyms: SFMTA (San Francisco Municipal Transportation Agency); SFPW (San Francisco Public Works)

[3] "Expected Leveraging By EP Line" is calculated by dividing the total non-Prop K funds expected to be available for a given Prop K Expenditure Plan line item (e.g. Pedestrian Circulation and Safety) by the total expected funding for that Prop K Expenditure Plan line item over the 30-year Expenditure Plan period. For example, expected leveraging of 90% indicates that on average non-Prop K funds should cover 90% of the total costs for all projects in that category, and Prop K should cover only 10%.

[4] "Actual Leveraging by Project Phase" is calculated by dividing the total non-Prop K or non-Prop AA funds in the funding plan by the total cost for the requested phase or phases. If the percentage in the "Actual Leveraging" column is lower than in the "Expected Leveraging" column, the request (indicated by yellow highlighting) is leveraging fewer non-Prop K dollars than assumed in the Expenditure Plan. A project that is well leveraged overall may have lower-than-expected leveraging for an individual or partial phase.

Attachment 2: Brief Project Descriptions [1]

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Requested	Project Description
34	SFPW	Filbert & Leavenworth Streets Pavement Renovation	3,479,324	Requested funds will be used for the construction phase of the paving portion of the Joint-Sewer Lead-Filbert Street and Leavenworth Street Pavement Renovation project. The scope includes paving, concrete base repairs, curb ramp construction, sidewalk and curb repairs at various locations, and traffic routing. Approximately 106 curb ramps will be constructed and 25 blocks (2.2 miles) will be paved. Construction is anticipated to start in summer 2017 and be completed by December 2018.
38, 40	SFMTA	Wiggle Neighborhood Green Corridor	797,000	Funds are for construction of bicycle, pedestrian, and traffic calming improvements along the residential portion of the Wiggle bicycle route between the Church/Duboce and Fell/Scott intersections. Improvements include a bike signal, bulb-outs, raised crosswalks, roadway markings, and a traffic diverter. Construction will be coordinated with the San Francisco Public Utilities Commission project to add rain gardens and permeable paving along the corridor. Construction is expected to begin in spring 2017, with the project open for use by June 2018.
40	SFPW	Bayshore Blvd/Cesar Chavez St/Potrero Ave Intersection Improvements (The Hairball) [NTIP Capital]	80,000	This project was recommended in the SFMTA's Bayshore Boulevard/Cesar Chavez Street/Potrero Avenue Intersection (the Hairball): Key Segment Improvements report, which was also funded through the Neighborhood Transportation Improvement Program (NTIP). NTIP funds will be used for detailed design of improvements to segments F/G at the western entrance of the Hairball adjacent to westbound Cesar Chavez Street. The project will create a safer, wider, and regraded bicycle and pedestrian path that provides adequate clearance at the highway overpass and minimizes conflicts between users. Design is expected to be completed by fall 2017.

Attachment 2: Brief Project Descriptions [1]

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Requested	Project Description
44	SFMTA	District 11 Neighborhood Greenways	100,000	Requested funds will leverage a $300,000 Caltrans Sustainable Transportation Planning grant for an extensive community planning process for the San Francisco Green Connections Network and Bicycle Strategy for three key corridors in under-served and lower income neighborhoods: Green Connections Routes Cayuga/Alemany; Persia/Brazil/Russia; and Naples-Brunswick. The planning process will develop "neighborhood greenway" designs that improve the livability and vitality of local streets, while providing better non-motorized links to local and regional transit, employment, education, recreation/open space, and health services. Planning is anticipated to be completed by fall 2018.
Street Repair & Reconstruction	SFPW	Brannan Street Pavement Renovation	2,540,359	Requested funds are for the construction phase of pavement renovation on 21 blocks (1.54 miles) of Brannan Street from The Embarcadero to the 10th Street/ Division Street/ Potrero Avenue intersection. Work includes repairs to the roadway's concrete base, repaving, construction of approximately 52 curb ramps, and sidewalk and curb repairs at various locations. Construction is expected to begin in summer 2017, with the project open for use by December 2018.

TOTAL	**$ 6,996,683**	

[1] See Attachment 1 for footnotes.

Attachment 3: Staff Recommendations [1]

EP Line No./ Category	Project Sponsor	Project Name	Prop K/AA Funds Recommended	Recommendation
34	SFPW	Filbert & Leavenworth Streets Pavement Renovation	$ 3,479,324	**5-Year Prioritization Program (5YPP) Amendment**: The recommended allocation is contingent upon a concurrent amendment of the Street Resurfacing 5YPP to add the subject project with funding reprogrammed from the Gilman Ave and Jerrold Ave Pavement Renovation project. Prop K funds are no longer needed for that project because the scope will be funded by other sources. See attached 5YPP amendment for details.
38, 40	SFMTA	Wiggle Neighborhood Green Corridor	$ 797,000	**5YPP Amendments**: The recommended allocation is contingent upon concurrent amendments of the Pedestrian Circulation/Safety and Traffic Calming 5YPPs to add the subject project with $572,100 from the 6th Street Improvements project, which is currently in the environmental phase with design and construction fully funded with Prop A General Obligation Bond funds, and $224,900 from the Proactive Residential Traffic Calming Improvements placeholder, which has sufficient funding available in FY 16/17 ($1.78 million) to advance priority projects. See attached 5YPP amendments for details. Contrary to Prop K policy that prohibits the advertisement of services or contracts to be funded by Prop K prior to allocation of funds by the Transportation Authority Board, the SFMTA advertised the project's construction contract in November 2016. We have reminded the SFMTA of this policy and advised SFMTA that it should not presume a positive Board action or that the Board may not modify the funding request.
40	SFPW	Bayshore Blvd/Cesar Chavez St/Potrero Ave Intersection Improvements (The Hairball) [NTIP Capital]	$ 80,000	**Commitment to Allocate:** The recommendation includes a commitment to allocate $320,000 in NTIP capital funds to the construction phase of the project upon completion of the design phase (anticipated fall 2017). The $400,000 in NTIP funding for the project (subject request ($80,000) plus commitment to allocate ($320,000)) will be split 50/50 between the NTIP capital funds available for Districts 9 and 10.
44	SFMTA	District 11 Neighborhood Greenways	$ 100,000	**5YPP Amendment:** The recommended allocation is contingent upon a concurrent, cost-neutral amendment of Transportation/ Land Use 5YPP, to swap $50,000 in FY 16/17 OBAG Local Match (Cycle 2) funds for $50,000 in FY 17/18 Planning Grant Match (e.g. Caltrans Planning Grant) funds, effectively advancing Planning Grant Match funds to fully fund the subject request in FY 16/17. See attached 5YPP amendment for details.
Street Repair & Reconstruction	SFPW	Brannan Street Pavement Renovation	$ 2,540,359	**Prop AA Strategic Plan Amendment:** The recommended allocation is contingent upon a concurrent amendment of the Street Repair and Reconstruction category of the Prop AA Strategic Plan to program $330,359 in Prop AA funds deobligated from projects completed under budget, to the subject project. See attached Strategic Plan for details.
		TOTAL	**$ 6,996,683**	

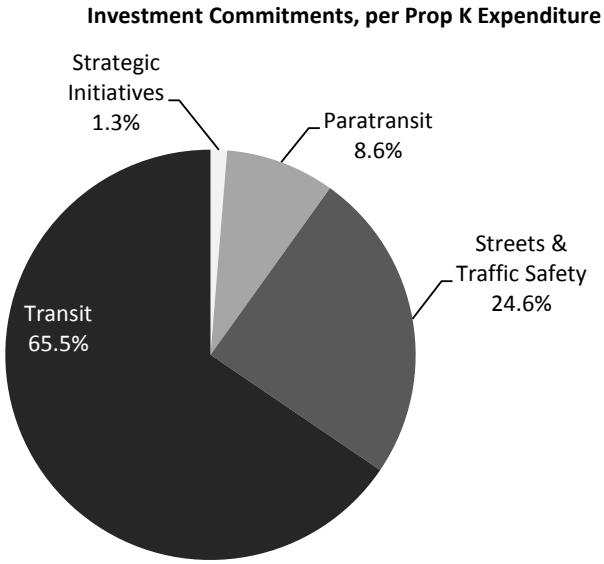
[1] See Attachment 1 for footnotes.

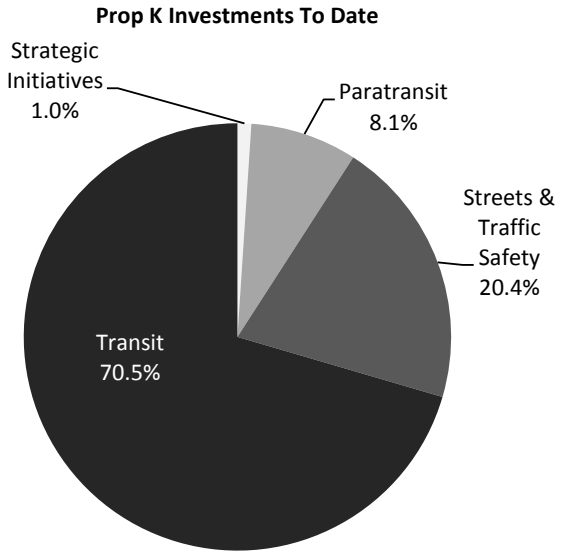
Attachment 4.
Prop K/Prop AA Allocation Summary - FY 2016/17

PROP K SALES TAX

	Total	CASH FLOW				
		FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Prior Allocations	$ 88,734,869	$ 44,099,551	$ 31,752,768	$ 12,437,450	$ 445,100	$ -
Current Request(s)	$ 4,456,324	$ 388,500	$ 3,197,993	$ 869,831	$ -	$ -
New Total Allocations	$ 93,191,193	$ 44,488,051	$ 34,950,761	$ 13,307,281	$ 445,100	$ -

The above table shows maximum annual cash flow for all FY 2016/17 allocations approved to date, along with the current recommended allocation(s).

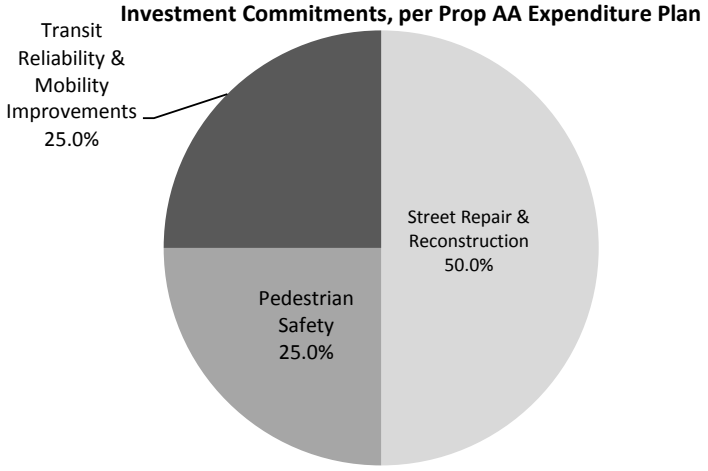


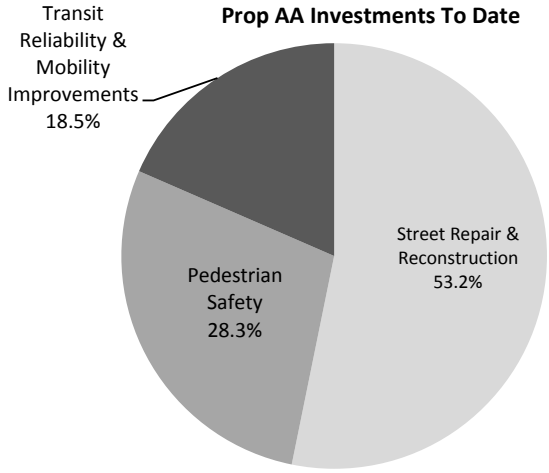


PROP AA VEHICLE REGISTRATION FEE

	Total	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Prior Allocations	$ 141,794	$ 141,794	$ -	$ -	$ -	$ -
Current Request(s)	$ 2,540,359	$ -	$ 1,693,573	$ 846,786	$ -	$ -
New Total Allocations	$ 2,682,153	$ 141,794	$ 1,693,573	$ 846,786	$ -	$ -

The above table shows maximum cash flow for all FY 2016/17 allocations approved to date, along with the current recommended allocation(s).





San Francisco County Transportation Authority
1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

Memorandum

Date: 02.06.17 **RE:** Plans and Programs Committee February 14, 2017

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Breed, Safai, Sheehy and Peskin (Ex Officio)

From: Anna LaForte – Deputy Director for Policy and Programming

Through: Tilly Chang – Executive Director

Subject: ACTION – Recommend Adoption of the Fiscal Year 2017/18 Transportation Fund for Clean Air Local Expenditure Criteria

Summary

Transportation Fund for Clean Air (TFCA) funds come from a $4 per vehicle surcharge collected by the California Department of Motor Vehicles on motor vehicle registrations in the nine-county Bay Area region. A portion of the funds (40 percent) is available to each county on a return-to-source basis from the Bay Area Air Quality Management District (Air District). These funds are used to implement strategies to improve air quality by reducing motor vehicle emissions in accordance with the Air District's Clean Air Plan. As the Program Manager for the City and County of San Francisco, the Transportation Authority is required to adopt Local Expenditure Criteria for the programming of the local TFCA funds. Our proposed Fiscal Year (FY) 2017/18 Local Expenditure Criteria (Attachment 1) are the same as those used in past cycles and are consistent with the Air District's TFCA policies for FY 2017/18. The criteria establish a clear prioritization methodology for applicant projects, including project types ranked by local priorities, emissions reduced, program diversity, project readiness, and past project sponsor delivery. Following Board approval of the Local Expenditure Criteria, we plan to issue the FY 2017/18 call for projects by March 7 and anticipate having approximately $724,500 to program to projects.

BACKGROUND

Transportation Fund for Clean Air (TFCA) funds come from a $4 per vehicle surcharge collected by the California Department of Motor Vehicles on motor vehicle registrations in the nine-county Bay Area region and are distributed by the Bay Area Air Quality Management District (Air District). These funds are used to implement strategies to improve air quality by reducing motor vehicle emissions in accordance with the Air District's Clean Air Plan.

Project sponsors can apply for TFCA funds through two separate programs: a regional program administered by the Air District, which uses 60 percent of the TFCA funds, and a local return-to-source formula program, which uses the remaining 40 percent of the funds. As the TFCA Program Manager for San Francisco, the Transportation Authority is responsible for developing a list of projects to fund with the local TFCA funds.

DISCUSSION

The purpose of this memorandum is to present our proposed Fiscal Year (FY) 2017/18 TFCA Local

Expenditure Criteria and to seek a recommendation for the adoption of the criteria as presented.

TFCA regulations require that the Program Manager annually adopt Local Expenditure Criteria that will be the basis for developing a recommended project priorities list for local TFCA funds. The criteria need to be consistent with the Air District's adopted TFCA County Program Manager Fund Guidance.

Schedule: Our schedule for the FY 2017/18 TFCA program involves Board approval of the Local Expenditure Criteria in February 2017 in order to support release of the call for projects in early March. The proposed schedule for the call for projects is shown in Table 1 below.

Table 1. Proposed Schedule for FY 2017/18 TFCA Call for Projects*

Wednesday, January 25, 2017	Citizens Advisory Committee Meeting – ACTION Local Expenditure Criteria
Tuesday, February 14, 2017	Plans and Programs Committee Meeting – ACTION Local Expenditure Criteria
Tuesday, February 28, 2017	Transportation Authority Board Meeting – ACTION Local Expenditure Criteria
By Tuesday, March 7, 2017	Transportation Authority issues TFCA Call for Projects
Friday, April 28, 2017	TFCA Applications Due to the Transportation Authority
Wednesday, May 24, 2017	Citizens Advisory Committee Meeting – ACTION TFCA staff recommendations
Tuesday, June 20, 2017	Plans and Programs Committee Meeting – ACTION TFCA staff recommendations
Tuesday, June 27, 2017	Transportation Authority Board Meeting – ACTION TFCA staff recommendations
Aug-Sept 2017 (estimated)	Funds expected to be available to project sponsors

*Meeting dates are subject to change. Please check the Transportation Authority's website for the most up-to-date schedule (www.sfcta.org/agendas).

Local Expenditure Criteria: Some counties have established a complex point system for rating potential TFCA projects, while other counties have utilized a general policy with a set of priorities. As a combined City and County, San Francisco does not have multiple jurisdictions applying for funds; however, there is considerable diversity in the types of projects initiated in the county. Compared to more auto-oriented counties, the revenue that San Francisco receives from this program ($722,400 in new revenues this year) is relatively small and can normally fund only a few (e.g., four to six) projects.

Our assessment is that over time the Transportation Authority has been better served by not assigning a point system to evaluate applications. Our experience with previous application cycles shows that the projected TFCA revenues generally are sufficient to fund the majority of the projects that satisfy all of the TFCA eligibility requirements established by the Air District, including a requirement that each project must achieve a cost effectiveness ratio as established in the adopted TFCA County Program Manager Fund Guidance.

As in prior years, only applicant projects that meet all of the Air District's TFCA eligibility requirements

will be prioritized for funding using the Transportation Authority's Local Expenditure Criteria. Our proposed FY 2017/18 Local Expenditure Criteria, shown in Attachment 1, are the same as those used in previous years. They include consideration of the following factors:

- Project type
- Cost effectiveness
- Project delivery
- Program diversity
- Other considerations (e.g., the project sponsor's recent track record in delivering TFCA projects)

We provided input to the Air District on the its draft TFCA FY 2017/18 policies, working with the Transportation Authority's Technical Working Group, the other Bay Area Congestion Management Agencies and San Francisco's representatives on the Air District Board. The Air District's final TFCA FY 2017/18 policies shown in Attachment 2 incorporate several revisions. Notable examples include:

- Increased the cost-effectiveness limit for shuttle projects;
- Allowed upgrades to an existing bicycle facility when converting from a Class-2 or Class-3 to a Class-1 or Class-4 bike facility; and
- Relaxed requirements for bike share projects;
- Revised policy language for Alternative Fuel Light-Duty Vehicles and Alternative Fuel Heavy-Duty Vehicles and Buses categories;
- Added On-Road Goods Movement Truck Replacements as an eligible category for the replacements of diesel-power trucks that are used for goods movement.

We strongly advocated for and are appreciative of the changes allowing upgrades to existing bicycle facilities, such as adding a buffer or curb to separate an existing standard bike lane from car traffic – something that was previously ineligible for TFCA funds. Improved bike facilities have been shown to increase usage by bicyclists, however, in previous years, only new facilities on streets with no bicycle facilities at all were eligible for TFCA funds. Upgrades are a major need in San Francisco, where our bike network is already extensive, but where older-style bike lanes do not always provide the level of comfort and safety necessary to attract less experienced riders.

We continue to work with the Air District and other Congestion Management Agencies (CMAs) to improve the TFCA program's effectiveness at achieving air quality benefits, decrease its administrative burden, and allow the CMAs more flexibility to address each county's unique air quality challenges and preferred methods of mitigating mobile source emissions.

ALTERNATIVES

1. Recommend adoption of the FY 2017/18 TFCA Local Expenditure Criteria, as requested.
2. Recommend adoption of the FY 2017/18 TFCA Local Expenditure Criteria, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its January 25, 2017 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

Approval of the Local Expenditure Criteria will not have any impact on the Transportation Authority's adopted FY 2016/17 budget, but it will allow the Transportation Authority to apply for approximately $724,500 (including estimated de-obligations) in FY 2017/18 local TFCA funds that can then be programmed to eligible San Francisco projects. These funds will be incorporated into the FY 2017/18 budget.

RECOMMENDATION

Recommend adoption of the FY 2017/18 TFCA Local Expenditure Criteria.

Attachments (2):

1. Draft FY 2017/18 TFCA Local Expenditure Criteria
2. County Program Manager Fund Expenditure Plan Guidance – FY Ending 2018

San Francisco County Transportation Authority

1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

Attachment 1

Fiscal Year 2017/18 Transportation Fund for Clean Air (TFCA)

DRAFT LOCAL EXPENDITURE CRITERIA

The following are the Fiscal Year 2017/18 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 2017/18. 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 (NOx), 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 (CO_2) 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 2017/18 TFCA funds, a project must meet the CE ratio for emissions (i.e., ROG, NOx, 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 2017/18 funds are not programmed by November 2017, funds can be redirected (potentially to non-San Francisco projects) at the Air District's discretion. New candidate projects must meet all of the 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, NOx, PM, and CO_2 emissions. However, the Air District's calculation only includes the reductions in ROG, NOx, and PM per TFCA dollar spent on the project. The Transportation Authority will also give priority to projects that achieve high CE for CO_2 emission reductions based on data available from the Air District's CE worksheets. The reduction of transportation-related CO_2 emissions is consistent with the City and County of San Francisco's 2013 *Climate Action Strategy*.

Project Delivery – 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 2018 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 2015/16 or 2016/17:

- **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.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

County Program Manager Fund Expenditure Plan Guidance

For

Fiscal Year Ending 2018~~7~~

Transportation Fund for Clean Air

Bay Area Air Quality Management District

375 Beale Street, Suite 600 San Francisco, CA 94105

~~Adopted November December 7~~16December 5~~23~~, 201~~6~~5

~~*Revised: May 18, 2016*~~

TABLE OF CONTENTS

Changes from Fiscal Year Ending (FYE) 20176 to FYE 20187 22

Reporting Schedule for FYE 20187 22

Transportation Fund for Clean Air (TFCA) 33

- Introduction 33
- The TFCA Program 33
- Eligible TFCA Project Types 44

TFCA County Program Manager Fund 55

- Roles and Responsibilities 55
- Attributes of Cost-Effective Projects 66
- Attributes of Project Readiness 66
- Program Schedule 77
- Expenditure Plan Application Process 78
- Programming of Funds 88
- Project Information and Reporting Forms 88
- Additional Information 910

Appendix A: Guidelines for Eligible TFCA Reimbursable Costs 1111

Appendix B: Sample Expenditure Plan Application 1313

Appendix C: Simple Funding Status Report Form 1715

Appendix D: Board-Adopted TFCA County Program Manager Fund Policies for FYE 20187 1816

Appendix E: Glossary of Terms 1825

Appendix F: Insurance Guidelines 2926

Appendix G: Sample Project Information Form 3128

Appendix H: Instructions for Cost-effectiveness Worksheets 3229

Changes from Fiscal Year Ending (FYE) 2016 2017 to FYE 20172018

Based on feedback and comments received during the public comment period, the following changes have been made:

- Streamlined and improved wording to clarify and to ensure adherence to state statute;
- Aligned with FYE 2017 TFCA Regional Fund Policies as follows:
  - Increased the cost-effectiveness limit for shuttle projects
  - Revised policy language for *Alternative Fuel Light-Duty Vehicles* and *Alternative Fuel Heavy-Duty Vehicles and Buses* categories;
- Added *On-Road Goods Movement Truck Replacements* as an eligible category for the replacements of diesel-power trucks that are used for goods movement;
- Allowed upgrades to an existing bicycle facility when converting from a Class-2 or Class-3 to a Class-1 or Class-4 bike facility; and
- Relaxed requirements for bike share projects.

Reporting Schedule for FYE 20187

The following is the schedule of items that must be submitted by the County Program Manager to the Air District:

❑ **March 3, 20176 - Expenditure Plan application for FYE 20187** - The application must include:

- Summary Information Form, signed and dated by County Program Manager's Executive Director
- Summary Information Addendum Form (if applicable)

❑ **Within 6 months of Air District Board of Director's approval of allocation, and within 3 months for projects that do not conform to all TFCA Polices**:

For each project:

- Project Information Form (sample can be found in Appendix G)
- Cost-effectiveness Worksheet (instructions can found in Appendix H)

❑ **Every May 31** (See Page 8-9)

- **Funding Status Report Form –** Include all open projects and projects closed since July 1.
- **Final Report Form** – For projects closed July 1-December 31 (and optionally those closing later), submit both a Final Report Form and a final Cost-effectiveness Worksheet.

❑ **Every October 31** (See Page 8-9)

- **Interim Project Report Form** – Submit this form for every open project.

- **Funding Status Report Form –** Include all open projects and projects closed since January 1.
- **Final Report Form –** For projects closed January 1-June 30 (and optionally those closing later), submit both a Final Report Form and a final Cost-effectiveness Worksheet.

Note: Items due on dates that fall on weekends or on State/Federal holidays are due on the next following business day.

Transportation Fund for Clean Air (TFCA)

Introduction

On-road motor vehicles, including cars, trucks, and buses, constitute the most significant source of air pollution in the Bay Area. Vehicle emissions represent the largest contributor to unhealthful levels of ozone (summertime "smog") and particulate matter.

To protect public health, the State Legislature enacted the California Clean Air Act in 1988. Pursuant to this law, the Bay Area Air Quality Management District (Air District) has adopted the *2010 Clean Air Plan (CAP)*, which describes how the region will work toward compliance with State and Federal ambient air quality standards and make progress on climate protection. To reduce emissions from motor vehicles, the *2010 CAP* includes transportation control measures (TCMs) and mobile source measures (MSMs). A TCM is defined as "any strategy to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions." MSMs encourage the retirement of older, more polluting vehicles and the introduction of newer, less polluting motor vehicle technologies.

The TFCA Program

To fund the implementation of TCMs and MSMs, the State Legislature authorized the Air District to impose a $4 surcharge on motor vehicle registration fees paid within the nine-county Bay Area. These revenues are allocated by the Air District through the Transportation Fund for Clean Air (TFCA). TFCA grants are awarded to public and private entities to implement eligible projects.

TFCA-funded projects have many benefits, including the following:

- √ Reducing air pollution, including air toxics such as benzene and diesel particulates
- √ Conserving energy and helping to reduce greenhouse gas emissions
- √ Improving water quality by decreasing contaminated runoff from roadways
- √ Improving transportation options
- √ Reducing traffic congestion

Forty percent (40%) of these funds are allocated to a designated county program manager within each of the nine counties within the Air District's jurisdiction. This allocation is referred to as the TFCA County Program Manager Fund. The remaining sixty percent (60%) of these funds are directed to Air District-sponsored programs and to Air District-administered TFCA Regional Fund.

This document provides guidance on the expenditure of the 40% of TFCA funding provided to the County Program Managers.

Eligible TFCA Project Types

TFCA legislation requires that projects meet eligibility requirements, as described in the California Health and Safety Code (HSC) Section 44241. The following is a complete list of mobile source and transportation control project types authorized under the California HSC Section 44241(b):

1. The implementation of ridesharing programs;
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;
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 a smoking vehicles program;
9. Implementation of an automobile buy-back scrappage program operated by a governmental agency;
10. Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program; and
11. 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 area-specific plan, redevelopment plan, general plan, or other similar plan.

TFCA funds may not be used for:

- *Planning activities that are not directly related to the implementation of a specific project; or*
- *The purchase of personal computing equipment for an individual's home use.*

TFCA County Program Manager Fund

Roles and Responsibilities

County Program Manager—Each County Program Manager is required to:

1. Administer funding in accordance with applicable legislation, including HSC Sections 44233, 44241, and 44242, and with Air District Board-Adopted TFCA County Program Manager Fund Policies for FYE 2017 (found in Appendix D).
2. Hold one or more public meetings each year
    a. to adopt criteria for the expenditure of the funds if those criteria have been modified in any way from the previous year (criteria must include the Air District Board-Approved TFCA County Program Manager Fund Policies)[1], and
    b. to review the expenditure of revenues received.
3. Prepare and submit Expenditure Plan Applications, Project Information Forms, Cost-effectiveness Worksheets, Funding Status Reports, Interim Project Reports, and Final Reports.
4. Provide funds only to projects that comply with the Air District Board-Approved Policies and/or have received Air District Board of Director's approval for award.
5. Encumber and expend funds within two years of the receipt of funds, unless an application for funds states that the project will take a longer period of time to implement and an extension is approved by the Air District or the County Program Manager, or unless the time is subsequently extended if the recipient requests an extension and the County Program Manager finds that significant progress has been made on the project.
6. Limit administrative costs in handing of TFCA funds to no more than ~~five~~ 6.25~~(5)~~ percent of the funds received.
7. Allocate (program) all new TFCA funds within six months of the date of the Air District Board of Director's approval of the Expenditure Plan.
8. Provide information to the Air District and to auditors on the expenditures of TFCA funds.

Air District—The Air District is required to:

1. Hold a public hearing to:
    a. Adopt cost-effectiveness criteria that projects and programs are required to meet. Criteria shall maximize emission reductions and public health benefits; and
    b. Allocate County Program share of DMV fee revenues.
2. Provide guidance, offer technical support, and hold workshops on program requirements, including cost-effectiveness.
3. Review Expenditure Plan Applications, Cost-effectiveness Worksheets, Project Information Forms, Funding Status Reports, Interim Project Reports and Final Reports.
4. Re-distribute unallocated TFCA funds from the County Program Manager Fund.
5. Limit TFCA administrative costs to a maximum of 6.25~~five~~ percent ~~(5%)~~.

[1] California Senate Bill 491. *Transportation: omnibus bill.* Retrieved from https://leginfo.legislature.ca.gov/. Approved by Governor on October 2, 2015.

- 6. Conduct audits of TFCA programs and projects.
- 7. Hold a public hearing in the case of any misappropriation of revenue.

Attributes of Cost-Effective Projects

1. √ Project purchases or provides service using best available technology or cleanest vehicle (e.g., achieves significant petroleum reduction, utilizes vehicles that have 2010 and newer engines, is not a Family Emission Limit (FEL) engine, and/or have zero tailpipe emissions).
2. √ Project is delivered or placed into service within one year and/or significantly in advance of regulatory changes (e.g., lower engine emission standards).
3. √ Project requests relatively low amount of TFCA funds; Grantee provides significant matching funds.
4. √ The following are additional attributes of cost-effective projects for specific project categories:
    1. ○ For vehicle trip reduction projects (e.g., bike facilities, shuttle/feeder bus service, ridesharing):
        1. ▪ Project serves relatively large % of riders/participants that otherwise would have driven alone over a long distance.
        2. ▪ Project provides "first and last mile" connection between employers and transit.
        3. ▪ Service operates on a route (service and non-service miles) that is relatively short in distance.
    2. ○ For vehicle-based projects:
        1. ▪ Vehicle has high operational use, annual mileage, and/or fuel consumption (e.g., taxis, transit fleets, utility vehicles).
    3. ○ For arterial management and smart growth projects:
        1. ▪ Pre- and post-project counts demonstrate high usage and potential to affect mode or behavior shift that reduces emissions.
        2. ▪ Project demonstrates a strong potential to reduce motor vehicle trips by significantly improving mobility via walking, bicycling, and improving transit.
        3. ▪ Project is located along high volume transit corridors and/or is near major activity centers such as schools, transit centers, civic or retail centers.
        4. ▪ Project is associated with a multi-modal transit center, supports high-density mixed-use development or communities.

Attributes of Project Readiness

Projects must meet Readiness Policy (Policy #6). Beginning in FYE 2017, the Air District and the County Program Managers are directed to enforce the two-year time limit for bicycle projects (i.e., any projects under Policy # 29), the County Program Managers should cancel any projects that are not completed within the two-year time limit, and the Air District will not consider any extension requests for bicycle projects that have already been granted a two-year extension from the County Program Manager.[2] For all other project categories, County Program Managers may grant a two-year extension, for a total of four years to implement projects.

[2] Per direction provided by the Air District's Mobile Source Committee members on October 22, 2015.

Therefore, County Program Managers are strongly encouraged to require that bicycle projects have completed the following activities prior to being awarded TFCA funds in order to ensure the successful completion of projects:

- 1.• Planning (drawings)
- 2.• Obtaining permits
- 3.• Conducting environmental review/approvals.

Furthermore, County Program Managers are strongly encouraged to ensure that *all* projects meet project readiness prior to being awarded TFCA funds.

Program Schedule

Program Schedule for the FYE 20187 Cycle (*County Program Manager deadlines are italicized*)

December Dec.ember 714, 20152016 (tentative)	*Expenditure Plan Application Guidance issued by Air District, including funding estimates*
Marchr.ch 3, 2017	*Deadline for County Program Managers to submit Expenditure Plan application*
April 27May 5, 2017 (tentative)	*Proposed Expenditure Plan funding allocations reviewed by Air District Mobile Source Committee*
May 318, 2017 (tentative)	*Expenditure Plan funding allocations considered for approval by Air District Board of Directors*
May 124, 20117 (tentative)	*Air District provides Funding Agreements for funding allocations to County Program Managers for signature (tentative)*
May 31, 2017	*Funding Status Report and Final Reports due for projects from FYE 2016 and prior years*
August18Aug.ust 318, 2017	*Deadline: Within three months of Board approval, County Program Manager submits request for Air District approval of any projects that do not conform to TFCA policies*
October Oct.ober 31, 2017	*Funding Status Report, Interim Project Reports, and Final Reports due for projects from FYE 2017 and prior years*
November18November. 318, 2017	*Deadline: Within six months of Board approval, County Program Manager provides Cost-effectiveness Worksheets and Project Information Forms for new projects and programming*
May 31, 2018	*Funding Status Report and Final Reports due for projects from FYE 2018 and prior years*

Expenditure Plan Application Process

TBy December 14, 2015 2016 (tentative), the Air District will email provide County Program Managers the Summary Information Form and Summary Information - Addendum Form (i.e., the Expenditure Plan application materials). These forms must be completed by the County Program Manager and returned to the Air District as indicated below. See Appendix B for examples of these forms.

Expenditure Plans are due Thursday Friday, March 3, 2016 2017 and must be must be submitted both electronically via email to lhui@baaqmd.gov and as ain hard copy by mail or delivery service to:

Chengfeng Wang, Strategic Incentives Division
Bay Area Air Quality Management District
Strategic Incentives Division
~~939 Ellis Street~~
~~San Francisco, CA 94109~~375 Beale Street, Suite 600
San Francisco, CA 94105

Materials sent to the Air District via fax will not be accepted.

Programming of Funds

County Program Managers must allocate (program) TFCA funds within *six months* of Air District Board approval of a County Program Manager's Expenditure Plan and submit a hard copy of: 1) the Cost-effectiveness Worksheet and 2) the Project Information Form for each new project or supplemental allocation to an existing project.

Policy #3 provides a mechanism for consideration of projects that are authorized in the TFCA legislation and meet the cost-effectiveness requirement for that project type, but are in some way inconsistent with the current-year TFCA County Program Manager Policies. To request that such a project be considered for approval by the Air District, County Program Managers must submit a Cost-effectiveness Worksheet, Project Information Form, and supporting documentation to the Air District for review no later than *three months* after Air District Board's approval of the Expenditure Plan. (See the Program Schedule section for further details.)

Project Information and Reporting Forms

The following Air District~~-~~-approved forms will be emailed to the County Program Managers or ~~-~~posted on either the Air District's website at~~:~~ www.baaqmd.gov/tfca4pm or another online platform~~.~~.

~~➢~~• **Cost-effectiveness Worksheet (due within 6 months of Air District Board approval of Expenditure Plan, and for FYE 201~~6~~7 and prior year projects, with the Final Report; see Appendix H)**

The purpose of the Cost-effectiveness Worksheet is to calculate estimated (pre-project) and realized (post-project) emissions reduced for each project, and compare the emissions reductions to the TFCA funds invested. County Program Managers must submit a worksheet for each new project and must ensure that the TFCA cost-effectiveness is equal to or less than the TFCA funds per ton of emissions reduced (i.e., reactive organic gases (ROG), oxides of nitrogen (NO_x) and weighted particulate matter less than 10 microns in diameter (PM10)), **as specified in Policy #2.**

County Program Managers must submit a Cost-effectiveness Worksheet in MS Excel format for each project to the Air District pre- and post-project.

~~1.~~➢ **For projects that provide a service** (e.g., ridesharing, shuttle, bike share projects), post-project evaluations should be completed using the Cost-Effectiveness Worksheet version from the ***year of the project's start date*** (which may be the same as the pre-application Cost-effectiveness Worksheet).

~~2.~~➢ **For all other projects**, post-project evaluations should be completed using the ***most recent version*** of the Cost-effectiveness Worksheet for the year the project was completed.

Instructions for completing the worksheets are found in Appendix H. If you do not use the Air District's default guidelines to determine a project's cost-effectiveness you must provide documentation and information to support alternate values and assumptions to the Air District for review and evaluation.

~~1.~~➢ Cost-effectiveness worksheets must be submitted in a Microsoft Excel spreadsheet with the filename structure listed below.

1. [Last two digits of FYE][abbreviated county code][sequential project number]_CE-Submitted-[Project Name].xlsx

2. Example: 17SC1218SC12_CE-Submitted-SanJoseZeroEmissionShuttle.xlsx

- **Project Information Form (due within 6 months of Air District Board approval of Expenditure Plan; see Appendix G)**

  The primary purpose of the Project Information Form is to provide a description of each project funded and other applicable (including technical) information that is not captured in the Cost-effectiveness Worksheet. A copy of this form and instructions for completing it are found in Appendix G. Project Information Forms must be submitted for each new project funded, and a revised Project Information Form must be submitted whenever changes are approved by the County Program Manager that affect the information stated on this form.

  1. Information Forms must be submitted in a Microsoft Word document with the filename structure listed below.

     1. [Last two digits of FYE][abbreviated county code][sequential project number]_ProjInfo-[Project Name].docx

     2. Example: 187SC12_ProjInfo-SanJoseZeroEmissionShuttle.docx

- **Biannual Funding Status Report Form (due October 31 and May 31; see Appendix C)**

  This form is used to provide an update on all open and recently closed projects (closed since January 1 for the October 31 report and closed since July 1 for the May 31 report) and report any changes in status for all projects, including cancelled, completed under budget, received supplemental funding, or received a time extension during the previous six months. A copy of this form is attached in Appendix C.

1. **Final Report Form (due October 31 and May 31; tentatively available August 20162017)**

   A Final Report Form is due at the conclusion of every project. These forms are available for download from the TFCA County Program Manager website. The Final Report Forms are specific to each type of project. Final Report Forms are due to the Air District semi-annually as follows:

   1. ***Due October 31:*** *Projects that closed Jan 1–Jun 30 (and optionally those closing later)*

   2. ***Due May 31:*** *Projects that closed Jul 1–Dec 31 (and optionally those closing later)*

   Note, in previous years these report forms were titled “Project Monitoring Forms”.

2. **Annual Interim Project Report Form (due October 31; tentatively available August 20176)**

   For each active/open project, an Interim Project Report Form is due annually on October 31. These forms are available for download from the TFCA County Program Manager website. This report provides status information on project progress and fund usage. (Note, in previous years these report forms were titled “Project Status Reporting Forms”.)

   County Program Managers may also choose to require additional reports of Grantees.

Additional Information

Workshops, Support, and Assistance

Air District staff is available to assist with TFCA project cost-effectiveness analysis, workshops for Grantees, and outreach for TFCA projects. County Program Managers are urged to consult with Air District staff when evaluating complex projects (such as bike share, vehicle, and vehicle infrastructure projects requiring the evaluation of emission reductions beyond those required by regulations) or when using cost-effectiveness

assumptions other than those provided by the Air District in this Guidance. Consulting with the Air District prior to awarding funds minimizes the potential offor both funding projects that are not eligible for TFCA funds and awarding more funding to a project than it is eligible for. Please contact us and let us know how we can assist you.

Air District Contact

Please direct questions to: Linda Hui, Administrative AnalystStaff Specialist, (415) 749-4796, lhui@baaqmd.gov

Appendix A: Guidelines for Eligible TFCA Reimbursable Costs

The TFCA-enabling legislation allows vehicle registration fees collected for the program to be used for project implementation costs, as well as administrative project costs. This appendix provides guidance on differentiating and reporting 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 audits on TFCA-funded projects to ensure that the funds have been spent in accordance with the program guidelines and policies.

Project Implementation Costs

Project implementation costs are charges associated with implementing a TFCA-funded project including:

- ~~1.~~ Documented hourly labor charges (salaries, wages, and benefits) directly and solely related to implementation of the TFCA project;
- ~~2.~~ Capital equipment and installation costs;
- ~~3.~~ Shuttle driver labor and equipment maintenance costs;
- ~~4.~~ Contractor labor charges related to the TFCA project;
- ~~5.~~ Travel, training, and associated personnel costs that are directly related to the implementation of the TFCA-funded project (e.g., the cost of training mechanics to service TFCA-funded natural gas clean air vehicles); and
- ~~6.~~ Indirect costs associated with implementing the project, including reasonable overhead costs incurred to provide a physical place of work (e.g., rent, utilities, office supplies), general support services (e.g., payroll, reproduction), and managerial oversight.

Administrative Project Costs

Administrative project costs are costs associated with the administration of a TFCA project, and do not include project capital or operating costs, as discussed above. Administrative project costs that are reimbursable to a Grantee are limited to a maximum of 6.25~~five percent (5%)~~ of the total TFCA funds received.

Administrative project costs are limited to the following activities that have 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.

- ~~1.~~ Costs associated with administering the TFCA Funding Agreement (e.g., responding to requests for information from Air District and processing amendments). Note that costs incurred in the preparation of a TFCA application or costs incurred prior to the execution of the Funding Agreement are not eligible for reimbursement;
- ~~1.~~ Accounting for TFCA funds; ~~and~~
- Fulfilling all monitoring, reporting, and record-keeping requirements specified in the TFCA Funding Agreement, including the preparation of reports, invoices, and final reports; ~~.~~and
- ~~2.~~ Documented indirect administrative costs associated with administrating the project, including reasonable overhead costs of utilities, office supplies, reproduction and managerial oversight.

~~Additionally, documented indirect administrative costs associated with administrating the project, including reasonable overhead costs of utilities, office supplies, reproduction and managerial oversight are also eligible.~~

The project implementation and administrative project costs that are approved by the County Program Manager shall be described in a Funding Agreement. The Grantee may seek reimbursement for project implementation and administrative project costs by providing proper documentation with project invoices. Documentation for these costs will show how these costs were calculated, for example, 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.

Appendix B: Sample Expenditure Plan Application

SUMMARY INFORMATION

County Program Manager Agency Name: _____

Address: _____

PART A: NEW TFCA FUNDS

1. Estimated FYE ~~2017~~ 2018 DMV revenues (based on projected ~~CY2015~~ CY2016 revenues): Line 1: _____

2. Difference between prior-year estimate and actual revenue: Line 2: _____

   a. Actual FYE ~~2015~~ 2016 DMV revenues (based on ~~CY2014~~CY2015): _____

   b. Estimated FYE ~~2015~~ 2016 DMV revenues ~~(based on CY2014~~CY2015~~)~~: _____ _____

   ('a' minus 'b' equals Line 2.)

3. Estimated New Allocation *(Sum of Lines 1 and 2)*: Line 3: _____

4. Interest income. List interest earned on TFCA funds in calendar year ~~2015~~2016. Line 4: _____

5. Estimated TFCA funds budgeted for administration:[1] Line 5: _____
   (Note: This amount may not exceed 6.25% of Line 3.)

6. **Total new TFCA funds available in FYE ~~2017~~ 2018 for projects and administration Line 6:** _____

   (Add Lines 3 and 4. These funds are subject to the six-month allocation deadline.)

PART B: TFCA FUNDS AVAILABLE FOR REPROGRAMMING

7. **Total amount from previously funded projects available for reprogramming to other projects.** (*Enter zero (0) if none.)* **Line 7:** _____

   (Note: Reprogrammed funds originating from pre-2006 projects are not subject to the six-month allocation deadline.)

PART C: TOTAL AVAILABLE TFCA FUNDS

[1] The "Estimated TFCA funds budgeted for administration" amount is listed for informational purposes only. Per California Health and Safety Code Section 44233, County Program Managers must limit their administrative costs to no more than 6.25% of the actual total revenue received from the Air District.

8. Total Available TFCA Funds *(Sum of Lines 6 and 7)* **Line 8:** _____

9. Estimated Total TFCA funds available for projects *(Line 8 minus Line 5)* Line 9: _____

I certify that, to the best of my knowledge, the information contained in this application is complete and accurate.

Executive Director Signature: _____ Date: _____

SUMMARY INFORMATION - ADDENDUM

Complete if there are TFCA Funds available for reprogramming.

Project #	Project Sponsor/ Grantee	Project Name	$ TFCA Funds Allocated	$ TFCA Funds Expended	$ TFCA Funds Available	Code*

TOTAL TFCA FUNDS AVAILABLE FOR REPROGRAMMING $_____

(Enter this amount in Part B, Line 7 of Summary Information form)

** Enter UB (for projects that were completed under budget) and CP (for cancelled project).*

Appendix C: Sample Funding Status Report Form

County Program Manager: _____ **Report Period:** ☐ *May 31st* ☒ *Oct. 31st*

Date: _____

Please provide any updated information in the yellow columns. If you update other cells, please shade them yellow as well.

CP	Cancelled Project[1]		Update by CMA
UB	Cmpl Under Budget		From Air District Database
Column A	Funds received should be listed as a negative; a balance from closure under budget listed as a positive		
Column B	100% = All components/reports completed, approved and $ paid out 90% = All components completed; $ paid out; awaiting Final Report		

					A				B						
TFCA Project #	Project Title	Project Sponsor	Current TFCA Funds Awarded	Current TFCA Funds Awarded per CMA Update	Funds from CP/UB	TFCA$ Reprgm to Project# or FY	TFCA$ Paid Out To Date	TFCA$ Paid Out per CMA Update	% Cmpl	% Cmpl per CMA Update	Project Completion Date	Project Completion Date per CMA Update	Final Rpt Due to CMA per Agrmnt	Final Rpt Due Date requested by CMA	Comments

I _____(print name), certify that the information provided is complete and correct; and that if any extensions have been approved, that significant progress has been made on the project(s) for which the funds were granted, pursuant to HSC 44242(d).

_____(Signature)

County Program Manager Liaison

[1] Cancelled projects include projects cancelled by the project sponsor, by the county program manager, and by the Air District. Provide explanation for the cancellation (e.g., ineligible) under the *Comments* Field.

Appendix D: Board-Adopted TFCA County Program Manager Fund Policies for FYE 2017~~7~~8

Adopted November 1~~8~~6, 2016~~5~~

The following Policies apply ~~only~~ to the Bay Area Air Quality Management District's (Air District) Transportation Fund for Clean Air (TFCA) County Program Manager Fund for fiscal year ending (FYE) 2018.

BASIC ELIGIBILITY

~~3.~~1. **Reduction of Emissions:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible.

Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and these Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE 2017~~7~~8.

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

~~4.~~2. **TFCA Cost-Effectiveness:** Projects must not exceed the maximum cost-effectiveness (C-E) limit noted in Table 1. Cost-effectiveness ($/weighted ton) is based on the ratio of TFCA funds awarded divided by the sum of surplus emissions reduced of reactive organic gases (ROG), nitrogen oxides (NOx), and weighted PM10 (particulate matter 10 microns in diameter and smaller) over a project's useful life. All TFCA-generated funds (e.g., reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route), each component must achieve this cost-effectiveness requirement.

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

Table 1: Maximum Cost-Effectiveness for FYE 2017~~7~~8 County Program Manager Fund Projects

Policy No.	Project Category	Maximum C-E ($/weighted ton)
22	Alternative Fuel Light-Duty Vehicles	250,000
23	Reserved	Reserved
24	Alternative Fuel Heavy-Duty Vehicles and Buses	250,000
25	~~Alternative Fuel Bus Replacement~~On-Road Goods Movement Truck Replacements	~~250,000~~90,000
26	Alternative Fuel Infrastructure	250,000
27	Ridesharing Projects	150,000
28 ~~.~~a.-h.	Shuttle/Feeder Bus Service – Existing	200,000; 250,000 for services in CARE Areas or PDAs

28 ~~.~~i.	Shuttle/Feeder Bus Service - Pilot	Year 1 - 25~~0~~0,000 Year 2 ~~-~~ see Policy #28.a-h.~~175,000~~
28 ~~.~~i.	Shuttle/Feeder Bus Service – Pilot in CARE Areas or PDAs	Years 1 & 2 - 500,000 ~~Year 2 - 200,000~~ Year 3 - see Policy #28.a-h.~~175,000~~
29	Bicycle Projects	250,000
30	~~Bay Area~~ Bike Share	500,000
31	Arterial Management	175,000
32	Smart Growth/Traffic Calming	175,000

~~6.~~3. **Eligible Projects and Case-by-Case Approval:** Eligible projects are those that conform to the provisions of the HSC section 44241, Air District Board~~-~~-adopted policies, and Air District guidance. On a case-by-case basis, County Program Managers must receive approval by the Air District for projects that are authorized by the HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.

~~7.~~4. **Consistent with Existing Plans and Programs:** All projects must comply with the T~~t~~ransportation C~~c~~ontrol ~~measures~~ and M~~m~~obile S~~s~~ource Control measures included in the Air District's most recently approved strategies~~plan~~ for achieving and maintaining State and national ~~ambient air quality~~ozone standards, those plans and programs established~~which are adopted~~ pursuant to HSC sections 40233, 40717, and 40919~~;~~, and when specified, ~~with~~ other adopted federal, State, regional, and local plans and programs.

~~8.~~5. **Eligible Recipients:** Grant recipients must be responsible for the implementation of the project, have the authority and capability to complete the project, and be an applicant in good standing with the Air District (Policies #8-10).

a. **Public agencies** are eligible to apply for all project categories.

b. **Non-public entities** are only eligible to apply for new alternative-fuel (light, medium, and heavy-duty) vehicle and infrastructure projects, and advanced technology demonstrations that are permitted pursuant to HSC section 44241(b)(7).

~~9.~~6. **Readiness:** Projects must commence by the end of calendar year 201~~7~~8. For purposes of this policy, "c~~C~~ommence" means~~includes~~ a tangible~~ny preparatory~~ action~~s~~ taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. ~~For purposes of this policy,~~ "C~~c~~ommence" can mean the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

~~10.~~7. **Maximum Two Years Operating Costs:** Unless otherwise specified in policies #22 through #32, TFCA County Program Manager Funds may be used to support up to two years of operating costs for ~~Projects that provide a~~ service-based projects (e.g., ~~such as~~ ridesharing, ~~programs and~~ shuttle and feeder bus service ~~projects), are eligible to apply for a period of up to two (2) years, except for bike share projects, which are eligible to apply for a period of up to five (5) years~~. Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

~~11.~~8. **Independent Air District Audit Findings and Determinations:** Grantees who have failed either the fiscal audit or the performance audit for a prior TFCA-funded project awarded by either County Program Managers or the Air District are excluded from receiving an award of any TFCA funds for three (3) years

from the date of the Air District's final audit determination in accordance with HSC section 44242~~,~~ or for a duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed fiscal audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed performance audit means that the program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

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

~~12.~~9. **Authorization for County Program Manager to Proceed:** Only a fully executed Funding Agreement (i.e., signed by both the Air District and the County Program Manager) constitutes the Air District's award of County Program Manager Funds. County Program Managers may ~~only~~ incur costs (i.e., contractually obligate itself to allocate County Program Manager Funds) only after the Funding Agreement with the Air District has been executed.

~~13.~~10. **Maintain Appropriate Insurance:** Both the County Program Manager and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE PROJECTS

~~14.~~11. **Duplication:** Duplicative projects are not eligible. Projects that propose to expand and achieve additional emission reductions of existing projects are eligible (e.g., shuttle service or route expansion, previously-funded project that has completed its Project Useful Life).

~~15.~~12. **Planning Activities:** A grantee may not use any TFCA funds for planning related activities unless they are directly related to the implementation of a project or program that result in emission reductions.

~~16.~~13. **Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to the grantee's employees are not eligible.

~~17.~~14. **Cost of Developing Proposals:** Grantees may not use any TFCA funds to cover the costs of developing grant applications ~~for TFCA funds~~.

USE OF TFCA FUNDS

~~18.~~15. **Combined Funds**: Unless otherwise specified in policies #22 through #32, TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a County Program Manager Fund project. Projects that are funded by the TFCA County Program Manager Fund are not eligible for additional funding from other funding sources that claim emissions credits. ~~(~~For example, County Program Manager-funded projects ~~are eligible for~~may be combined with Congestion Mitigation and Air Quality (CMAQ) funds because CMAQ does not require emissions reductions for funding eligibility.~~)~~

~~19.~~16. **Administrative Costs**: The County Program Manager may not expend more than ~~five~~6.25 percent ~~(5%)~~ of its County Program Manager Funds for its administrative costs. The County Program Manager's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on County Program Manager Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement, and must be reported to the Air District.

~~20.~~17. **Expend Funds within Two Years:** County Program Manager Funds must be expended within two (2) years of receipt of the first transfer of funds from the Air District to the County Program Manager in the

applicable fiscal year, unless a County Program Manager has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, a County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.

~~21.~~18. **Unallocated Funds:** Pursuant to HSC 44241(f), any County Program Manager Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the County Program Manager's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

~~22.~~19. Reserved.~~Incremental Cost (for the purchase or lease of new vehicles): For new vehicles, TFCA funds awarded may not exceed the incremental cost of a vehicle after all rebates, credits, and other incentives are applied. Such financial incentives include manufacturer and local/state/federal rebates, tax credits, and cash equivalent incentives. Incremental cost is the difference in cost between the purchase or lease price of the new vehicle, and the price of its new conventional vehicle counterpart that meets, but does not exceed, the most current emissions standards at the time that the project is evaluated.~~

~~23.~~20. Reserved.

~~24.~~21. Reserved.

ELIGIBLE PROJECT CATEGORIES

~~25.~~22. **Alternative Fuel Light-Duty Vehicles:**

~~**Eligibility:**~~ These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction. All of the following conditions must be met for a project to be eligible for TFCA funds: ~~For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter. Eligible alternative light-duty vehicle types and equipment eligible for funding are:~~

a. Vehicles purchased and/or leased have a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter.

b. ~~Purchase or lease of~~Vehicles are 2017 model year or newer

~~i.~~ hybrid-electric, electric, fuel cell, and CNG/LNG vehicles that are 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 (AT-PZEV), or zero emission vehicle (ZEV) standards; or~~.~~

i.

ii. ~~Purchase or lease of new~~ electric neighborhood vehicles (NEV) as defined in the California Vehicle Code.

c. ~~For TFCA purposes, light-duty vehicles are those with a gross vehicle weight rating (GVWR) of 14,000 lbs. or lighter.~~ Vehicles must be maintained and operated within the Air District's jurisdiction.

~~b.~~ The amount of TFCA funds awarded may not exceed 90% of the vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.

d.

Gasoline and diesel (non-hybrid) vehicles are not eligible for TFCA funds. Funds are not available for non-fuel system upgrades, such as transmission and exhaust systems, and should not be included in the ~~incremental~~ cost of the project.

Grantees may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.

~~26.~~23. Reserved.

~~27.~~24. **Alternative Fuel Heavy-Duty Vehicles and Buses:**

~~**Eligibility:**~~ These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District's jurisdiction. All of the following ~~additional~~ conditions must be met for a project to be eligible for TFCA Funds:

a. Vehicles purchased and/or leased either have a GVWR greater than 14,000 lbs or are classified as urban buses.~~; and~~

~~b.~~ Vehicles a~~A~~re 201~~75~~ model year or newer hybrid-electric, electric, CNG/LNG, and hydrogen fuel cell vehicles approved~~certified~~ by the CARB.

b.

c. Vehicles must be maintained and operated within the Air District's jurisdiction.

d. The amount of TFCA funds awarded may not exceed 90% of the vehicle's cost after all other grants and applicable manufacturer and local/state/federal rebates and discounts are applied.

e. Scrapping Requirements: Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.

TFCA funds may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.

Grantees may request authorization of up to 50% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle.

Projects that seek to replace a vehicle in the same weight-class as the proposed new vehicle, may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

~~28. TFCA funds may not be used to pay for non-fuel system upgrades such as transmission and exhaust systems.~~

~~29. Scrapping Requirements: Grantees with a fleet that includes model year 1998 or older heavy-duty diesel vehicles must scrap one model year 1998 or older heavy-duty diesel vehicle for each new vehicle purchased or leased under this grant. Costs related to the scrapping of heavy-duty vehicles are not eligible for reimbursement with TFCA funds.~~

~~30.~~

~~31. Alternative Fuel Bus Replacement:~~

~~32.~~25. **On-Road Goods Movement Truck Replacements:** The project will replace Class 6, Class 7, or Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA)~~)~~ with new or used trucks that have an engine certified to the 2010 CARB emissions standards or cleaner. Eligible vehicles are those that are used for goods movement as defined by CARB. The existing trucks must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction, and must be scrapped after replacement. ~~Eligibility: For purposes of transit and school bus replacement projects, a bus is any vehicle designed, used, or maintained for carrying more than 15 persons, including the driver. A vehicle designed, used, or maintained for carrying more than 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. Buses are subject to the same eligibility requirements and the same scrapping requirements listed in Policy #24.~~

~~33.~~26. **Alternative Fuel Infrastructure:**

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

TFCA-funded infrastructure projects must be available to and accessible by the public. Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and as approved by the local/state authority.

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

~~34.~~27. **Ridesharing Projects:** Eligible ridesharing projects provide carpool, vanpool or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category.

~~35.~~28. **Shuttle/Feeder Bus Service:**

These projects are intended to reduce single-occupancy vehicle trips by providing short-distance connections. All of the following conditions must be met for a project to be eligible for TFCA funds:

a. The service must provide direct connections between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal or airport) and a distinct commercial or employment location.

b. The service's schedule must be coordinated to have a timely connection with corresponding mass transit service.

c. The service must be available for use by all members of the public.

d. TFCA funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be

deemed "comparable" to an existing service ~~that brings passengers from a mass transit hub to within 1/3 mile of the employment location or commercial hub~~ if the passengers' proposed travel time will be at least 15 minutes ~~less than~~shorter and ~~will be~~ at least 33% shorter than the existing service's travel time to the proposed destination;~~.~~

e. Reserved.~~Project applicants that were awarded FYE 2014 or FYE 2015 or FYE 2016 TFCA Funds that propose identical routes in FYE 2015 or in FYE 2016 or in FYE 2017 may request an exemption from the requirements of Policy 28.D. provided they meet the following requirements: 1) No further TFCA project funding as of January 1, 2017; 2) The proposed service must serve the identical transit hub and commercial or employment locations as the previously funded project; and 3) Submission of a plan to achieve financial self-sufficiency from TFCA funds by January 1, 2017, or a plan to come into compliance with Policy 28.D. and all other eligibility criteria.~~

f. ~~Shuttle/feeder bus service applicants~~Grantees must be either: 1) a public transit agency or transit district that directly operates the shuttle/feeder bus service; or (2) a city, county, or any other public agency.

g. A~~Shuttle/feeder bus service a~~pplicants must submit a letter of concurrence from the transit district or transit agency that provides service in the area of the proposed route, certifying that the service does not conflict with existing service.

h. ~~Existing projects~~Each route must meet the~~a~~ cost-effectiveness requirement in Policy #2 ~~of $200,000 per ton of emissions reduced~~. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2) ~~of $250,000 per ton of emissions reduced~~.

i. **Pilot Shuttle/Feeder Bus Service~~:~~** ~~Pilot shuttle/feeder bus service~~ projects are defined as routes that are at least 70% unique and where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28.a.-h. for shuttle/feeder bus service, pilot shuttle/feeder bus service, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

   i. Provide data and other evidence demonstrating the public's need for the service, including a demand assessment survey and letters of support from potential users. Project applicants must agree to conduct a passenger survey for each year of operation.

   ii. Provide written documentation of plans for financing the service in the future;

   iii. Provide a letter from the local transit agency denying service to the project's proposed service area, which includes the basis for denial of service to the proposed areas. The applicant must demonstrate that the project applicant has attempted to coordinate service with the local service provider and has provided the results of the demand assessment survey to the local transit agency. The applicant must provide the transit service provider's evaluation of the need for the shuttle service to the proposed area.

   iv. Pilot projects located in Highly Impacted Communities as defined in the Air District ~~Community Air Risk Evaluation (~~CARE~~)~~ Program and/or a Planned or Potential ~~Priority Development Area (~~PDA~~)~~ may receive a maximum of three years of TFCA Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of $500,000/ton, and

~~2. By the end of the second year of operation, projects must not exceed a cost-effectiveness of $200,000/ton, and~~

~~3.~~2. By the end of the third year of operation, projects must ~~not exceed a cost-effectiveness of $175,000/ton and~~ meet all of the requirements, including cost-effectiveness limit, of Policy #28.a.-h. (existing shuttles).

v. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA Funds under this designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:

1. By the end of the first year of operation, projects shall meet a cost-effectiveness of $2500,000/ton, and

2. By the end of the second year of operation, projects ~~shall cost $175,000 or less per ton (cost-effectiveness rating) and~~ shall meet all of the requirements, including cost-effectiveness limit, of Policy #28.a-h. (existing shuttles).

~~36.~~29. **Bicycle Projects:**

New bicycle facility projects or upgrades to an existing bicycle facility that are included in an adopted countywide bicycle plan, ~~or~~ Congestion Management Program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission's (MTC) Regional Bicycle Plan are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion. A project that proposes to upgrade an existing bicycle facility is eligible only if that project involves converting an existing Class-2 or Class-3 facility to a Class-1 or Class-4 facility.

Eligible projects are limited to the following types of bicycle facilities for public use that result in motor vehicle emission reductions:

a. New Class-1 bicycle paths;

b. New Class-2 bicycle lanes;

c. New Class-3 bicycle routes;

d. New Class-4 cycle tracks or separated bikeways;

e. Upgraded Class-1 or Class-4 bicycle facilities;~~Reserved.~~

f. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;

g. Electronic bicycle lockers;

h. Capital costs for attended bicycle storage facilities; and

i. Purchase of two-wheeled or three-wheeled vehicles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.

j. Reserved.

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

~~37.~~30. ~~Bay Area~~ **Bike Share**:

P~~These p~~rojects that make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips are~~. To be~~ eligible for TFCA funds, subject to all of the following conditions:

a. ~~, bicycle share projects must work in unison with the existing Bay Area Bike Share p~~~~Project~~Projects must ~~by~~ either increas~~e~~~~ing~~ the fleet size of ~~within the initial participating~~existing service areas or expand~~ing the~~ existing service areas to include ~~additiona~~new~~l~~ Bay Area communities.

b. Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing.

c. Projects must have shared membership -and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for ~~maximize benefits to the~~ end users by~~by~~ reducing the number of separate ~~independent opera~~operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:

   i. Projects that do not require membership or any fees for use, or

   ii. Projects that were provided funding under MTC's Bike Share Capital Program to start a new or expand an existing bike share program; or.

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

Projects may be awarded FYE 2018 TFCA funds to pay for up to five years of operations.~~Projects must have a completed and approved environmental plan and a suitability study demonstrating the viability of bicycle sharing. Projects may be awarded TFCA funds to pay for up to five years of operations.~~

~~38.~~31. **Arterial Management:**

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

~~39. 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, pedestrian 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 plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.

c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

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 retail, and employment areas.

Appendix E: Glossary of Terms

The following is a glossary of terms found in the TFCA County Program Policies:

Environmental plan – A completed and approved plan to mitigate environmental impacts as required as the result of the review process of all applicable local, state, and federal environmental reviews (e.g., CEQA, NEPA). For the purpose of the County Program Manager Fund, projects requiring a completed and approved environmental plan must complete all required environmental review processes. Any project that is exempt from preparing an environmental plan, as a result of an environmental review process, has met the requirement of having a completed and approved environmental plan.

Final audit determination - The determination by the Air District of a County Program Manager or grantee's TFCA program or project, following completion of all procedural steps set forth in HSC section 44242(a) – (c).

Funding Agreement - The agreement executed by and between the Air District and the County Program Manager for the allocation of TFCA County Program Manager Funds for the respective fiscal year.

Grant Agreement - The agreement executed by and between the County Program Manager and a grantee.

Grantee - Recipient of an award of TFCA Funds from the County Program Manager to carry out a TFCA project and who executes a grant agreement with the County Program Manager to implement that project. A grantee is also known as a project sponsor.

Project Useful Life *(see Years Effectiveness)*

TFCA funds - Grantee's allocation of funds, or grant, pursuant to an executed grant agreement awarded pursuant to the County Program Manager Fund Funding Agreement.

TFCA-generated funds - The Transportation Fund for Clean Air (TFCA) program funds generated by the $4 surcharge on motor vehicle registration fees that are allocated through the Regional Fund and the County Program Manager Fund.

Weighted PM10 - Weighted particulate matter less than 10 microns in diameter (PM10) is calculated by multiplying the tailpipe PM emissions by a factor of 20, which is consistent with CARB methodology for estimating PM10 emissions for the Carl Moyer Program.

Years Effectiveness - Equivalent to the administrative period of the grant and used in calculating a project's Cost Effectiveness. This is different from how long the project will physically last.

Appendix F: Insurance Guidelines

This appendix provides guidance on the insurance coverage and documentation typically required for TFCA County 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 Grantee provide documentation showing that they meet the following requirements for each of their projects. The County Program Manager is not required to meet these requirements itself, unless it is acting as a Grantee.

1. **Liability Insurance:**

   Corporations and Public Entities - a limit of not less than $1,000,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Grantee, and to the operation of the vehicles, engines or equipment operated by the Project Sponsor.

   Single Vehicle Owners - a limit of not less than $750,000 per occurrence. Such insurance shall be of the type usual and customary to the business of the Grantee, and to the operation of the vehicles, engines or equipment operated by the Grantee.

2. **Property Insurance:**

   New Equipment Purchases - an amount of not less than the insurable value of Grantee's vehicles, engines or equipment funded under this Agreement, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

   Retrofit Projects - 2003 model year vehicles or engines or newer in an amount of not less than the insurable value of Grantee's vehicles, engines or equipment funded under this Agreement, and covering all risks of loss, damage or destruction of such vehicles, engines or equipment.

3. **Workers Compensation Insurance:**

   Construction projects – including but not limited to bike/pedestrian paths, bike lanes, smart growth and vehicle infrastructure, as required by California law and employers insurance with a limit not less than $1 million.

4. **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.

The following table lists the type of insurance coverage generally required for each project type. The requirements may differ in specific cases. County Program Managers should contact the Air District liaison with questions, especially about unusual projects.

Project Category	Liability	Property	Workers Compensation
Vehicle purchase and lease	X	X	
Engine retrofits	X	X	
Operation of shuttle services	X		X
Operation of vanpools	X		
Construction of bike/pedestrian path or overpass	X		X
Construction of bike lanes	X		X
Construction of cycle tracks/separated bikeways	X		X
Construction of smart growth/traffic calming projects	X		X
Construction of vehicle fueling/charging infrastructure	X	X	X
Arterial management/signal timing	X		X
Purchase and installation of bicycle lockers and racks	X	X	X
Transit marketing programs	X		
Ridesharing projects	X		X
Bike Share projects	X	X	X
Transit pass subsidy or commute incentives	X		
Guaranteed Ride Home Program	X		

Appendix G: Sample Project Information Form

A. Project Number: 18~~7~~XX01

Use consecutive numbers for projects funded, with year, county code, and number, e.g., 18~~7~~MAR01, 18~~7~~MAR02 for Marin County. Zero (e.g., 18~~7~~MAR00) is reserved for County Program Manager TFCA funds allocated for administration costs.

B. Project Title: _____

Provide a concise, descriptive title for the project (e.g., "Elm Ave. Signal Interconnect" or "Purchase Ten Gasoline-Electric Hybrid Light-Duty Vehicles").

A. TFCA County Program Manager Funds Allocated: $_____

B. TFCA Regional Funds Awarded (if applicable): $_____

C. Total TFCA Funds Allocated (sum of C and D): $_____

D. _____ Total Project Cost: $_____

Indicate the TFCA dollars allocated (C, D and E) and total project cost (D). Data from Line E (Total TFCA Funds) should be used to calculate C-E.

E. Project Description:

Grantee will use TFCA funds to _____. *Include information sufficient to evaluate the eligibility and cost-effectiveness of the project. Ex. of the information needed include but are not limited to: what will be accomplished by whom, how many pieces of equipment are involved, how frequently it is used, the location, the length of roadway segments, the size of target population, etc. Background information should be brief. For shuttle/feeder bus projects, indicate the hours of operation, frequency of service, and rail station and employment areas served.*

F. Final Report Content: Final Report form and final Cost Effectiveness Worksheet

Reference the appropriate Final Report form that will be completed and submitted after project completion. See www.baaqmd.gov/tfca4pm for a listing of the following forms:

- ~~1.~~ *Form for Ridesharing, Shuttles, Transit Information, Rail/Bus Integration, Smart Growth, and Traffic Calming Projects. (Includes Transit Bus Signal Priority.)*
- ~~1.~~ *Form for Clean Air Vehicle and Infrastructure Projects*
- ~~2.~~ *Form for Bicycle Projects*
- ~~3.~~ *Form for Arterial Management Projects*

G. _____ Attach a completed Cost-effectiveness Worksheet and any other information used to evaluate the proposed project. *For example, for vehicle projects, include the California Air Resources Board Executive Orders for all engines and diesel emission control systems. Note, Cost-effectiveness Worksheets are not needed for TFCA County Program Managers' own administrative costs.*

H. _____ Comments (if any):

Add any relevant clarifying information in this section.

Appendix H: Instructions for Cost-effectiveness Worksheets

Cost-effectiveness Worksheets are used to calculate project emission reductions and TFCA cost-effectiveness (TFCA $ / ton of emission reductions). County Program Managers must submit Cost-effectiveness Worksheets for each new project and each project receiving additional TFCA funds, along with Project Information Forms, no later than six months after Air District Board approval of the County Program Manager's Expenditure Plan. County Program Managers must also submit Worksheets with Final Report Forms. The most recent Worksheet should be used at time of Final Report to most accurately reflect the emissions reduced.

The Air District provides Microsoft Excel worksheets by e-mail. Worksheets must be completed for all project types with the exception of TFCA County Program Manager administrative costs.

Project Type	**Worksheet Name**
Ridesharing, Shuttles, Bicycle, Bike Share , Smart Growth, and Traffic Calming Projects	Trip Reduction FYE 18~~7~~
Arterial Management: Signal Timing	Arterial Management FYE 18~~7~~
Transit Bus Signal Priority (also for Transit Rail Vehicles)	Trip Reduction FYE 18~~7~~
Alternative-Fuel Light-Duty and Light Heavy-Duty Vehicles or Infrastructure	LD & LHD Vehicle FYE 18~~7~~
Alternative-Fuel Low-Mileage Utility Trucks – Idling Service	Heavy-Duty Vehicle FYE 18~~7~~
Alternative-Fuel Heavy-Duty Vehicles, Buses, or Infrastructure	Heavy-Duty Vehicle FYE 18~~7~~

Make entries in the yellow-shaded areas only in the worksheets. Begin each new filename with the application number (e.g., 18~~7~~MAR04) as described below. Each worksheet contains separate tabs for: Instructions (no user input), General Information, Calculations, Notes and Assumptions, and Emission Factors (no user input).

County Program Managers must provide all relevant assumptions used to determine the project's cost-effectiveness in the Notes & Assumptions tab. If a County Program Manager seeks to use different default values or methodologies, it is advisable that they consult with the Air District before project approval, in order to avoid the potential for funding projects that are not eligible for TFCA funds.

The Air District encourages County Program Managers to assign the shortest duration possible for the # Years of Effectiveness value for a project to meet the cost-effectiveness requirement. This practice will help to minimize both the Grantee and County Program Manager's administrative burdens.

Instructions Specific to Each Project Type

Ridesharing and Shuttle Projects

Two key components in calculating cost-effectiveness is the number of vehicle trips eliminated per day and the trip length. **The number of vehicle trips eliminated is the number of trips by participants that would have driven as a single occupant vehicle if not for the service; *it is not the same as the total number of riders or participants***. A frequently used proxy is the percentage~~number~~ of survey respondents who report that they would have driven alone if not for the service provided. For calculating the length of trip, ~~it is appropriate to use~~ only use the length of the vehicle trip avoided by only the riders that otherwise would have driven alone.

In addition, **each shuttle route must meet the cost-effectiveness criteria** (Policy # 2~~8~~). If a project consists of more than one route, one worksheet should be submitted with all routes listed, and a

separate worksheet must be prepared showing the cost-effectiveness of each route (i.e., as determined by that route's ridership, funding allocation, etc.).

Transit Signal Priority

For the length of trip, a good survey practice is to determine the length of automobile trip avoided by just those riders that otherwise would have driven, rather than by all riders.

Arterial Management Projects

Please note that each segment must meet the cost-effectiveness requirement (Policy #2~~31~~). If there are multiple segments being considered for funding, one worksheet should be submitted with all segments listed, and a separate worksheet should be submitted showing the cost-effectiveness for each segment.

For a signal timing project to qualify for four (4) years of effectiveness, the signals must be retimed after two (2) years.

Smart Growth, Traffic Calming

Projects must reduce vehicle trips by increasing pedestrian/bicycle travel and transit use. Projects that only involve slowing automobile traffic briefly (e.g., via speed bumps) tend to not be cost-effective, as the acceleration following deceleration increases emissions.

Vehicle and Fueling Infrastructure Projects

The investment in each individual vehicle must be shown to be cost-effective (Policy #2). The worksheet calculates the cost-effectiveness of each vehicle separately, so only one worksheet is required when more than one vehicle is being considered for funding.

TFCA Policies require that all projects including those subject to emission reduction regulations, contracts, or other legally binding obligations achieve ***surplus*** emission reductions—that is, reductions that go beyond what is required. **Therefore, vehicles with engines certified as Family Emission Limit (FEL) engines are not eligible for funding because the engine is certified for participation in an averaging, banking, and trading program in which emission benefits are already claimed by the manufacturer.**

Because TFCA funds may only be used to fund early-compliance emissions reductions, and because of the various fleet rule requirements, calculating cost-effectiveness for vehicle grant projects can be complex, and it is recommended that it be done only by someone familiar with all applicable regulations and certifications. Additionally, electric vehicle infrastructure generally does not qualify for more than $~~23~~,000 per Level 2 (6.6KW) charging spot, and County Program Managers should consult with the Air District on such projects, as the evaluation methodologies are evolving. Also, any questions should be raised to Air District staff well before project approval deadlines in order to assure project eligibility.

The cost-effectiveness of fueling infrastructure is based on the vehicles that will use the funded facility. For these projects, County Program Managers must exercise care that emission reductions from the associated vehicles are only credited towards a TFCA infrastructure project, and are not double counted in any other Air District grant program, either at the present time or for future vehicles that will use the facility during its effective life.

The total mileage a vehicle can travel may be limited by regulation, and the product of Years of Effectiveness and Average Annual Miles cannot exceed that mileage (e.g., some cities limit the lifetime miles a taxicab can travel).

Heavy-duty vehicle and infrastructure projects: The California Air Resources Board (CARB) Carl Moyer Program Guidelines document is the source for the formulas and factors used in the Heavy-Duty Vehicle worksheet. The full documentation is available at http://www.arb.ca.gov/msprog/moyer/guidelines/current.htm. Note that there are some differences between the TFCA and Moyer programs; consult Air District staff with any questions. At a minimum, a funded vehicle must have an engine complying with the model year 2010 and later emission standards. Vehicles that are funded by the TFCA shall not be co-funded with other funding sources that claim emissions credits. At this time, vehicles that are funded by the CARB (e.g., Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project [HVIP]), Carl Moyer, or other Air District grant programs are not eligible for additional funding from TFCA.

Documentation and Recordkeeping: Beginning in FYE 2012, Project files must be maintained by County Program Managers and Grantees for a minimum of *five years* following completion of the project (i.e., Project Years Effectiveness), versus three years as before. Project files must contain all related documentation including copies of CARB executive orders, quotes, mileage logs, fuel usage (if cost-effectiveness is based on fuel use), photographs of engines and frames that were required to be scrapped, and financial records, in order to document the funding of eligible and cost-effective projects.

Guidance on inputs for the worksheets are as follows:

Instructions Tab

Provides instructions applicable to the relevant project type(s).

General Information Tab

Project Number, which has three parts:

1st – fiscal year in which project will be funded (e.g., 18~~7~~ for FYE 2018~~7~~).

2nd – County Program Manager; use the following abbreviations:

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

3rd – two-digit number identifying project; 00 is reserved for County Program Manager administrative costs.

Example: 18~~7~~MAR04 = fiscal year ending **2018~~7~~**, **Mar**in, Project #**04**.

Project Title: *Short and descriptive* title of project, matching that on the Project Information Form.

Project Type Code: Insert one and only one of the following codes for the corresponding project type. If a project has multiple parts, use the code for the main component. Note that not all listed project types may be allowed in the current funding cycle**.**

Code	Project Type	Code	Project Type
0	Administrative costs	**6c**	Shuttle services – NG powered
1a	NG buses (transit or shuttle buses)	**6d**	Shuttle services – EV powered
1b	EV buses	**6e**	Shuttle services – Fuel cell powered
1c	Hybrid buses	**6f**	Shuttle services – Hybrid vehicle

Code	Project Type	Code	Project Type
1d	Fuel cell buses	**6g**	Shuttle services – Other fuel type
1e	Buses – Alternative fuel	**6h**	Shuttle services w/TFCA purchased retrofit
2a	NG school buses	**6i**	Shuttle services – fleet uses various fuel types
2b	EV school buses	**7a**	Class 1 bicycle paths
2c	Hybrid school buses	**7b**	Class 2 bicycle lanes
2d	Fuel cell school buses	**7c**	Class 3 bicycle routes, bicycle boulevards
2e	School buses – Alternative fuel	**7d**	Bicycle lockers and cages
3a	Other heavy-duty – NG (street sweepers, garbage trucks)	**7e**	Bicycle racks
3b	Other heavy-duty – EV	**7f**	Bicycle racks on buses
3c	Other heavy-duty – Hybrid	**7g**	Attended bicycle parking (“bike station”)
3d	Other heavy-duty – Fuel cell	**7h**	Other type of bicycle project (e.g., bicycle loop detectors)
3e	Other heavy-duty - Alternative fuel (High Mileage)	**7i**	Bike share
3f	Other heavy-duty - Alternative fuel (Low Mileage)	**7j**	Class 4 cycle tracks or separated bikeways
4a	Light-duty vehicles – NG	**8a**	Signal timing (Regular projects to speed traffic)
4b	Light-duty vehicles – EV	**8b**	Arterial Management – transit vehicle priority
4c	Light-duty vehicles – Hybrid	**8c**	Bus Stop Relocation
4d	Light-duty vehicles – Fuel cell	**8d**	Traffic roundabout
4e	Light-duty vehicles – Other clean fuel	**9a**	Smart growth – traffic calming
5a	Implement TROs (pre-1996 projects only)	**9b**	Smart growth – pedestrian improvements
5b	Regional Rideshare Program	**9c**	Smart growth – other types
5c	Incentive programs (for any alternative mode)	**10a**	Rail-bus integration
5d	Guaranteed Ride Home programs	**10b**	Transit information / marketing
5e	Ridesharing – Vanpools (if cash incentive only, use 5c)	**11a**	Telecommuting demonstration
5f	Ridesharing – School carpool match	**11b**	Congestion pricing demonstration
5g	Other ridesharing / trip reduction projects	**11c**	Other demonstration project
5h	Trip reduction bicycle projects (e.g., police on bikes)	**12a**	Natural gas infrastructure
6a	Shuttle services – diesel powered	**12b**	Electric vehicle infrastructure
6b	Shuttle services – gasoline powered	**12c**	Alternative fuel infrastructure

County: Use the same abbreviations as used in Project Number.

Worksheet Calculated by: Name of person completing the worksheet.

Date of Submission: Date submitted to the County Program Manager.

Grantee Org.: Organization responsible for the project.

Contact Name: Name of individual responsible for implementing the project. Include all contact information requested (email, phone, address).

Project Start Date Date work begins on a project. Note: Project must meet Readiness Policy (Policy #6).

Completion Date &

Final Report to CMA: Date the project was completed and the date the Final Report was received by the County Program Manager. Note: County Program

Managers~~s~~ must expend funds within two years of receipt, unless an application states that the project will take a longer period of time and is approved by the County Program Manager or the Air District.

Calculations Tab

Because the worksheets have many interrelated formulas and references, users must not add or delete rows or columns, or change any formulas, without consulting with the Air District. Several cells have input choices or information built in, as pull-down menus or comments in Excel. Pull-down menus are accessed by clicking on the 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.

Cost Effectiveness Inputs

 # Years Effectiveness: Equivalent to the administrative period of the grant. See inputs table below. The best practice is to use shortest value possible.

Total Project Cost: Total cost of project including TFCA funding, sponsor funding, and funds contributed by other entities. Only include goods and services of which TFCA funding is an integral part.

TFCA Cost: TFCA 40% County Program Manager Funds and the 60% Regional Funds (if any), listed separately.

Emission Reduction Calculations

Instructions and default values for each project type are provided in the table below. Default values for years of effectiveness are provided for the various project types. There are no defaults for Smart Growth projects, due to the wide variability in these projects.

Notes & Assumptions Tab

Provide an explanation of all assumptions used. If you do not use the Air District's guidelines and default values to determine cost-effectiveness, you must document and explain your inputs and assumptions after receiving written approval from the Air District.

Emission Factors Tab

This tab contains references for the Calculations tab. **No changes shall be made to this tab.**

Additional Information for Heavy-duty Vehicle Projects

CARB has adopted a number of standards and fleet rules that limit funding opportunities for on-road heavy-duty vehicles. See the below list of CARB rules that affect on-road heavy-duty fleets, followed by a reference sample CARB Executive Order. For assistance in determining whether a potential project is affected, contact Air District staff or consult Carl Moyer Implementation Charts at:
http://www.arb.ca.gov/msprog/moyer/guidelines/supplemental-docs.htm

Summary of On-Road Heavy-Duty Fleet Rules

Vehicle Type	Subject to CARB Fleet Rule?
Urban buses	Fleet Rule for Transit Agencies
Transit Fleet Vehicles	Fleet Rule for Transit Agencies
Solid Waste Collection Vehicles, excluding transfer trucks	Solid Waste Collection Vehicle Regulation
Municipal Vehicles and Utility Vehicles	Fleet Rule for Public Agencies and Utilities
Port and Drayage Trucks	Port Truck Regulation
All other On-road heavy-duty vehicles	On-road Rule

~~Summary of On-Road Heavy-Duty Fleet Rules~~

Summary of Maximum Cost-effectiveness & Years Effectiveness by Project Category

Policy No.	Project Category	Maximum C-E ($/weighted ton)	Years Effectiveness
22	Alternative Fuel Light-Duty Vehicles	250,000	3 years recommended, 4 years max
23	Reserved	Reserved	Reserved
24	Alternative Fuel Heavy-Duty Vehicles and Buses	250,000	3 years recommended, 4 years max
25	On-Road Goods Movement Truck Replacements~~Alternative Fuel Bus Replacement~~	~~250,000~~90,000	3 years recommended, 4 years max
26	Alternative Fuel Infrastructure	250,000	3 years recommended, 4 years max
27	Ridesharing Projects	150,000	2 years max
28 a.~~A~~-h.~~H~~	Shuttle/Feeder Bus Service – Existing	200,000; 250,000 for services in CARE Areas or PDAs	2 years max
28 i.~~I~~	Shuttle/Feeder Bus Service - Pilot	Year 1 - 2~~5~~00,000 Year 2 - see Policy #28.a-h.~~175,000~~	2 years max
28 i.~~I~~	Shuttle/Feeder Bus Service – Pilot in CARE Areas or PDAs	Years 1 & 2 - 500,000 ~~Year 2 - 200,000~~ Year 3 - see Policy #28.a-h.~~175,000~~	2 years max
29	Bicycle Projects	250,000	From 3 to 10 years
30	Bay Area Bike Share	500,000	5 years max
31	Arterial Management	175,000	2 or 4 years
32	Smart Growth/Traffic Calming	175,000	10 years max

Emission Reduction Inputs

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
Ridesharing / Trip Reduction Project Type = 5a-h, 8b, 9a-c, 11a, or 11b Worksheet = Trip Reduction FYE 18~~7~~ Note: For ridesharing the default maximum number of vehicle trips reduced per day is 1% of target population.	**Ridesharing**	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, up to 2 years
	• # 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 Commute Profile)
	• # New Trips/Day (1-way) to access transit	• Step 2-Column A, Default = 50% of # Trips/Day Eliminated (Step 1-Column A)
	• Days/Yr	• Enter in Step 2-Column B, same # as Step 1-Column B
	• Trip Length (1-way)	• Enter in Step 2-Column C, Default = 3 miles
	School-Based Ridesharing	
	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs, up to 2 yrs
	• # 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, up to 2 yrs
	• # Trips/Day (1-way) eliminated [% of target population]. Use survey data if available.	• Step 1-Column A, No default
	• Days/Yr	• Enter in Step 1-Column B, 90 days (max.) if # Trips/Day based on % of target population. If # Trips/Day based on participants, 240 days (max).
	• Trip Length (1-way), based on routes accessed	• Step 1-Column C, No Default
	• # New Trips/Day (1-way) to access transit	• Step 2-Column A, 50% of # Trips/Day Eliminated (Step 1-Column A)
	• Days/Yr (new trips)	• Enter in Step 2-Column B - 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 • # Trips/Day (1-way) eliminated • Days/Yr • Trip Length (1-way)	• Enter in Cost Effectiveness Inputs, up to 2 years • Enter in Step 1-Column A, 0.2% of target population. • Enter in Step 1-Column B, 240 days (Max.) • Step 1-Column C, Default = 16 miles
	Transit Vehicle Signal Prioritization • # Years Effectiveness • # Trips/Day (1-way) eliminated • Days/Yr • Trip Length (1-way)	• Enter in Cost Effectiveness Inputs, 2 yrs • Step 1-Column A, No Default • Enter in Step 1-Column B, 240 days (max) • Step 1-Column C, No Default • Step 2-Column A, 50% of # Trips/Day Eliminated (Step 1-Column A) • Step 2-Column B, same as Step 1-Column B • Enter in Step 2-Column C, 3 miles

~~Emission Reduction Inputs~~

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
Bicycle Projects Project Type = 7a-j Worksheet = Trip Reduction FYE 1~~8~~7 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.	**Bicycle Projects (Paths, Lanes, Routes)** • # Years Effectiveness Class 1 bike path (or bike bridge) Class 2 bike lane Class 3 bike route Class 4 cycle tracks or separated bikeways • # Trips/Day (1-way) eliminated (depends on length of project segment and ADT on project segment) Class 1 & Class 2 & Class 4 ADT ≤ 12,000 vehicles per day	• Enter in Cost Effectiveness Inputs: Not to exceed 10 years for Class 1 projects (trails/paths) Not to exceed 7 years for Class 2, Class 3 and Class 4 projects • Enter in Step 1-Column A: Length ≤ 1 mile = 0.4% ADT Length >1 and ≤ 2 miles = 0.6% ADT

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.	Class 1 & Class 2 & Class 4 ADT > 12,000 and ≤ 24,000 Class 1 & Class 2 & Class 4 ADT > 24,000 and ≤ 30,000 Maximum is 30,000. Class 3 bike route or bicycle boulevard Upgraded Class 1 & Upgraded Class 4 • Days/Yr • Trip Length (1-way)	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 Use 5% of the appropriate formula above • Enter in Step 1-Column B, 240 days • Enter in Step 1-Column C, 3 miles. (Not same as segment length.)

	Bicycle Lockers & Racks • # Years Effectiveness • # Trips/Day (1-way) eliminated • Days/Yr • Trip Length (1-way)	 • Enter in Cost Effectiveness Inputs, 3 yrs • Enter in Step 1-Column A: Capacity of lockers x 2 trip/day Capacity of cages x 0.75 trips per 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
	Bay Area Bike Share • # Years Effectiveness	 • Enter in Cost Effectiveness Inputs, max. 5 yrs

	• # Trips/Day (1-way) eliminated	• Enter in Step 1-Column A: Number of bikes *~~X~~ 1.48 trips per day *~~X~~ 12% (actual vehicle trips replaced based on Shaheen research dated June 2015)
	Weekdays	
	• Days/Yr • Trip Length (1-way)	• Enter in Step 1-Column B, 260 days • Enter in Step 1-Column C, 16 miles
	Weekends	
	• Days/Yr • Trip Length (1-way)	• Enter in Step 1-Column B, 105 days • Enter in Step 1-Column C, 3 miles

~~Emission Reduction Inputs~~

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
Shuttles / Rail-Bus Integration / Transit Info Project Type =6a-i, 10a, or 10b Worksheet = Trip Reduction FYE 18~~7~~	**Shuttle/Feeder Bus, Rail-Bus Integration, and Transit Information Systems**	
	• # Years Effectiveness	• Cost Effectiveness Inputs, up to 2 years
	# Trips/Day (1-way) eliminated trips. Trips only from riders who previously would have driven.	• Step 1-Column A, For on-going service, use survey results For new service, use 50% of daily seating capacity of vehicle * 67% (% single-occupancy vehicles (SOV) from MTC Commuter Profile)
	• Days/Yr eliminated trips	• 1-Column B, Enter number of operating days. Default =240 days/yr.
	• Trip Length (1-way) eliminated trips. Average trip length that will be eliminated due to shuttle passengers taking train/ferry in conjunction with the shuttle.	• Enter in Step 1-Column C, a survey-based distance, or, if no survey, 16 miles for shuttles and 35 miles for vanpools
Step 2 calculates emissions from new trips generated.	• # Trips/Day (1-way) new trips to access transit	• Step 2-Column A, Use survey data or, if none, 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, a survey-based distance, or, if no survey, default is 3 miles for home-to-rail trips.
When possible, emissions from shuttle vehicles should be based on the vehicle engine Executive Order. County Program Manager should consult with Air District staff for guidance.		
	• # Vehicles, Model Year: Number of vehicles with same model year	• Step 3A - Column A, no default.

For vans and shuttle vehicles 14,000 lbs. and lighter, use Step 3A.		
	• Emission Std.: Emission Standard from list provided.	• 3A - Column B, no default.
	• Vehicle GVW: Weight Class from list provided.	• 3A Column C, no default.
	• ROG, NO_x, Exhaust PM_{10}, and Total PM_{10} Factors: enter factor from appropriate table provided on Emission Factors tab—CARB Table 2 for vehicles model year 2004 and after, or CARB Table 7 for model years 1995-2003.	• 3A Column D through G, no default
	• CO_2 Factor: enter factor from CO_2 Table for Light- and Light Heavy-Duty Shuttles, on Emission Factors tab.	• 3A Column H, no default.
	• Total annual VMT = [length of shuttle/van trip (one-way)] X [# one-way trips per day] X [# days of service per year]. For all vehicles listed in Step 3A.	• 3A Column I, no default.
For buses, use Step 3B. *If a vehicle does not match the factors provided, County Program Manager should consult with Air District staff.*	• ROG, NO_x, Exhaust PM_{10}, Other PM_{10} and CO_2 Factors: enter factor from Emissions for Buses Table provided on Emission Factors tab.	• Step 3B: Columns D through H, no default. Note that Step 3B uses Other PM_{10}, not Total PM_{10}.
	• Total annual VMT = [length of shuttle/van trip (one-way)] X [# one-way trips per day] X [# days of service per year]. For all vehicles listed in Step 3B.	• 3B Column I, no default.

~~Emission Reduction Inputs~~

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
	Arterial Management	

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
Arterial Management Project Type = 8a Worksheet = Arterial Management FYE 1~~8~~7	• # Years Effectiveness	• Enter in Cost Effectiveness Inputs: For signal timing/synchronization, 2 yrs or, with retiming required at 2 yrs, 4 yrs. Each project should include either 2- or 4-year segments, not both.
	• Name of Arterial	• Column A: 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 is 240 days.
	• Time Period	• Enter under Column D the time period over which the traffic volumes and speed will change (e.g., 4-7 PM). 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 the project for the corresponding Time Period and direction of travel that will make the stated speed change.
	• Traffic Speed without the Project	• Enter under Column F the average traffic speed along the length of the arterial before implementation of the project.
	• Travel Speed with 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**	• Cost Effectiveness Inputs, 10 years max • No other default assumptions for "smart growth" or traffic calming projects are available. Provide detailed explanations of any assumptions and calculations in the Notes and Assumptions tab.

~~Emission Reduction Inputs~~

Alt-fuel Heavy-Duty Vehicles and Infrastructure

Project Types = 1a, 1b, 1c, 1d, 1e, 2a, 2b, 2c, 2d, 2e, 3a, 3b, 3c, 3d, 3e, 3f, 12a, 12b, 12c

Worksheet = Heavy Duty Vehicle FYE 1~~8~~7

Input Data Needed	Default Assumptions
○ Cost Effectiveness Inputs, # Years Effectiveness. Use separate workbook and Project # for each set of vehicles with different # Years Effectiveness or with different fuel types.	• 3 years is recommended - Not to exceed 4 years.
○ Column B, Unit #: A unique identifier. List each vehicle on a separate row.	○ Column B: No default
• Columns C through E, Baseline Emission Rate: NO_x, ROG, PM factors: See Moyer Table D-2a/b or D-6, based on your vehicle type, weight, and engine model year.	• Columns C through E: For FYE 2018~~7~~ alt-fuel heavy-duty vehicle projects, including urban buses, the baseline default is the Model Year 2010 emission standards.
• Column F, Annual Fuel Use: Base on average fuel use over 2 years, and document with 2 years of records.	• Column F: No default.
• Column G, Fuel Consumption Factor: Moyer Table D-24	• Column G: Most on-road engines are below 750 horsepower, thus the default value is 18.5.
• Column H, Conversion Factor (g/mi to g/bhp-hr): Input a value only if Baseline Emission Rates (Columns C – E) are in g/mi and Fuel Basis is being used. Notice: enter data in this column or Column J, not both. Use Moyer Table D-28.	• Column H: No default.
• Column I, Annual VMT: Base on average VMT over 2 years, and document with 2 years of mileage records.	• Column I: No default.
• Column J, Conversion Factor (g/bhp-hr to g/mi): Input a value only if Baseline Emission Rates (Columns C – E) are in g/bhp-hr. Notice: enter data in this column **or** Column H, not both. Use Moyer Table D-28.	• Column J: No default.
• Column K, Percent operation in Air District: Only the operation within the Bay Area Air Quality Management District can be counted. Boundaries available from the Air District.	• Column K: No default.
• Columns L through N, New Emission Rate: NO_x, ROG, and PM: Use Executive Order values. Note: FEL engines are not eligible for TFCA funding. CARB certifies engines and provides the engine manufacturers with an Executive Order (EO) for each certified engine family. An example of an EO is shown at the end of this attachment. The EO includes general information about the certified engine such as engine family, displacement, horsepower rating(s), intended service class, and emission control systems. It also shows the applicable certification emission standards as well as the average emission levels measured during the actual certification test procedure. For the purpose of the TFCA Program, the certification emission **standards** are used to calculate emission reductions. The certification emission standards are shown in the row titled "(DIRECT) STD" under the respective "FTP" column headings for each pollutant. For instance, the Cummins 8.3 liter natural gas engine illustrated in the sample was certified to a combined oxides of nitrogen plus non-methane hydrocarbon (NOx+NMHC) emission standard of 1.8 g/bhp-hr, a carbon monoxide (CO)	• Columns L through N: For FYE 2018~~7~~ heavy-duty vehicle projects, including urban buses, the new vehicle must be certified to *exceed* the Model Year 2010 standard of 0.2 g/bhp-hr of NO_x and 0.01 g/bhp-hr of PM, which are the default values. Some exceptions apply.

Input Data Needed	Default Assumptions
emission standard of 15.5 g/bhp-hr, and a particulate matter (PM) emission standard of 0.03 g/bhp-hr. In the case where an EO shows emission values in the rows labeled "AVERAGE STD" and/or "FEL", the engine is certified for participation in an averaging, banking, and trading (AB&T) program. AB&T engines (i.e., all FEL-certified engines) **are not eligible** to participate in the TFCA Program for new vehicle purchase projects since emission benefits from an engine certified to an FEL level are not surplus emissions.	
• Column O, Replacement Vehicle Cost: Must be supported by a quote for the new alt-fuel vehicle that exceeds standards.	• Column O: No Default.
• Column P, Must be supported by a quote for a new equivalent model vehicle that meets standards (for FYE 2018~~7~~, the Model Year 2010 Standards).	• Column P: No Default.
• Column Q, Fuel Savings.	• Column Q: Default value is 0%. For new hybrid vehicles, on a case-by-case basis, the Air District may approve another value, based on documented fuel savings relative to a non-hybrid vehicle.
• Column R, Fuel Consumption Factor: Use Moyer Table D-24.	• Column R: Most on-road engines are below 750 horsepower.
• Column S, Conversion Factor (g/mi to g/bhp-hr): Enter a value only if New Emission Rates (Columns L – N) are in g/mi and Fuel Basis is being used. Notice: enter data in this column **or** Column T, not both. Use Moyer Table D-28.	• Column S: No default.
• Column T, Conversion Factor (g/bhp-hr to g/mi): Enter a value **only if** New Baseline Emission Rates (Columns L – N) are in g/bhp-hr. Notice: enter data in this column or Column S, not both. Use Moyer Table D-28.	• Column T: No default.
• Column Y, # Years Effectiveness: Same as in Cost Effectiveness Inputs.	• Column Y: 3 years is recommended - 4 yrs max.
• Column Z, Incremental Cost: The cost of the proposed vehicle minus the baseline vehicle.	• Column Z: Automatically calculated.
• Columns AB – AG, Emission Reductions. All reductions must be surplus to any regulatory, contractual, or other legally binding requirement. Note that if ROG values are not available for both the baseline and the proposed engine, ensure value is zero (0) for ROG, as no ROG emission reductions can be claimed.	• Columns AB – AG. Calculated automatically. Enter zero (0) if a reduction cannot be claimed.
• Column AM, TFCA Funding Amount: Amount of total TFCA funding. The column total must equal Total TFCA Cost from Cost-Effectiveness Inputs at top of worksheet.	• Column AM: Cannot exceed Incremental Cost.

Input Data Needed	Default Assumptions
• Column AP, Actual Weighted CE w/o CRF--Miles Basis ($/ton). Cost-effectiveness based on emissions including weighted PM. **Must meet Policy Requirements.**	• Column AP: Calculated automatically.
• Column AQ, Actual Weighted Contract CE w/o CRF--Fuel Basis ($/ton). Cost-effectiveness based on emissions including weighted PM. **Must meet Policy Requirements.** Emissions and cost-effectiveness calculations **can only be based on fuel usage for the following vehicles:** • Utility vehicles in idling service • Street sweepers • Solid waste collection vehicles. All other vehicles must use mileage basis. If using fuel-based calculations, usage must be based on two years of historical fuel usage documentation (e.g., fuel logs or purchase receipts).	• Column AQ: Calculated automatically.
• Column AS, Baseline CO_2 Factor Based on Mileage: Enter value from CO_2 Emission Factors Table for your fuel and vehicle type (e.g., Medium Heavy Duty Diesel is 1527 g/mi).	• Column AS: No default.
• Column AT, Proposed Engine CO_2 Factor Based on Mileage: Enter value from CO_2 Emission Factors Table for your fuel and vehicle type (e.g., Medium Heavy Duty CNG 1098 g/mi).	• Column AT: No default.
• Column AV, Baseline CO_2 Factor Based on Fuel Use: Enter value from CO_2 Emission Factors Table for your fuel type (e.g., Diesel is 10079 g/mi).	• Column AV: 10079 g/mi.
• Column AW, Proposed Engine CO_2 Factor Based on Fuel Use: Enter value from CO_2 Emission Factors Table for your fuel type (e.g., CNG is 7244 g/mi).	• Column AW: No default.

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
Alt-fuel Vehicles and Infrastructure: **Light-Duty and Light Heavy-Duty** Project Types = 4a, 4b, 4c, 4d, 4e, 12a, 12b, 12c Worksheet = LD & LHD Vehicle FYE 1~~8~~7	• # Years Effectiveness	• 3 years is recommended - 4 years max.
	• Unit # / ID	• List each vehicle separately.
	• Incremental Cost	• For new vehicles, must be based on two quotes—one for the new alt-fuel vehicle, and one for a new conventionally-fueled equivalent model that meets current emission standards.
	• Current Standard and New Vehicle Standard	~~1.~~• Enter in Columns E and F the standard that a vehicle is certified to, as shown on the CARB Executive Order.
	• Cost-Effectiveness	• Column U, automatically calculated. Each vehicle must meet the Policy requirements for cost-effectiveness.

Sample CARB Executive Order for Heavy-Duty On-Road Engines

California Environmental Protection Agency AIR RESOURCES BOARD	CUMMINS INC.	EXECUTIVE ORDER A-021-0571-1 New On-Road Heavy-Duty Engines Page 1 of 2 Pages

Pursuant to the authority vested in the Air Resources Board by Health and Safety Code Division 26, Part 5, Chapter 2; and pursuant to the authority vested in the undersigned by Health and Safety Code Sections 39515 and 39516 and Executive Order G-02-003;

IT IS ORDERED AND RESOLVED: The engine and emission control systems produced by the manufacturer are certified as described below for use in on-road motor vehicles with a manufacturer's GVWR over 14,000 pounds. Production engines shall be in all material respects the same as those for which certification is granted.

MODEL YEAR	ENGINE FAMILY	ENGINE SIZES (L)	FUEL TYPE [1]	STANDARDS & TEST PROCEDURE	INTENDED SERVICE CLASS [2]	ECS & SPECIAL FEATURES [3]	DIAGNOSTIC [6]
2012	CCEXH0729XAD	11.9	Diesel	Diesel	UB	DDI, TC, CAC, ECM, EGR, OC, SCR-U, PTOX	EMD

PRIMARY ENGINE'S IDLE EMISSIONS CONTROL [5]	ADDITIONAL IDLE EMISSIONS CONTROL [5]
Exempt	N/A

ENGINE (L)	ENGINE MODELS / CODES (rated power, in hp)
11.9	ISX11.9 385 / 3865;FR20350 (379), ISX12 385 / 3865;FR20350 (379)

* =not applicable; **GVWR**=gross vehicle weight rating; **13 CCR xyz**=Title 13, California Code of Regulations, Section xyz; **40 CFR 86.abc**=Title 40, Code of Federal Regulations, Section 86.abc; **L**=liter; **hp**=horsepower; **kw**=kilowatt; **hr**=hour;

[1] **CNG/LNG**=compressed/liquefied natural gas; **LPG**=liquefied petroleum gas; **E85**=85% ethanol fuel; **MF**=multi fuel a.k.a. **BF**=bi fuel; **DF**=dual fuel; **FF**=flexible fuel;

[2] **L/M/H HDD**=light/medium/heavy heavy-duty diesel; **UB**=urban bus; **HDO**=heavy duty Otto;

[3] **ECS**=emission control system; **TWC/OC**=three-way/oxidizing catalyst; **NAC**=NOx adsorption catalyst; **SCR-U / SCR-N**=selective catalytic reduction – urea / – ammonia; **WU (prefix)** =warm-up catalyst; **DPF**=diesel particulate filter; **PTOX**=periodic trap oxidizer; **HO2S/O2S**=heated/oxygen sensor; **HAFS/AFS**=heated/air-fuel-ratio sensor (a.k.a., universal or linear oxygen sensor); **TBI**=throttle body fuel injection; **SFI/MFI**=sequential/multi port fuel injection; **DGI**=direct gasoline injection; **GCARB**=gaseous carburetor; **IDI/DDI**=indirect/direct diesel injection; **TC/SC**=turbo/super charger; **CAC**=charge air cooler; **EGR / EGR-C**=exhaust gas recirculation / cooled EGR; **PAIR/AIR**=pulsed/secondary air injection; **SPL**=smoke puff limiter; **ECM/PCM**=engine/powertrain control module; **EM**=engine modification; **2 (prefix)**=parallel; **(2) (suffix)**=in series; **AMOX**=ammonia oxidation catalyst

[5] **ESS**=engine shutdown system (per 13 CCR 1956.8(a)(6)(A)(1); **30g**=30 g/hr NOx (per 13 CCR 1956.8(a)(6)(C); **APS** =internal combustion auxiliary power system; **ALT**=alternative method (per 13 CCR 1956.8(a)(6)(D); **Exempt**=exempted per 13 CCR 1956.8(a)(6)(B) or for CNG/LNG fuel systems; **N/A**=not applicable (e.g., Otto engines and vehicles);

[6] **EMD**=engine manufacturer diagnostic system (13 CCR 1971); **OBD**=on-board diagnostic system (13 CCR 1971.1);

Following are: 1) the FTP exhaust emission standards, or family emission limit(s) as applicable, under 13 CCR 1956.8; 2) the EURO and NTE limits under the applicable California exhaust emission standards and test procedures for heavy-duty diesel engines and vehicles (Test Procedures); and 3) the corresponding certification levels, for this engine family. "Diesel" CO, EURO and NTE certification compliance may have been demonstrated by the manufacturer as provided under the applicable Test Procedures in lieu of testing. (For flexible- and dual-fueled engines, the CERT values in brackets [ ] are those when tested on conventional test fuel. For multi-fueled engines, the STD and CERT values for default operation permitted in 13 CCR 1956.8 are in parentheses.).[4]

in g/bhp-hr	NMHC		NOx		NMHC+NOx		CO		PM		HCHO	
	FTP	EURO	FTP	EURO	FTP	EURO	FTP	EURO	FTP	EURO	FTP	EURO
STD	0.14	0.14	0.20	0.20	*	*	15.5	15.5	0.01	0.01	*	*
FEL	*	*	*	*	*	*	*	*	*	*	*	*
CERT	0.04	0.01	0.12	0.09	*	*	1.1	0.00	0.004	0.002	*	*
NTE	0.21		0.30		*		19.4		0.02		*	

[4] **g/bhp-hr**=grams per brake horsepower-hour; **FTP**=Federal Test Procedure; **EURO**=Euro III European Steady-State Cycle, including **RMCSET**=ram mode cycle supplemental emissions testing; **NTE**=Not-to-Exceed; **STD**=standard or emission test cap; **FEL**=family emission limit; **CERT**=certification level; **NMHC/HC**=non-methane/hydrocarbon; **NOx**=oxides of nitrogen; **CO**=carbon monoxide; **PM**=particulate matter; **HCHO**=formaldehyde; **(Rev.: 2007-02-26)**

BE IT FURTHER RESOLVED: Certification to the FEL(s) listed above, as applicable, is subject to the following terms, limitations and conditions. The FEL(s) is the emission level declared by the manufacturer and serves in lieu of an emission standard for certification purposes in any averaging, banking, or trading (ABT) programs. It will be used for determining compliance of any engine in this family and compliance with such ABT programs.

BE IT FURTHER RESOLVED: For the listed engine models the manufacturer has submitted the materials to demonstrate certification compliance with 13 CCR 1965 (emission control labels), 13 CCR 1971 (engine manufacturer diagnostic) and 13 CCR 2035 et seq. (emission control warranty).

Engines certified under this Executive Order must conform to all applicable California emission regulations.

The Bureau of Automotive Repair will be notified by copy of this Executive Order.

This Executive Order hereby supersedes Executive Order A-021-057 dated December 7, 2011.

Executed at El Monte, California on this 17 day of April 2012.

Annette Hebert, Chief
Mobile Source Operations Division

San Francisco County Transportation Authority
1455 Market Street, 22nd Floor
San Francisco, California 94103
415.522.4800 FAX 415.522.4829
info@sfcta.org www.sfcta.org

Memorandum

Date: 02.06.2017 RE: Plans and Programs Committee February 14, 2017

To: Plans and Programs Committee: Commissioners Tang (Chair), Farrell (Vice Chair), Breed, Safai, Sheehy and Peskin (Ex Officio)

From: Amber Crabbe – Assistant Deputy Director for Policy and Programming

Through: Tilly Chang – Executive Director

Subject: ACTION – Recommend Adoption of the One Bay Area Grant Program Cycle 2 San Francisco Call for Projects Framework

Summary

This is the second cycle of the Metropolitan Transportation Commission's (MTC's) One Bay Area Grant program (OBAG 2) for which the Transportation Authority has $44.2 million to program over the next five fiscal years (2017/18–2021/22). The OBAG program directs federal funding to projects and programs that integrate the region's transportation program with California's climate law and Plan Bay Area, the Regional Transportation Plan/Sustainable Communities Strategy. About 45% of OBAG funds are directed to congestion management agencies (CMAs), such as the Transportation Authority. Provided that the CMAs comply with rather extensive OBAG requirements (such as requiring that at least 70% of San Francisco OBAG funds must be invested in our Priority Development Areas shown in Attachment 1), CMAs have flexibility to program funds to a wide variety of project types from transit capacity and enhancement projects to pedestrian and bicycle safety projects to street resurfacing. For San Francisco's $44.2 million, we propose assigning $1.9 million for CMA planning activities (consistent with Cycle 1, augmenting the base amount of CMA planning funds we receive from MTC), $1.797 million for Safe Routes to School (MTC-guaranteed minimum) with priority to non-infrastructure projects (which have limited discretionary funding opportunities), and the remaining $40.489 million for a competitive call open to all OBAG-eligible projects. In addition to MTC's required selection criteria, we propose retaining most of the Board-approved OBAG Cycle 1 criteria and adding new criteria that reflect the City's growing need to address core capacity and reliability improvements. Approval of the proposed approach will allow us to release the call for projects in early March 2017. The recommended project list would come back to the to the Board for approval in June, enabling us to submit with the list and related documentation to MTC by its July deadline.

BACKGROUND

In May 2012, the Metropolitan Transportation Commission (MTC) adopted the One Bay Area Grant Cycle 1 (OBAG 1) funding and policy framework for programming the region's federal transportation funds. This was the first effort to better integrate the region's transportation program with California's climate law and Plan Bay Area (PBA), the Regional Transportation Plan/Sustainable Communities Strategy. OBAG 1 established funding commitments and policies for various regional and county programs to reward jurisdictions that accept housing allocations through the Regional Housing Need Allocation (RHNA) process and that have historically produced housing. It also promoted transportation investments in Priority Development Areas (PDAs) (see Attachment 1) that are targeted for growth and

increased programming flexibility for local agencies. Through the OBAG 1 County Program, the Transportation Authority programmed $38.8 million for CMA Planning activities and seven competitively selected projects reflecting a focus on complete streets and safety. The projects and their status are shown in Attachment 2.

In November 2015, MTC adopted the OBAG Cycle 2 (OBAG 2) framework, which was revised in July 2016 to distribute additional revenues and incorporate housing-related program elements. OBAG 2 maintains largely the same framework and policies as OBAG 1, building on progress made by OBAG 1 by making some refinements that attempt to address the region's growing challenge with the lack of housing and affordable housing, in particular. For instance, compared to OBAG 1, the OBAG 2 County Program funding distribution formula places additional emphasis on housing production and the share of affordable housing and expands the definition of affordable housing to include housing for moderate-income households in addition to low- and very low-income households. MTC continues to require 70% of the OBAG 2 County Program funding be invested to projects in PDAs for urbanized counties like ours. San Francisco's PDAs are shown in Attachment 1.

As the CMA for San Francisco, the Transportation Authority is responsible for managing San Francisco's OBAG 2 County Program.

DISCUSSION

The purpose of this memorandum is to present our proposed approach San Francisco's OBAG 2 call for projects and to seek a recommendation to approve the call for projects framework. The framework is comprised of a proposed funding distribution for the overall county share program, screening and prioritization criteria, and a call for projects schedule. MTC's OBAG 2 guidelines lay out most of the project selection requirements, including screening and prioritization criteria, eligible project types and sponsors, and public outreach, all of which are intended to comply with federal requirements and meet the goals of OBAG.

Funds Available and Eligible Projects: San Francisco's share of the OBAG2 county program is $44.186 million which is available for programming over the next five fiscal years (Fiscal Year 2017/18–2021/22). Our proposed distribution of those funds is summarized in the table below.

Table 1.

San Francisco OBAG 2 County Program Funding Approach (millions $)	
CMA planning augmentation	$ 1.900
Safe Routes to School (SRTS)	$ 1.797
Countywide OBAG 2	$40.489
TOTAL	**$44.186**

CMA Planning Augmentation: CMAs are required to perform various planning, funding programming, monitoring, and outreach functions in compliance with regional, state, and federal requirements. While CMAs' responsibilities have increased to support the OBAG framework and the proliferation of different MTC funding programs and related requirements, state funds that used to supplement this type of the activities have been significantly reduced. As was done in OBAG 1, MTC sets aside a minimum base of funds for CMAs' planning activities ($3.997 million for San Francisco

over the five-year OBAG cycle) and continues to allow CMAs to designate additional funding from their County Program to augment their planning efforts. We recommend augmenting CMA planning funds by $1.9 million, a level that is consistent with OBAG 1 and comparable to other urban counties, such as Alameda, San Mateo, and Santa Clara.

Safe Routes to School (SRTS): MTC has assigned the guaranteed funding amount for SRTS based on each county's total kindergarten through 12th grade enrollment. That amount for San Francisco is $1.797 million (7.2% of the regional total using FY 2013-14 data as the base year). MTC allows funding both infrastructure projects and non-infrastructure programs (e.g. education and outreach). Given very limited funding sources for non-infrastructure programs, we recommend prioritizing non-infrastructure programs with this dedicated SRTS funding. This does not preclude SRTS infrastructure projects or non-infrastructure programs from competing for additional OBAG 2 funds.

Countywide OBAG 2: For the remaining $40.489 million in County Program funds, we will select projects through a transparent and competitive process, as required by MTC. Eligible project types include but are not limited to transit expansion, reliability and access improvements; smart system management; transportation demand management (including education/outreach); safety and streetscape improvements; street resurfacing; SRTS; and PDA planning and implementation. The proposed screening and prioritization criteria described in the section below capture the particular emphasis we suggest for OBAG 2.

Screening and Prioritization Criteria: Attachment 2 describes our proposed screening and prioritization criteria. Most of these are required by the MTC guidelines. Elements that we have proposed to be added to the San Francisco call for projects are listed in italics. The proposed prioritization criteria retain most of the Board-approved criteria that we used for OBAG 1, such as the PDA focus requiring at least 70% of the funds to be invested in PDAs (net of the SRTS guaranteed minimum), multi-modal benefits, multiple project coordination, and safety. In particular, given the challenge of meeting the timely use of funds requirements as evidenced in OBAG 1, we will continue to give strong consideration to project readiness.

In addition, we propose adding new criteria that reflect the City's growing needs in core capacity and reliability improvements (e.g. Muni Metro, Transbay, Peninsula corridors), a need which was also identified in the San Francisco Transportation Plan and in Plan Bay Area.

Since we are also conducting calls for projects for two other funding programs (Prop AA Vehicle Registration Fee and Transportation for Clean Air County Program) in an overlapping timeframe, we will consider the amount and timing of funding availability of all three funding programs, as well as their specific requirements and purposes, in order to match projects with the most fitting funding sources as part of the application evaluation. We will also work with sponsors to identify and support Prop K allocations to provide all or a portion of the required local match. Other strategic considerations include upcoming funding opportunities through the MTC's anticipated Regional Measure 3 bridge toll revenue measure, MTC Climate Program, Air District's regional TFCA program and the California Air Resources Board's (CARB's) Cap and Trade program.

Call for Projects Schedule and Outreach: Following Board approval of the proposed framework, we anticipate releasing the call for projects on March 3. Attachment 3 shows the schedule by which we propose soliciting projects from sponsors, evaluating applications, and recommending the project list to the CAC in May and to the Plans and Programs Committee and Board in June. This schedule would enable us to submit our OBAG 2 priorities and required project documentation to MTC by its July 31 deadline.

Consistent with MTC's OBAG 2 guidelines, our public outreach will build on the City's recent coordinated efforts to identify its transportation priorities for the Plan Bay Area and new revenue measures, as well as project sponsors' public involvement activities to identify and refine their agency's priorities. In addition, for the OBAG 2 call for projects, our public outreach approach will include, but not be limited to the following:

- Public meetings of the Transportation Authority Board, the Plans and Programs Committee and CAC
- Proposed presentations and information sharing with the Pedestrian Safety Advisory Committee and Bicycle Advisory Committee (which will also satisfy OBAG 2 requirements to make Complete Streets Checklists for OBAG projects available to these groups prior to project selection)
- Stakeholder meetings
- Commissioner engagement, e.g. briefings, newsletters, coordination with project sponsors or constituents
- Outreach tools, e.g. OBAG 2 website (www.sfcta.org/obag2), email, social media
- Multilanguage translations of materials and meetings as appropriate and also when requested

Prerequisites to Accessing OBAG 2 Funds: To access OBAG 2 funds, a local jurisdiction must demonstrate that its general plan's housing and complete streets policies are aligned and up-to-date by making a revision to the circulation element in compliance with the 2008 Complete Streets Act and having the housing element adopted and certified by the California Department of Housing and Community Development for 2014-2011 RHNA by May 2015. San Francisco has already satisfied both requirements. MTC also requires that CMAs update the PDA Investment & Growth Strategy by May 1, 2017. We are already working with the San Francisco Planning Department to complete this task by the due date and anticipate bringing it to the Transportation Authority Board for approval in April.

ALTERNATIVES

1. Recommend adoption of the OBAG 2 San Francisco Call for Projects Framework, as requested.
2. Recommend adoption of the OBAG 2 San Francisco Call for Projects Framework, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

The CAC was briefed on this item at its January 25, 2017 meeting and unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

The recommended action would have no impact on the adopted Fiscal Year 2016/17 budget.

RECOMMENDATION

Recommend adoption of the OBAG 2 San Francisco Call for Projects Framework.

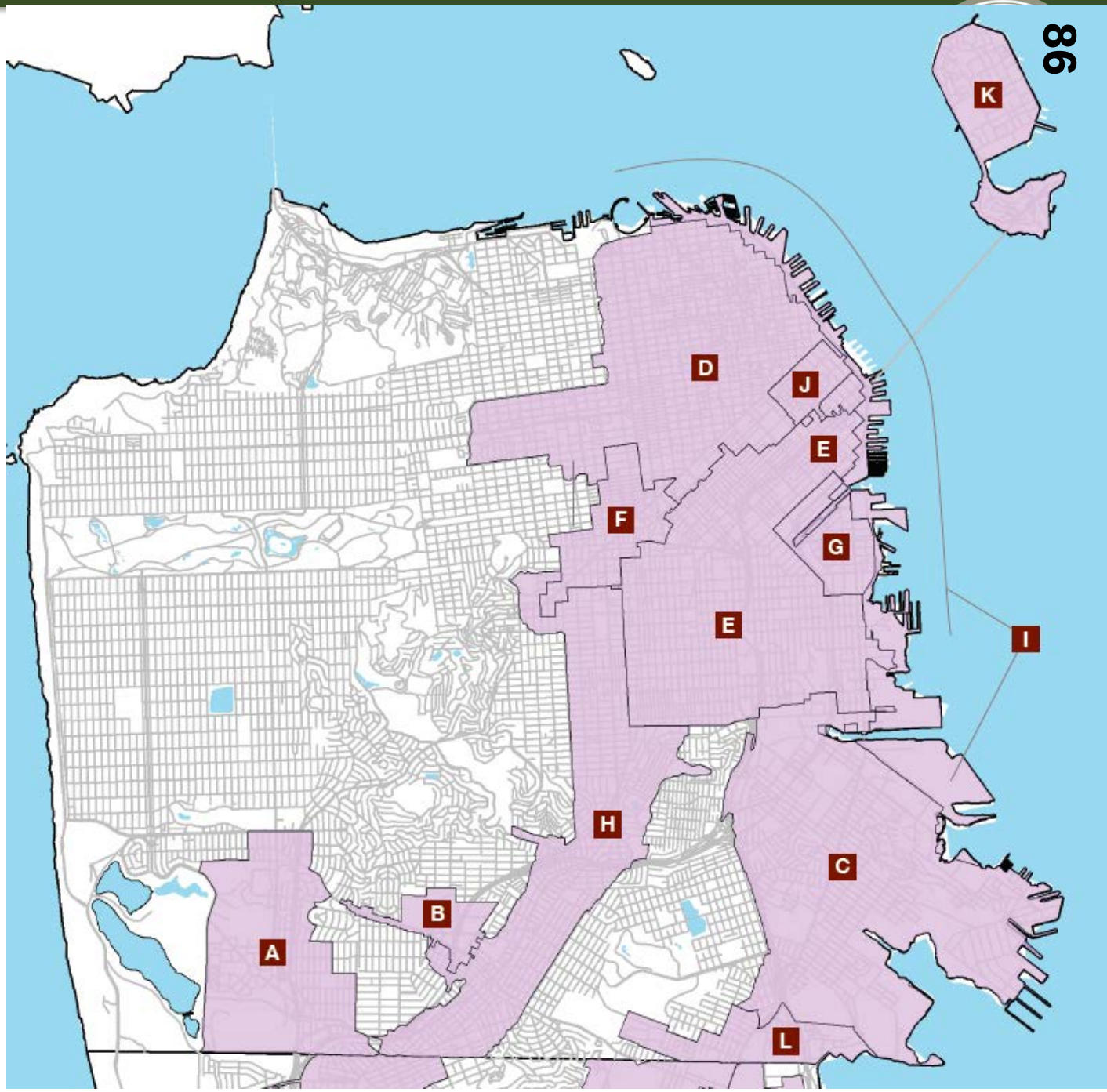
Attachments (4):

1. San Francisco Priority Development Areas
2. OBAG Cycle 1 Project List
3. Draft OBAG 2 Screening and Prioritization Criteria
4. Draft OBAG 2 Call for Projects Schedule

Attachment 1.

SAN FRANCISCO PRIORITY DEVELOPMENT AREAS

A. 19th Avenue
B. Balboa Park
C. Bayview/Hunters Point Shipyard/Candlestick Point
D. Downtown-Van Ness-Geary
E. Eastern Neighborhoods
F. Market-Octavia/Upper Market
G. Mission Bay
H. Mission-San Jose Corridor
I. Port of San Francisco
J. Transit Center District
K. Treasure Island and Yerba Buena Island
L. San Francisco/San Mateo Bi-County Area



Attachment 2
One Bay Area Grant (OBAG) Cycle 1 Project List
January 2017

Project Name (Sponsor)	Description	Construction Start	Open for Use	Total Project Cost	OBAG Funds as Last Amended
Broadway Chinatown Streetscape Improvement (San Francisco Public Works (SFPW))	Design and construct a complete streets project on Broadway from Columbus to the Broadway Tunnel, including bulb-outs, special crosswalk paving, new medians, street trees, bus stop improvements, and repaving. Construction is 5% complete.	June 2016	April 2017	$7,102,487	$3,477,802 [1, 3]
ER Taylor Elementary School Safe Routes to School (SFPW)	Design and construct four pedestrian bulb outs at the intersection of Bacon and Gottingen near ER Taylor Elementary School to improve pedestrian safety. The project is open for use.	June 2015	November 2015	$604,573	$400,115 [3, 4]
Longfellow Elementary School Safe Routes to School (SFPW)	Design and construct pedestrian safety improvements at the intersections of Mission & Whittier, Mission & Whipple, and Mission & Lowell near Longfellow Elementary School. The project is open for use.	August 2015	March 2016	$852,855	$670,307
Mansell Corridor Improvement (San Francisco Municipal Transportation Agency (SFMTA))	Design and construct of a complete streets project on Mansell Street from Visitacion Avenue to Brazil Street including reduction in number of vehicular lanes and creating a multiuse path for pedestrians and bicyclists. The project is open for use.	September 2015	January 2017	$6,807,348	$1,762,239
Masonic Avenue Complete Streets (SFMTA)	Construct complete streets improvements on Masonic Avenue from Fell to Geary, including reallocation of space to calm traffic, dedicated bicycle space (raised cycle track), and pedestrian enhancements. Construction is 23% complete.	Feburary 2016	April 2018	$22,785,900	$0 [2]
Second Street Streetscape Improvement (SFPW)	Design and construct of a complete streets project on Second Street from Market to Townsend, including pedestrian safety improvements, a buffered cycle track, landscaping, and repaving. Construction contract was advertised in December 2016.	May or June 2017	March 2019	$15,415,115	$10,567,997 [4]
Transbay Transit Center Bike and Pedestrian Improvements (Transbay Joint Powers Authority)	Construct pedestrian and bicycle projects associated with the Transbay Transit Center, including a pedestrian walkway, sidewalks, path-finding signage, real time passenger information, bike racks and channels, pedestrian lighting, and public art. OBAG work will be implemented as part of various construction contracts for the Transbay Transit Center project.	January 2017	December 2017	$11,480,440	$6,000,000
Light Rail Vehicle (LRV) Procurement (SFMTA)	Purchase 175 replacement LRVs and 25 expansion LRVs to help meet projected vehicle needs through 2020, including for the Central Subway. Design is 95% complete. Production of the first new LRVs is underway.	September 2014 (procurement)	Through 2020	$175,000,000	$10,227,540 [2]

Attachment 2
One Bay Area Grant (OBAG) Cycle 1 Project List
January 2017

Project Name (Sponsor)	Description	Construction Start	Open for Use	Total Project Cost	OBAG Funds as Last Amended
Lombard Street US-101 Corridor Improvement (SFPW)	Design and construct safety improvements along Lombard Street between Van Ness Avenue and Richardson Avenue, including curb extensions (pedestrian and transit bulb-outs), daylighting at intersections, signal timing improvements, advance stop bars and high visibility curb crosswalks. Design is 75% complete.	November 2017	Feburary 2019	$17,465,000	$1,910,000 [1]
				Total OBAG:	**$35,016,000**

[1] $1.91 million in OBAG funds were swapped with SFMTA local revenue bond funds because the OBAG funds were unavailable when needed. In October 2015, the Transportation Authority Board reprogrammed the OBAG funds to SFPW's Lombard Street US-101 Corridor Improvement via 2016 Regional Transportation Improvement Program, as requested by SFMTA and SFPW.

[2] In order to minimize risk of losing federal funds due to project delays, in February 2015, the Transportation Authority Board reprogrammed $10,227,540 in OBAG funds from SFMTA's Masonic Avenue project to the LRV Procurement project, with the condition that SFMTA continue to follow OBAG reporting requirements for the Masonic Avenue project. See the Plans and Programs Committee memo (February 3, 2015) and Resolution 15-42 for more detail.

[3] On December 15, 2015, the Transportation Authority Board approved SFPW's request to reprogram $67,265 cost savings from the recently completed ER Taylor SR2S to Chinatown Broadway, which has received a higher-than-anticipated bid to its original construction contract advertisement.

[4] On June 28, 2016, the Transportation Authority Board approved SFPW's request to reprogram additional $51,215 from the completed ER Taylor SR2S to Second Street to cover the cost of the pedestrian lighting, which has been added per the community's request.

Attachment 3.

One Bay Area Grant (OBAG) 2
Draft San Francisco Screening and Prioritization Criteria

To develop a program of projects for San Francisco's OBAG 2 County Program, the Transportation Authority will first screen candidate projects for eligibility and then will prioritize eligible projects based on evaluation criteria. The Metropolitan Transportation Commission's (MTC's) OBAG 2 guidelines set most of the screening and evaluation criteria to ensure the program is consistent with Plan Bay Area and federal funding guidelines. We have proposed to add a few additional criteria to better reflect the particular conditions and needs in our county (as indicated by *italicized text*).

OBAG SCREENING CRITERIA

Projects must meet all screening criteria in order to be considered further for OBAG funding. The screening criteria will focus on meeting the eligibility requirements for OBAG funds and include, but are not limited to the following factors:

- Award of the OBAG 2 funds will result in a fully funded, stand-alone capital project, plan, or Safe Routes to School (SRTS) project.
- Project scope must be consistent with the intent of OBAG and its broad eligible uses.[1]
- Project sponsor is eligible to receive federal transportation funds.
- Project sponsor is requesting a minimum of $*500,000* in OBAG funds.[2]
- Project is consistent with Plan Bay Area (the Bay Area's regional transportation plan) *and the San Francisco Transportation Plan*.
- Project has identified the required 11.47% local match in committed or programmed funds, including in-kind matches for the requested phase. Alternatively, for capital projects the project sponsor may demonstrate fully funding the pre-construction phases (e.g. project development, environmental or design) with local funds and claim toll credits in lieu of a match for the construction phase. In order to claim toll credits, project sponsors must still meet all federal requirements for the pre-construction phases even if fully-funded. For non-infrastructure projects, the project sponsor may demonstrate funding federally ineligible activities with the local match.

Additional Screening Criteria for Street Resurfacing Projects:

- Project selection must be based on the analysis results of federal-aid eligible roads from San Francisco's certified Pavement Management System.
- Pavement rehabilitation projects must have a PCI score of 70 or below. Preventative maintenance projects must extend the useful life of the facility by at least 5 years.

Additional Screening Criteria for the SRTS Set-Aside:

[1] Eligible scopes of work include but are not limited to transit improvements, smart system management, transportation demand management, safety and streetscape improvements, street resurfacing, and PDA planning. Refer to MTC's OBAG 2 guidelines for a full list, and contact SFCTA staff with any questions about eligibility.

[2] SFCTA staff will consider projects requesting more than $100,000 but less than $500,000 on a case by case basis if the project is competitive and cannot easily be funded elsewhere, but sponsors must demonstrate an ability to comply with federal funding requirements.

- *Non-infrastructure projects (e.g. education and outreach) will be prioritized given that they have limited discretionary funding opportunities.*
- *Projects must be coordinated with San Francisco SRTS Coalition (Coalition), i.e., either having been prioritized by the Coalition or having a letter of support signed by all of the Coalition member agencies.*

OBAG PRIORITIZATION CRITERIA

Projects that meet all of the OBAG screening criteria will be prioritized for OBAG funding based on, but not limited to the factors listed below. The Transportation Authority reserves the right to modify or add to the prioritization criteria in response to additional MTC guidance, to enable matching of recommended projects with eligibility requirements of available fund sources, and if necessary, to prioritize a very competitive list of eligible projects that exceed available programming capacity.

Location-Specific Criteria

- **Located within or provides "proximate access" to Priority Development Area (PDA)**: OBAG establishes a minimum requirement that 70% of all OBAG funds be used on projects that are located within or provide proximate access to a PDA. Projects that are geographically outside of a PDA, but are determined to be eligible by the Transportation Authority because they provide proximate access to a PDA, must be mapped and given policy justifications for why and how they support a given PDA. The Transportation Authority will also consider consistency with the Transportation Investment Growth Strategy and/or PDA plans.
- **Located within High Impact Project Areas:** Factors used to determine High Impact Project Areas include:
    - PDAs taking on significant housing growth in Plan Bay Area, including Regional Housing Needs Allocation, as well as housing production, especially those that are adding a large number of very low, low, and moderate income housing units.
    - Dense job centers in proximity to housing and transit (both currently and as projected in Plan Bay Area), especially where supported by reduced parking requirements and Travel Demand Management programs
    - Improved transportation choices for all income levels in proximity to quality transit access, with an emphasis on connectivity (including safety, lighting, etc.), to reduce vehicle miles travelled
- **Located within a Community of Concern (COC):** Projects located within a COC, as defined by MTC, Congestion Management Agencies, or Community Based Transportation Plans will be given higher priority. *Projects identified in Muni's Equity Strategy will be given priority.*
- **Located within PDAs with affordable housing preservation and creation strategies:** Projects located within PDAs with affordable housing preservation and creation strategies and community stabilization strategies will be given priority. *Technically, San Francisco is already compliant with MTC's criterion which is meant to apply at the jurisdiction level. Nonetheless, in order to meet the spirit of this criterion and after consulting with the Planning Department, we will give priority to projects located near a housing development within a PDA with 75% or more affordable units.*
- **Located within Bay Area Air Quality Management District (Air District) Community**

Air Risk Evaluation (CARE) Community, or located near freight transport infrastructure: Projects located in areas with highest exposure to particulate matter and toxic air contaminates that employ best management practices to mitigate exposure, will receive a higher priority.[3]

Other Criteria

- **Project Readiness:** Projects that can clearly demonstrate an ability to meet OBAG timely use of funds requirements will be given a higher priority.
- **Planning for Healthy Places:** Projects that implement best practices identified in Air District Planning for Healthy Places guidelines will receive higher priority.[4]
- ***Safety:*** *Projects that address high injury corridors or other locations consistent with the City's Vision Zero policy will be given higher priority. Project sponsors must clearly define and provide data to support the safety issue that is being addressed and how the project will improve or alleviate the issue.*
- ***Multi-modal Benefits:*** *Projects that directly benefit multiple system users (e.g. pedestrians, cyclists, transit passengers, motorists) will be prioritized.*
- ***Multiple Project Coordination:*** *Projects that are coordinated with non-OBAG funded, but related improvements, such as making multi-modal improvements on a street or road that is scheduled to undergo repaving, will receive higher priority. Project sponsors must clearly identify related improvement projects, describe the scope, and provide a timeline for major milestones for coordination (e.g. start and end of design and construction phases).*
- ***Community Support:*** *Projects with clear and diverse community support will receive a higher priority. This can be shown through letters of support, specific reference to adopted plans that were developed through a community-based planning process (e.g. community-based transportation plan, the Neighborhood Transportation Improvement Program, corridor improvement plan), or community meetings regarding the project. SR2S infrastructure projects that come from documented walking audits with school officials and community members also will be prioritized.*
- ***Core Capacity****: Projects that increase capacity and reliability needs such as those identified in MTC's Bay Area Core Capacity Transit Study will receive a higher priority. Core corridors include the Muni Metro and Rapid Network, Transbay and Peninsula travel corridors. Includes transit capacity and travel demand management to increase person throughput and transit reliability in freeway corridors.*
- ***Alternate Funding Source:*** *This factor will be considered to prioritize projects with limited alternate funding sources.*
- ***Project Sponsor Priority:*** *For project sponsors that submit multiple OBAG applications, the Transportation Authority will consider the project sponsor's relative priority for its applications.*

Geographic Equity: *This factor will be applied program-wide.*

As is customary, the Transportation Authority will work closely with project sponsors to clarify scope, schedule and budget; and modify programming recommendations as needed to help optimize the projects' ability to meet timely use of funds requirements.

[3] Information regarding Air District CARE Communities can be found online (http://www.baaqmd.gov/plans-and-climate/community-air-risk-evaluation-care-program).
[4] Information regarding Air District Planning for Healthy Places can be found online (http://www.baaqmd.gov/plans-and-climate/planning-healthy-places).

Attachment 3.

If the amount of OBAG funds requested exceeds available funding, we reserve the right to negotiate with project sponsors on items such as scope and budget changes that would allow us to develop a recommended OBAG project list that best satisfies all of the aforementioned prioritization criteria.

Attachment 4.

One Bay Area Grant Cycle 2 (OBAG 2)
Draft San Francisco Call for Projects Schedule[1]
Updated: January 11, 2017

January 25, 2017	**Citizens Advisory Committee Meeting - ACTION** **OBAG 2 framework (e.g. approach, schedule, prioritization criteria)**
February 14, 2017	**Plans and Programs Committee Meeting - ACTION** **OBAG 2 framework (e.g. approach, schedule, prioritization criteria)**
February 28, 2017	**Transportation Authority Board Meeting - ACTION** **OBAG 2 framework (e.g. approach, schedule, prioritization criteria)**
March 3, 2017	Transportation Authority Releases OBAG 2 Call for Projects
March 16, 2017	Project Sponsors Call for Projects Workshop 10:30 a.m. at Transportation Authority's offices, 1455 Market St, Floor 22 (immediately following Technical Working Group Meeting)
April 21, 2017	OBAG 2 Applications Due to the Transportation Authority
May 24, 2017	**Citizens Advisory Committee Meeting – ACTION** **OBAG 2 project list**
June 20, 2017	**Plans and Programs Committee Meeting – ACTION** **OBAG 2 project list**
June 27, 2017	**Transportation Authority Board Meeting – ACTION** **OBAG 2 project list**
July 31, 2017	OBAG 2 Recommendations Due to MTC
August 31, 2017	Resolution of Local Support and Transportation Improvement Program (TIP) entry due to MTC

*Meeting dates and times are subject to change. Please check Transportation Authority's website for most up-to-date schedule (www.sfcta.org/agendas).

This Page Intentionally Left Blank

Agenda Item 2

METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
375 Beale Street
San Francisco, CA 94105
TEL 415.778.6700
WEB www.mtc.ca.gov

Memorandum

TO: Commission DATE: December 8, 2016

FR: Executive Director

RE: Regional Measure 3

Background

Included in the Commission's Draft Advocacy Program for 2017 is a recommendation that the Commission sponsor legislation authorizing MTC to place on the ballot a measure asking Bay Area voters to approve a bridge toll increase to fund congestion relief projects for improved mobility in the bridge corridors. This memo and the attachments include information for your discussion and policy direction as we seek to pass legislation in 2017 to achieve this goal.

Attached to this memo are the following documents.

- A map showing the major investments included in Regional Measures 1 and 2 – RM1 and RM2 (Attachment A)
- Key Policy Considerations (Attachment B)
- Charts that include data on the county of origin of the toll payers, the relative size of the toll collections at each of the toll bridges and registered voter information (Attachment C)

Process

Unlike local sales tax measures where the Legislature has provided a general grant of authority to a county to create an expenditure plan to be placed on the ballot, RM1 and RM2 included an expenditure plan written and adopted by the Legislature as part of its normal bill passage process. The toll program is also unique in that it is regional in nature and the tolls are pooled together to fund projects throughout the bridge system. The toll revenue provides a benefit to those paying the fees (i.e. toll bridge users) or mitigates for the activity associated with the fees. As fees, toll increases are subject to a simple majority vote, rather than two-thirds. In the case of RM1 and RM2, and MTC's regional gas tax authorization statute, the vote is tallied region-wide, rather than county-by-county.

In 2003, when RM 2 was under consideration by the Legislature, then Senate Pro Tem Don Perata created a special Select Committee that held a number of public hearings to solicit public input on the expenditure plan. Concurrently, MTC hosted a Technical Advisory Committee that met monthly to provide interested parties — transit operators, CMA's and other stakeholders — an opportunity to propose projects and discuss the attributes of proposals as they emerged in an open public forum.

We expect a similar process to begin in earnest when the Legislature convenes in January 2017, with a goal of passing a bill in 2017 so that a measure can be placed on the ballot in 2018.

Workshop Focus

At your December workshop, staff hopes to solicit your guidance on the key policy considerations and draft principles outlined in Attachment B as well as any other related issues of concern to the Commission. We would expect to return to the Legislation Committee at regular intervals in 2017 to review further details about the Regional Measure 3 bill as it develops, including specific projects proposed for potential funding.

Steve Heminger

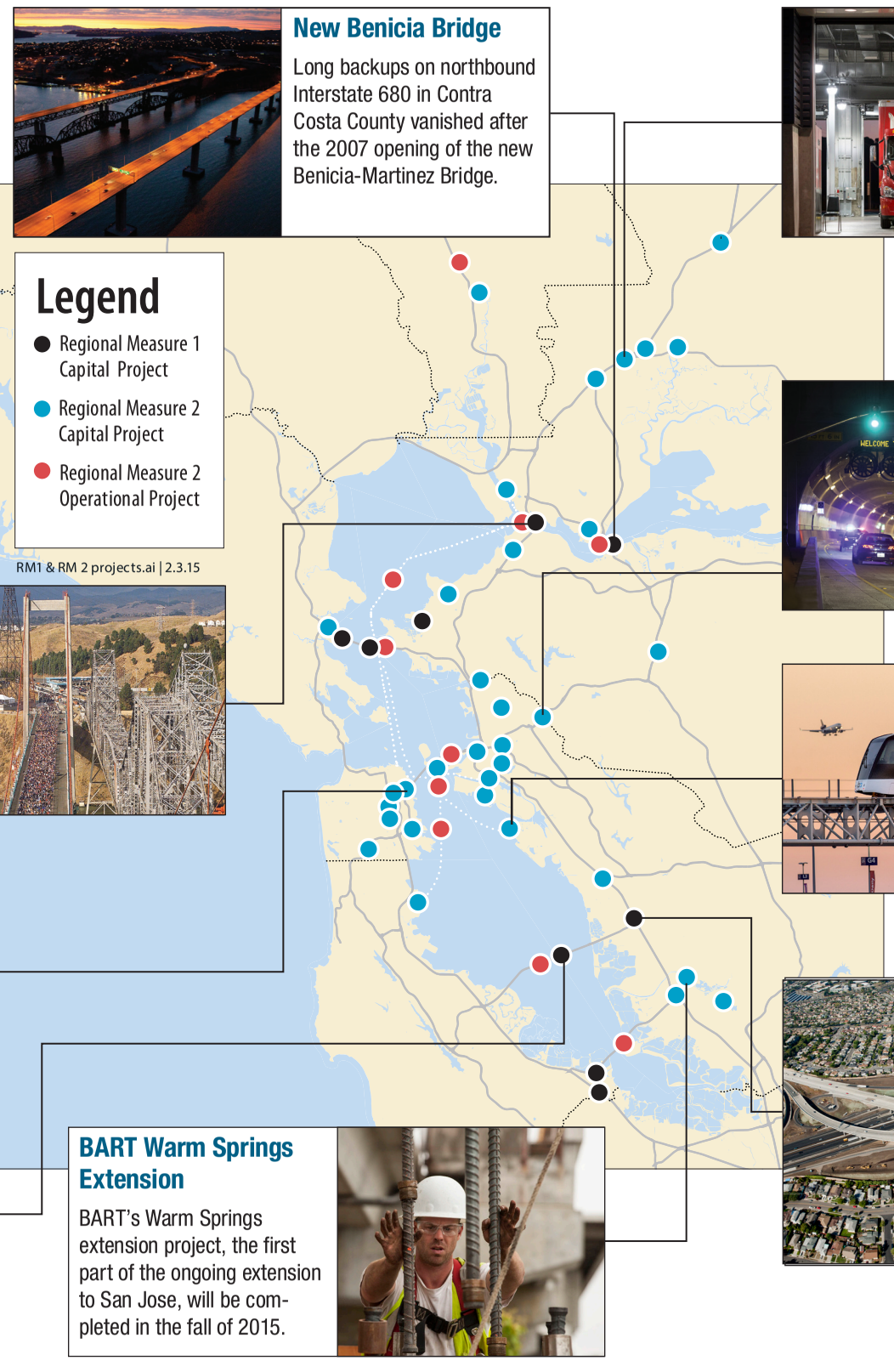
SH:RR
Attachments

J:\COMMITTE\Commission\2016 Commission Workshop\Commission Workshop December 2016\2_RM3 Worshop Memo.docx

Voter Approved Toll Bridge Measures Deliver Big Returns

Year after year, in good economic times and bad, Bay Area residents rank transportation as one of their highest priorities. Voters have proved this time and again at the ballot box, including through the passage of Regional Measure 1 in 1988 and Regional Measure 2 in 2004. These measures raised tolls on the Bay Area's seven state-owned toll bridges — and delivered dozens of the most important transportation investments of the past generation.

With these projects now completed or under construction, it's time for voters to consider a third regional measure for the Bay Area's next generation of improvements.



New Benicia Bridge

Long backups on northbound Interstate 680 in Contra Costa County vanished after the 2007 opening of the new Benicia-Martinez Bridge.

Cordelia Truck Scales

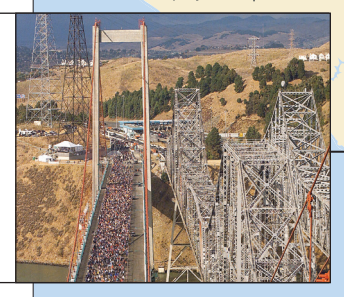
The 2014 relocation of the Cordelia Truck Scales is a key piece in the $100 million package of Regional Measure 2 projects to speed up traffic through Solano County.

Caldecott Fourth Bore

Regional Measure 2 delivered $45 million for the long-needed Caldecott Tunnel Fourth Bore project.

New Carquinez Bridge

Thousands of people turned out in late 2003 to celebrate the opening of the Al Zampa Bridge linking Solano and Contra Costa counties.



BART-OAK Connector

The 2014 completion of the BART connection to Oakland International Airport was made possible by more than $140 million of Regional Measure 2 funding.

Third Street Light Rail

San Francisco's T-Third light-rail project provided faster and more reliable connections between downtown and the city's southeastern neighborhoods.

I-880/SR 92 Interchange

State Route 92 fell from the list of most congested Bay Area freeways following completion of a Regional Measure 1 project to replace its interchange with Interstate 880.

San Mateo Bridge Widening

The late Congressman Tom Lantos was on hand in 2003 to cut the ribbon for the newly widened San Mateo-Hayward Bridge.

BART Warm Springs Extension

BART's Warm Springs extension project, the first part of the ongoing extension to San Jose, will be completed in the fall of 2015.

REGIONAL MEASURE 1	Amount ($ millions)
New Benicia-Martinez Bridge	$1,200
Carquinez Bridge Replacement	$518
Richmond-San Rafael Bridge Rehabilitation	$117
San Mateo-Hayward Bridge Widening	$210
I-880/SR 92 Interchange Replacement	$235
Bayfront Expressway Widening	$36
Richmond Parkway	$6
US 101/University Avenue Interchange Improvements	$4

REGIONAL MEASURE 2	Amount ($ millions)
Transbay Transit Center[1]	$353
e-BART/Hwy 4 Widening[2]	$269
BART to Warm Springs[1,2]	$304
BART Oakland Airport Connector[1]	$146
Solano Co. I-80 HOV Lanes & Cordelia Truck Scales[1]	$123
SMART Rail	$82
AC Transit Bus Rapid Transit[2]	$78
Transit Center Upgrades and New Buses (Regionwide)	$65
I-580 HOV Lanes	$53
Ferry Vessels[2]	$46
Caldecott Tunnel Fourth Bore	$45
Transit Technology (Clipper®, 511®, Signals)	$42
Contra Costa I-80 HOV Lanes	$37
BART Tube Seismic Retrofit[2]	$34
San Francisco Third Street Light Rail	$30
BART Central Contra Costa Crossover	$25
Safe Routes to Transit Projects	$23
Other Regional Projects	$356
Transit Operations Support (Annual)	$41

[1] Amount shown includes other toll revenue in addition to RM2
[2] Under construction

Draft Principles for Regional Measure 3

Bridge Nexus
Ensure all projects benefit toll payers in the vicinity of the San Francisco Bay Area's seven state-owned toll bridges

Regional Prosperity
Invest in projects that will sustain the region's strong economy by enhancing travel options and improving mobility in bridge corridors

Sustainability
Ensure all projects are consistent with Plan Bay Area 2040's focused growth and greenhouse gas reduction strategy

State of Good Repair
Invest in projects that help restore bridges and transportation infrastructure in the bridge corridors

Demand Management
Utilize technology and pricing to optimize roadway capacity

Freight
Improve the mobility, safety and environmental impact of freight

Resiliency
Invest in resilient bridges and approaches, including addressing sea level rise

Regional Measure 3 — Key Policy Considerations

When should the vote take place?

We recommend either the primary or general election in 2018. This will require the Legislature to pass the enabling legislation no later than the end of August 2017.

How large of a toll hike should we seek?

A comparison of the revenue yield from a $1–$3 toll surcharge as well as a comparison of toll rates on other bridges are shown in the tables below. A multi-dollar toll surcharge could be phased in over a period of years.

Toll Surcharge Amount	Annual Revenue	Capital Funding Available (25-year bond)
$1	$127 million	$1.7 billion
$2	$254 million	$3.3 billion
$3	$381 million	$5.0 billion

Toll Rate Comparisons

Facility	Standard Auto Toll	Carpool Toll
BATA Bridges	$5.00	$2.50
Golden Gate Bridge	$7.50/$6.50 Plate/FasTrak	$4.50
MTA Verrazano Narrows Bridge	$11.08[1]/$16.00 EZ-Pass/Cash	$3.08[1,2]
Port Authority of New York/New Jersey (Bridges and Tunnels)	$10.50/$12.50/$15.00 Off-Peak/Peak/Cash	$6.50

[1]Results from EZ-Pass discount rate
[2]Average rate, based on 24 trips

Continued on back page

Which counties should vote on the toll increase?

Regional Measure 1 (1988) and Regional Measure 2 (2004) were placed on the ballot in only seven of the nine Bay Area counties; Napa and Sonoma were excluded. We propose that all nine counties be included in Regional Measure 3.

Should toll revenue be used for operating purposes?

If a portion of toll revenue is reserved for operating funding (such as to subsidize transit service), the capital funding shown in the table on the prior page would be reduced. For example, for every 10% of total revenue reserved for operating purposes under a $2 toll scenario, the capital yield from toll revenue bonds would be reduced by approximately $300 million. Accordingly, we recommend restricting operating funding to the smallest possible amount. If an operating program is created, we recommend establishing performance standards similar to those in Regional Measure 2 as a condition of funding eligibility.

Should congestion pricing be expanded?

The $6 peak/$4 off-peak weekday toll on the San Francisco-Bay Bridge has successfully reduced congestion on that span by encouraging some commuters to change their time or mode of travel. The $6/$4 differential toll also raises about the same amount of revenue as would a flat $5 toll on that span. To further reduce congestion, we suggest consideration of a greater discount between the peak and off-peak rate for the Bay Bridge in Regional Measure 3.

Should a FasTrak® discount be authorized?

The Golden Gate Bridge district offers FasTrak Discounts to incentivize more drivers to sign up for FasTrak, since electronic toll collection significantly speeds up traffic throughput on the bridge. RM 3 is an opportunity to remove a statutory restriction that currently prohibits BATA from offering similar FasTrak discounts. We recommend pursuing this change to help reduce delays and associated emissions.

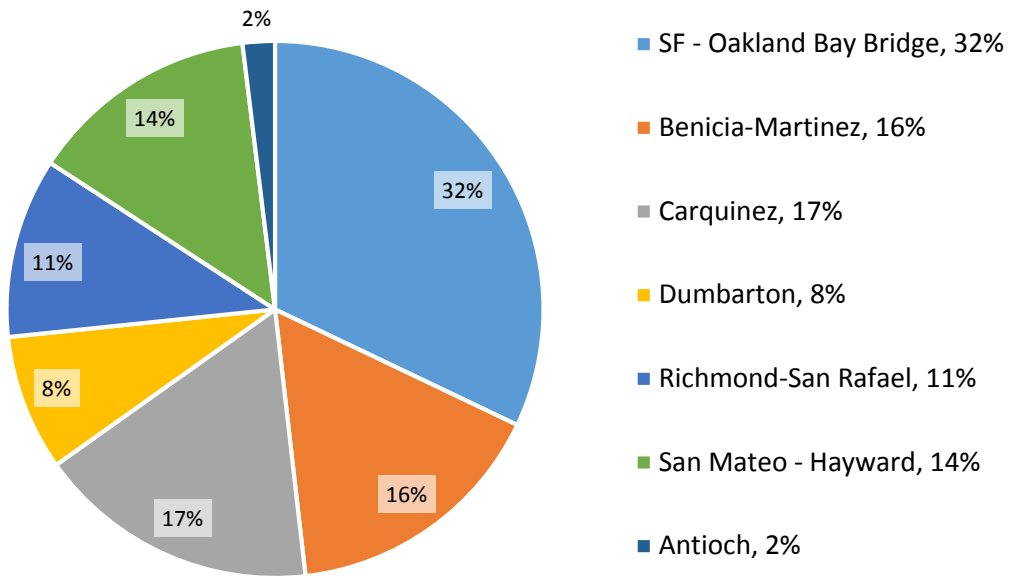
Should trucks pay an additional toll?

The last toll hike approved by the Bay Area Toll Authority (BATA) in 2010 included a substantial increase in the axle-based rate paid by commercial vehicles and trucks. As a result, we recommend that Regional Measure 3 be a flat surcharge added to all vehicles crossing the seven state-owned bridges.

What kind of projects should be considered for funding?

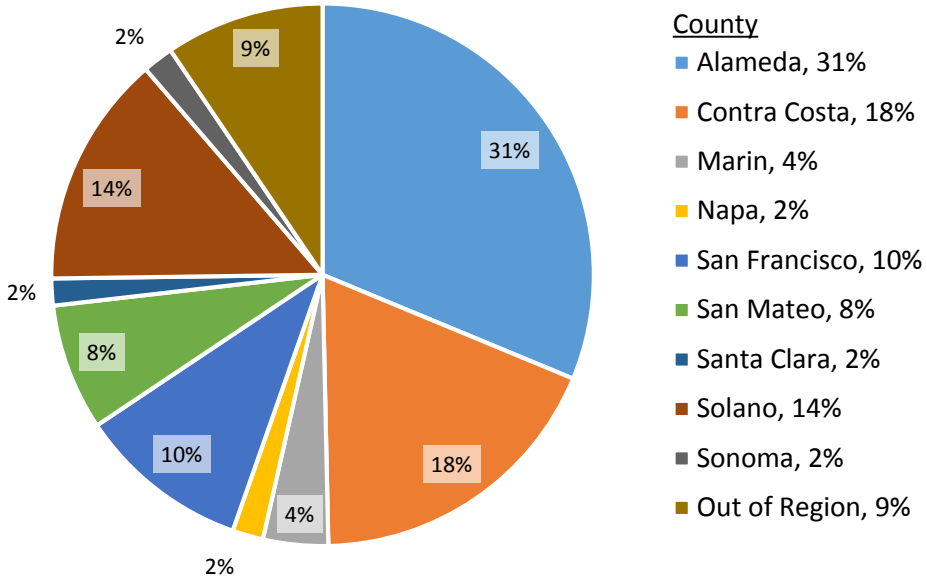
Since bridge tolls are fees and not taxes, the use of toll revenue should benefit the payers of the fee. In other words, the projects funded by Regional Measure 3 should provide safety, mobility, access, or other related benefits in the toll bridge corridors. Regional Measure 1 funded primarily a small set of bridge replacement and expansion projects. By contrast, Regional Measure 2 funded a much larger set of both bridge, highway, and transit projects in the bridge corridors. Given the region's significant needs on all modes, we expect that Regional Measure 3 will resemble its immediate predecessor in the breadth and modal mix of projects.

Share of Bridge Toll Revenue by Bridge



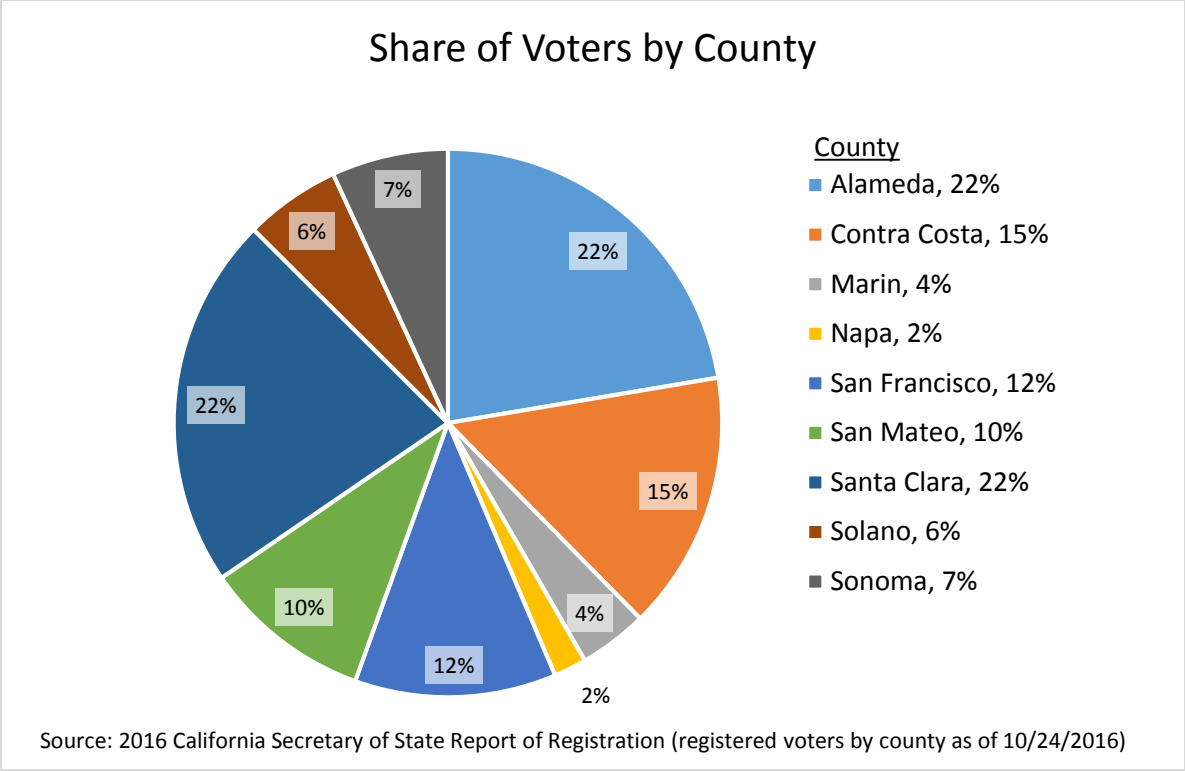
Source: FY16 Toll Revenues Collected by Bridge, MTC Comprehensive Annual Financial Report, June 30, 2016

Share of Toll Revenue by County of Residence



Source: 2015 MTC FasTrak Data - Average Typical Weekday Transactions by County of Billing Address

Attachment C



Source: 2016 California Secretary of State Report of Registration (registered voters by county as of 10/24/2016)