



RESOLUTION APPROVING PART 2 OF THE FISCAL YEAR 2018/19 TRANSPORTATION FUND FOR CLEAN AIR PROGRAM OF PROJECTS, PROGRAMMING \$503,540 TO FIVE PROJECTS, WITH CONDITIONS, AND AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AGREEMENTS WITH APPLICABLE PUBLIC AGENCIES, ESTABLISHING CONDITIONS FOR THE USE OF THESE FUNDS

WHEREAS, On June 15, 1992, the Board of Supervisors of the City and County of San Francisco designated the San Francisco County Transportation Authority (Transportation Authority) as the Program Manager of the local guaranteed portion of the Transportation Fund for Clean Air (TFCA) funds; and

WHEREAS, As County Program Manager, the Transportation Authority is required to file an expenditure plan application with the Bay Area Air Quality Management District (Air District) for the upcoming fiscal year's funding cycle, which was approved by the Air District on July 27, 2018; and

WHEREAS, After netting out 6.25% (\$47,494) for administrative expenses, as allowed by Air District guidelines, and including deobligated and previously unallocated funds, the Transportation Authority has \$764,243 in Fiscal Year (FY) 2018/19 TFCA funds to program to eligible projects; and

WHEREAS, At its July 24, 2018, the Transportation Authority approved Part 1 of the FY 2018/19 TFCA Program of Projects, programming \$388,003 for four projects (Resolution 19-04) and delaying consideration of \$56,500 recommended for San Francisco State University's (SFSU's) Ford GoBike Memberships for SFSU Students after a discussion about whether Lyft, which was in the process of acquiring Motivate (the operator of Ford GoBike), should be asked to contribute to the project at some level; and

WHEREAS, To date, the Lyft acquisition of Motivate is still in process and not yet finalized; and



WHEREAS, Subsequently, EVgo/SFE cancelled one of the approved projects, Off Street Car Share Electrification, in order to revise the scope and re-submit it as a new project; and

WHEREAS, After subtracting out the Off Street Car Share Electrification project from Part 1, the total amount of funds programmed was \$260,803, leaving a balance of \$503,440; and

WHEREAS, On July 11, 2018 the Transportation Authority issued the FY 2018/19 TFCA San Francisco County Program Manager supplemental call for projects and by the August 24, 2018 deadline, received four project applications, which when combined with the Ford GoBike Memberships for SFSU Students project, requested a total of \$589,300 in TFCA funds compared to \$503,440 available; and

WHEREAS, Transportation Authority staff, working in consultation with project sponsors, reviewed and prioritized the applications for funding based on Air District TFCA guidelines and the Transportation Authority's adopted Local Expenditure Criteria (Resolution 18-36); and

WHEREAS, The Transportation Authority's adopted Local Expenditure Criteria, shown in Attachment 1, include review of eligibility per the Air District's guidelines, calculation of the cost effectiveness ratio for each project, and other factors; and

WHEREAS, Transportation Authority staff recommended programming a total of \$503,440 to the five projects, with conditions, as shown in Attachment 2, Table A, as well including one partially-funded project on a contingency list as shown in Attachment 2, Table B; and

WHEREAS, The Off-Street Car Share Electrification project, recommended for \$4,800, requires a policy waiver from the Air District, which the Air District is expected to consider for approval in October 2018 to allow the chargers to be dedicated for carshare vehicles; and

WHEREAS, The Ford GoBike Memberships for SF State Students is recommended for funding under the condition that, assuming Lyft's acquisition of Motivate is finalized, recommended funds are contingent upon Lyft committing to provide, by June, 1 2019, a financial contribution



commensurate to the TFCA grant of \$56,500 to continue SFSU's subsidized bike share memberships beyond the initial two-year period; and

WHEREAS, At its September 26, 2018 meeting, the Citizens Advisory Committee was briefed and unanimously adopted a motion of support for the staff recommendation; and

RESOLVED, That the Transportation Authority hereby approves programming a total of \$503,440 in FY 2018/19 TFCA funds to five projects, with conditions, as shown in Attachments 2 and 3; and be it further

RESOLVED, That the Executive Director is authorized to execute funding agreements with each implementing agency to pass-through these funds for implementation of projects, establishing such terms and conditions governing cash drawdowns, financial and program audits, and reporting as necessary to comply with the requirements imposed by the Air District for the use of the funds and as required by the Transportation Authority in order to optimize the use of these of funds.

Attachments (3):

Attachment 1 - FY 2018/19 TFCA Local Expenditure Criteria

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

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



## Attachment 1

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

#### LOCAL EXPENDITURE CRITERIA (Adopted 2/27/2018)

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

#### ELIGIBILITY SCREENING

In order for projects to be considered for funding, they must meet the eligibility requirements established by the Air District's TFCA County Program Manager Fund Policies for Fiscal Year 2018/19. Consistent with the policies, a key factor in determining eligibility is a project's cost effectiveness (CE) ratio. The TFCA CE ratio is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. TFCA funds budgeted for the project are divided by the project's estimated emissions reduction. The estimated reduction is the weighted sum of reactive organic gases (ROG), oxides of nitrogen (NO<sub>x</sub>), 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<sub>2</sub>) emissions, which are not included in the Air District's official CE calculations, but which the Transportation Authority considers in its project prioritization process.

**Consistent with the Air District's Guidelines, in order to be eligible for Fiscal Year 2018/19 TFCA funds, a project must meet the CE ratio for emissions (i.e., ROG, NO<sub>x</sub>, and PM) reductions as specified in the guidelines for each project type. Projects that do not meet the appropriate CE threshold cannot be considered for funding.**

#### PROJECT PRIORITIZATION

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

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

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

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

### **Local Priorities**

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

**Project Type** – In order of priority:

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

**Emissions Reduced and Cost Effectiveness** – Priority will be given to projects that achieve high CE (i.e. a low cost per ton of emissions reduced) compared to other applicant projects. The Air District's CE worksheet predicts the amount of reductions each project will achieve in ROG, NO<sub>x</sub>, PM, and CO<sub>2</sub> emissions. However, the Air District's calculation only includes the reductions in ROG, NO<sub>x</sub>, and PM per TFCA dollar spent on the project. The Transportation Authority will also give priority to projects that achieve high CE for CO<sub>2</sub> emission reductions based on data available from the Air District's CE worksheets. The reduction of transportation-related CO<sub>2</sub> emissions is consistent with the City and County of San Francisco's 2013 *Climate Action Strategy*.

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

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

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

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

**Attachment 2**  
**San Francisco County Transportation Authority**  
**Fiscal Year 2018/19 TFCA Program of Projects – Detailed Staff Recommendations**

| TABLE A. PROJECTS RECOMMENDED FOR TFCA FUNDS - PART 2 [sorted by cost-effectiveness (CE) ratio] |                                       |  |                                 |                           |                 |                       |  |                    |                       |                      |
|---|---------------------------------------|--|---------------------------------|---------------------------|-----------------|-----------------------|--|--------------------|-----------------------|----------------------|
| No.   | Sponsor <sup>1</sup>                  | Project Description  | District                        | Project Type <sup>2</sup> | Prop K Eligible | CE Ratio <sup>3</sup> | CO <sub>2</sub> Tons Reduced <sup>4</sup>    | Total Project Cost | TFCA Amount Requested | TFCA Amount Proposed |
| 1   | GGBHTD                                | <b>Bike Racks on Buses:</b> This project will purchase and install 3-bike capacity bike racks and related equipment on 45 Golden Gate Transit (GGT) commuter buses. This project will support linked bike and bus travel, increasing the attractiveness of non-car transportation in GGT's 60-mile service corridor between Santa Rosa/Novato/San Rafael and San Francisco. TFCA funded bike racks would be installed on buses that travel to and from San Francisco.  | 1,3,5,6                         | 1                         | Yes             | \$37,415              | 4404.0 as submitted<br>2994.7 as recommended | \$482,400          | \$268,000             | \$182,140            |
| 2   | SFSU                                  | <b>Ford GoBike Memberships for SF State Students</b> - SFSU is requesting funds for a 2-year pilot program that will provide free "Bike Share for All" memberships to Ford GoBike for up to 400 Pell Grant-eligible students at SFSU. It will also provide up to 150 free yearly passes for students and 300 single month passes for students who are not Pell-Grant eligible.<br><b>Conditional Approval:</b> Assuming that Lyft's acquisition of Motivate is finalized, recommended funds are contingent upon Lyft committing to provide a financial contribution commensurate to the TFCA grant of \$56,500 to continue SFSU's subsidized bike share memberships beyond the initial two-year period. This condition must be met by June, 1 2019, to enable SFSU to roll out the program for the 2019/20 school year.  | 7                               | 1                         | No              | \$73,416              | 311.5  | \$56,500           | \$56,500              | \$56,500             |
| 3   | EVgo/SFE                              | <b>Off-Street Car Share Electrification</b> - EVgo is collaborating with SFE to provide two Level 2 chargers at a to be determined location in central San Francisco. Both chargers will be dedicated for Maven carshare vehicles, providing the first electric vehicle option to residents and visitors that utilize carshare vehicles. EVgo will work with the SFE and the Planning Department to identify two designated car share spaces.<br><b>Requires TFCA Policy Waiver</b> - Funding this project requires a waiver from the Bay Area Air Quality Management District to allow the chargers to be installed in a parking spot dedicated for a carshare vehicle instead of publicly available. Electric carshare vehicles require that the charger be available once the user returns the car to the designated carshare parking spot. A decision on the waiver is expected in October 2018. | TBD                             | 3                         | No              | \$129,237             | 38.1   | \$9,300            | \$4,800               | \$4,800              |
| 4   | EVgo/SFE                              | <b>Mixed Use Building Fast Charging in San Francisco:</b> EVgo will install one Direct Current Fast Charging (DCFC) station at two separate garages in to be determined mixed use buildings, for a total of two DCFCs. Locations will be identified based on data from SF Planning and would be sited in publicly accessible garages.  | TBD                             | 3                         | No              | \$245,832             | 625.7  | \$206,910          | \$150,000             | \$150,000            |
| 5   | California Interfaith Power and Light | <b>EV Chargers at Faith Institutions:</b> This project would install 20 Level 2 charging stations for public use (2 chargers at each of 10 locations) at congregations enrolled in the low carbon congregation program (or other California Interfaith Power and Light member congregations). Includes Grace Tabernacle Community Church, other locations are TBD.   | 10, additional locations<br>TBD | 3                         | No              | \$248,102             | 454.7  | \$110,000          | \$110,000             | \$110,000            |
| <b>TOTAL</b>  |                                       |  |                                 |                           |                 |                       |  | <b>\$865,110</b>   | <b>\$589,300</b>      | <b>\$503,440</b>     |

Total Previously Approved: **\$260,803**

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

**Attachment 2**  
**San Francisco County Transportation Authority**  
**Fiscal Year 2018/19 TFCA Program of Projects – Detailed Staff Recommendations**

| TABLE B. RECOMMENDED CONTINGENCY LIST |        |   |         |   |     |          |        |           |           |          |
|---------------------------------------|--------|---|---------|---|-----|----------|--------|-----------|-----------|----------|
| 1                                     | GGBHTD | <b>Bike Racks on Buses (Additional Funds)</b> - Fund installation of up to 21 additional bike racks on buses (see Table A above). | 1,3,5,6 | 1 | Yes | \$37,415 | 1409.3 | \$482,400 | \$268,000 | \$85,860 |

| TABLE C. PROJECTS APPROVED FOR TFCA FUNDS - PART 1 |                      |   |          |                           |                 |                       |   |                    |                       |                      |
|--|----------------------|---|----------|---------------------------|-----------------|-----------------------|---|--------------------|-----------------------|----------------------|
| No.  | Sponsor <sup>1</sup> | Project Description   | District | Project Type <sup>2</sup> | Prop K Eligible | CE Ratio <sup>3</sup> | CO <sub>2</sub> Tons Reduced <sup>4</sup> | Total Project Cost | TFCA Amount Requested | TFCA Amount Proposed |
| 1  | SFE                  | <b>Emergency Ride Home</b> - Provides a free or low cost ride home in cases of emergency for employees who use alternative modes to get to work. The ride comes in the form of taxi, carshare or rental car reimbursement to employees of businesses participating in the program when a supervisor-approved unscheduled overtime or an emergency situation occurs. This program provides one year of funding for processing employer registrations and reimbursements. | Citywide | 1                         | Yes             | \$15,064              | 1,814.2                                   | \$50,734           | \$50,734              | \$50,734             |
| 2  | SFSU                 | <b>Bike Cage at SF State Thornton Hall</b> - The Thornton Hall bicycle storage cage will provide secure storage for 118 bicycles. The cage will use an automated door with card access to provide 24-hour access. SF State affiliates will gain access using their campus ID cards and members of the public will be able to request a card for access. The locker will contain racks, basic repair tools and an air pump.  | 7        | 1                         | Yes             | \$225,521             | 71.9                                      | \$40,069           | \$40,069              | \$40,069             |
| 3  | ABM Parking Service  | <b>Grace Cathedral DC Fast Chargers</b> - The Grace Cathedral parking garage has 120 self park spaces. The garage is used by monthly parkers, tourists, church members, employees of the Cathedral and neighboring businesses. Grace Cathedral would install two DC Fast chargers for electric vehicles, taking up three parking spaces. These spaces are near power panels (1200 AMPS). The chargers would be available seven days a week.                             | 3        | 3                         | No              | \$246,203             | 708.1                                     | \$170,000          | \$170,000             | \$170,000            |
| 4  | EVgo/SFE             | <b>Off-Street Car Share Electrification</b> - Project canceled and re-submitted as a new project with Level 2 chargers instead of DC Fast Chargers. See Table A above.  | TBD      | 3                         | No              | n/a                   | n/a                                       | \$0                | \$0                   | \$0                  |
| <b>TOTAL</b>                                       |                      |   |          |                           |                 |                       |   |                    |                       | <b>\$260,803</b>     |

<sup>1</sup> Sponsor acronyms include Department of Environment (SFE), Golden Gate Bridge Highway and Transportation District (GGBHTD), San Francisco State University (SFSU)

<sup>2</sup> Priority based on project type is established in the Local Expenditure Criteria, with zero-emissions non-vehicle projects as the highest priority, followed by shuttle services, followed in turn by alternative fuel vehicle projects, and finally any other eligible project.

<sup>3</sup> The TFCA cost effectiveness ratio (CE) is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. CE ratio limits vary by project type: for FY 18/19 the limit for Ridesharing/Trip Reduction Projects, which encompasses Emergency Ride Home and Ford GoBike Memberships for SFSU Students is \$150,000 per ton of emissions reduced, and the limit for the Bicycle Projects and Alternative Fuel Infrastructure categories is \$250,000 per ton of emissions reduced.

<sup>4</sup> CO<sub>2</sub> Reduction is based on tons of carbon dioxide reduced over the lifetime of the project. This figure is calculated in the cost effectiveness worksheet.

**Attachment 3**

**San Francisco County Transportation Authority  
Fiscal Year 2018/19 Transportation Fund for Clean Air County Program Manager Fund  
Summary of Staff Recommendations**

| <b>RECOMMENDED PROJECTS (sorted by cost-effectiveness (CE) ratio)</b> |  |                           |                       |                         |
|---|--|---------------------------|-----------------------|-------------------------|
| <b>Sponsor<sup>1</sup></b>  | <b>Project</b>   | <b>Total Project Cost</b> | <b>TFCA Requested</b> | <b>TFCA Recommended</b> |
| GGBHTD  | Bike Racks on Buses  | \$482,400                 | \$268,000             | \$182,140               |
| SFSU  | Ford GoBike memberships for SF State Students (with conditions) <sup>2</sup> | \$56,500                  | \$56,500              | \$56,500                |
| EVgo/SFE  | Off-Street Car Share Electrification   | \$9,300                   | \$4,800               | \$4,800                 |
| EVgo/SFE  | Mixed Use Building Fast Charging in San Francisco                            | \$206,910                 | \$150,000             | \$150,000               |
| California Interfaith Power and Light                                 | EV Chargers at Faith Institutions  | \$110,000                 | \$110,000             | \$110,000               |
| <b>Totals:</b>  |  | <b>\$865,110</b>          | <b>\$589,300</b>      | <b>\$503,440</b>        |

| <b>PREVIOUSLY APPROVED (sorted by CE ratio)</b> |  |                           |                      |
|---|--|---------------------------|----------------------|
| <b>Sponsor<sup>1</sup></b>                      | <b>Project</b>   | <b>Total Project Cost</b> | <b>TFCA Approved</b> |
| SFE   | Emergency Ride Home  | \$50,734                  | \$50,734             |
| SFSU  | Bike Cage at SF State Thornton Hall  | \$40,069                  | \$40,069             |
| EVgo/SFE  | Grace Cathedral DC Fast Chargers   | \$170,000                 | \$170,000            |
| EVgo/SFE  | Off-Street Car Share Electrification (Originally approved for \$127,200 in Part 1, sponsor subsequently canceled and re-submitted as a new project with Level 2 chargers instead of DC Fast Chargers. See Table A on Attachment 2 for details) | \$0                       | \$0                  |
| <b>Totals:</b>                                  |  | <b>\$260,803</b>          | <b>\$260,803</b>     |

|   |                  |
|---|------------------|
| <b>Total TFCA Funding Available for Projects:</b>   | <b>\$764,243</b> |
| <b>Total TFCA Funding Approved and Recommended:</b> | <b>\$764,243</b> |
| <b>Remaining Funds:</b>                             | <b>\$0</b>       |

<sup>1</sup>See Attachment 2 for acronyms and other notes.

<sup>2</sup>Assuming that Lyft's acquisition of Motivate is finalized, recommended funds are contingent upon Lyft committing to provide a financial contribution commensurate to the TFCA grant of \$56,500 to continue SFSU's subsidized bike share memberships beyond the initial two-year period. This condition must be met by June, 1 2019, to enable SFSU to roll out the program for the 2019/20 school year.





# Memorandum

**Date:** October 5, 2018  
**To:** Transportation Authority Board  
**From:** Anna LaForte – Deputy Director for Policy and Programming  
**Subject:** 10/16/18 Board Meeting: Approve Part 2 of the Fiscal Year 2018/19 Transportation Fund for Clean Air Program of Projects, with Conditions

|  |   |
|--|---|
| <p><b>RECOMMENDATION</b>    <input type="checkbox"/> Information    <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> <li>• Approve Part 2 of the Fiscal Year (FY) 2018/19 Transportation Fund for Clean Air (TFCA) Program of Projects, Programming \$503,440 to Five Projects, with Conditions:             <ul style="list-style-type: none"> <li>○ Bike Racks on Buses (\$182,140 to Golden Gate Bridge Highway and Transit District)</li> <li>○ Ford GoBike Memberships for San Francisco State University (SFSU) Students (\$56,500 to SFSU, with conditions)</li> <li>○ Off-Street Car Share Electrification (\$4,800 to EVgo/SF Environment (SFE))</li> <li>○ Mixed Use Building Fast Charging in San Francisco (\$150,000 to EVgo/SFE)</li> <li>○ EV Chargers at Faith Institutions (\$110,000 to Interfaith Power and Light)</li> </ul> </li> </ul> <p><b>SUMMARY</b></p> <p>As the San Francisco TFCA County Program Manager, the Transportation Authority annually develops the program of projects for San Francisco’s share of TFCA funds. Funds come from a portion of a \$4 vehicle registration fee in the Bay Area and are used for projects that reduce motor vehicle emissions. In June 2018, the Board approved Part 1 of the FY 2018/19 Program of Projects, providing \$388,003 to four projects and delaying consideration of \$56,500 recommended for SFSU’s Ford GoBike Memberships for SFSU Students after a discussion about whether Lyft, which was in the process of acquiring Motivate (the operator of Ford GoBike) should be asked to contribute to the project at some level. Because we did not receive enough eligible requests to fully program the \$764,243 in available funds, we conducted a supplemental call for projects over the summer. We are now recommending approval of Part 2, with full funding of four requests (including Ford GoBike Memberships for SFSU Students) and partial funding for one request (Bike Racks on Buses) as shown in Attachments 2 and 3. The Board must approve these funds by the Air District’s November 2, 2018 deadline to avoid loss of funds to the city.</p> | <ul style="list-style-type: none"> <li><input type="checkbox"/> Fund Allocation</li> <li><input checked="" type="checkbox"/> Fund Programming</li> <li><input type="checkbox"/> Policy/Legislation</li> <li><input type="checkbox"/> Plan/Study</li> <li><input type="checkbox"/> Capital Project Oversight/Delivery</li> <li><input type="checkbox"/> Budget/Finance</li> <li><input type="checkbox"/> Contracts</li> <li><input type="checkbox"/> Procurement</li> <li><input type="checkbox"/> Other:</li> </ul> |
|--|---|

**DISCUSSION**

**Background.**

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

**Available Funds.**

As shown in Table 1 below, the amount of available funds is comprised of estimated Fiscal Year (FY) 2018/19 TFCA revenues, interest income, and de-obligated funds from completed and canceled prior-year TFCA projects.

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

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

**Fiscal Year 2018/19 TFCA Call for Projects - Part 1**

In June 2018, the Board approved Part 1 of the FY 2018/19 TFCA Program of Projects, with \$388,003 for four projects (Resolution 2019-04). Subsequently, EVgo/SFE cancelled one of the approved projects – the EVgo’s Off Street Car Share Electrification, and re-submitted it as a new project with a revised scope in response to our supplemental call for project. EVgo is proposing to use level 2 car charging technology instead of DC Fast Charger technology as originally proposed. Level 2 technology is not as fast as DC Fast Chargers, but it’s fast enough for the intended use by Maven carshare electric vehicles. The different technology significantly lowers the cost of the project and the need for TFCA funds from \$127,200 to \$4,800. This, in turn, significantly improves its cost effectiveness (CE) under Air District guidelines.

After subtracting out the Off Street Car Share Electrification project from Part 1, the total amount of funds programmed is \$260,803, leaving a balance of \$503,440 as shown in Table 2 below.

| <b>Table 2. Estimated Remaining FY 2018/19 TFCA Funds Available for Projects</b> |                  |
|--|------------------|
| Total Available for Projects in FY2018/19  | \$764,243        |
| Total Approved in Part 1 TFCA Program of Projects                                | \$260,803        |
| <b>Total Available for Projects in Part 2</b>                                    | <b>\$503,440</b> |

Attachment 3 shows the projects that have already been approved for funding in Part 1, with the Off-Street Car Share Electrification project now zeroed out.

**Fiscal Year 2018/19 TFCA Call for Projects - Part 2**

On July 11, 2018 we issued the FY 2018/19 TFCA San Francisco County Program Manager supplemental call for projects. We received four project applications by the August 24, 2018 deadline. When combined with the Ford GoBike Memberships for SFSU Students project carried forward from the original call for projects, the total request for TFCA funds is \$589,300 compared to \$503,440 available.

**Prioritization Process.**

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

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

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

**Staff Recommendation.**

We are recommending programming a total of \$503,440 to the five candidate projects. Attachment 2 contains three tables detailing our funding recommendations and the revised Part 1 recommendations already approved by the Board:

- **Table A. Projects Recommended for TFCA Funds - Part 2.** The table includes a brief project description, total project cost, the amount of TFCA funds requested and recommended, special conditions, the CE ratio, and other information.
- **Table B. Recommended Contingency List.** If a project in Table A is canceled or the Air District approves less funding for the project than recommended by the Transportation Authority, staff would reprogram the funds to the contingency list project.
- **Table C Projects Approved for TFCA Funds – Part 1.** This shows the list of projects approved by the Board for TFCA funding through Part 1, revised to reflect the cancellation of the Off Street Car Share Electrification project. The latter was revised and resubmitted and is recommended for funding in Part 2 (see Table A).

The Off-Street Car Share Electrification project, recommended for \$4,800, requires a policy waiver from the Air District to allow the chargers to be dedicated for carshare vehicles rather than publicly available to any electric vehicle. As previously reported to the Board, we are optimistic that we will receive the waiver from the Air District in October 2018. If the waiver is not approved by the Air District, we will add the funds to the partially funded Bike Racks on Buses project, which is the only project on the recommended contingency list (See Attachment 2, Table B).

Of the five projects recommended for funding, two are zero emissions non-vehicle projects, which is the top priority project type in the Board-adopted prioritization criteria, and three are electric vehicle infrastructure projects.

The Ford GoBike Memberships for SF State Students is recommended for funding with the following condition:

Conditional Approval: Assuming that Lyft's acquisition of Motivate is finalized, recommended funds are contingent upon Lyft committing to provide a financial contribution commensurate to the TFCA grant of \$56,500 to continue SFSU's subsidized bike share memberships beyond the initial two-year period. This condition must be met by June, 1 2019, to enable SFSU to roll out the program for the 2019/20 school year.

SFSU is fine with the proposed condition. We have been in periodic contact with Lyft representatives since the July Board meeting. Lyft is aware of the discussion had by the Board in July, but is awaiting the finalization of its acquisition of Motivate before weighing in on this proposal.

#### **Schedule for Funds Availability.**

We entered into a master funding agreement with the Air District in August 2018 and have issued grant agreements for the previously approved FY 2018/19 TFCA funds. We will issue grant agreements for the additional funds that are the subject of this item following Board approval. Funds will be available immediately upon review and execution of the grant agreements by project sponsors.

#### **FINANCIAL IMPACT**

The estimated total budget for the FY 2018/19 TFCA program is \$811,737. This includes \$764,243 for projects and \$47,494 for administrative expenses. Revenues and expenditures for the TFCA program are included in the Transportation Authority's FY 2018/19 budget, as adopted.

#### **CAC POSITION**

The CAC unanimously adopted a motion of support for this item at its September 26, 2018 meeting.

**SUPPLEMENTAL MATERIALS**

Attachment 1 – FY 2018/19 TFCA Local Expenditure Criteria

Attachment 2 – FY 2018/19 TFCA Program of Projects, Detailed Staff Recommendations

Attachment 3 – FY 2018/19 TFCA Program of Projects, Summary of Staff Recommendations