



Memorandum

Date: September 19, 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>RECOMMENDATION <input type="checkbox"/> Information <input checked="" type="checkbox"/> Action</p> <ul style="list-style-type: none"> • 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"> ○ Bike Racks on Buses (\$182,140 to Golden Gate Bridge Highway and Transit District) ○ Ford GoBike Memberships for San Francisco State University (SFSU) Students (\$56,500 to SFSU, with conditions) ○ Off-Street Car Share Electrification (\$4,800 to EVgo/SF Environment (SFE)) ○ Mixed Use Building Fast Charging in San Francisco (\$150,000 to EVgo/SFE) ○ EV Chargers at Faith Institutions (\$110,000 to Interfaith Power and Light) <p>SUMMARY</p> <p>As the San Francisco TFCA County Program Manager, the Transportation Authority annually develops the program of projects for San Francisco’s share of TFCA funds. Funds come from a portion of a \$4 vehicle registration fee in the Bay Area and are used for projects that reduce motor vehicle emissions. 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"> <input type="checkbox"/> Fund Allocation <input checked="" type="checkbox"/> Fund Programming <input type="checkbox"/> Policy/Legislation <input type="checkbox"/> Plan/Study <input type="checkbox"/> Capital Project Oversight/Delivery <input type="checkbox"/> Budget/Finance <input type="checkbox"/> Contracts <input type="checkbox"/> Procurement <input type="checkbox"/> Other:
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DISCUSSION

Background.

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

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

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

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.

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

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 TFCF Call for Projects - Part 2

On July 11, 2018 we issued the FY 2018/19 TFCF San Francisco County Program Manager supplemental call for projects. We received five project applications by the August 24, 2018 deadline, requesting \$589,300 in TFCF funds compared to \$503,440 available.

Prioritization Process.

We evaluated the TFCF project applications following the Board adopted prioritization process for developing the TFCF Program of Projects shown in Attachment 1. The first step involved screening projects to ensure eligibility according to the Air District’s TFCF 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-TFCF 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 TFCF 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 two tables with funding recommendations: A). Projects recommended for Part 2 funding including a brief project description, total project cost, the amount of TFCF funds requested, the CE ratio, and other information, and B). Recommended contingency list if a project in Table A is canceled. Table C shows the list of projects funded through Part 1. Of the five projects recommended for

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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 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).

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 will be briefed on 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



Attachment 1

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

LOCAL EXPENDITURE CRITERIA (Adopted 2/27/2018)

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

ELIGIBILITY SCREENING

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

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

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

PROJECT PRIORITIZATION

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

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

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

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

Local Priorities

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

Project Type – In order of priority:

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

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

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

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

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

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

Attachment 2
 San Francisco County Transportation Authority
 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 ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
1	GGBHTD	Bike Racks on Buses: 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 2994.7 as recommended	\$482,400	\$268,000	\$182,140
2	SFSU	Ford GoBike Memberships for SF State Students - 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. 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.	7	1	No	\$73,416	311.5	\$56,500	\$56,500	\$56,500
3	EVgo/SFE	Off-Street Car Share Electrification - 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. Requires TFCA Policy Waiver - 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	Mixed Use Building Fast Charging in San Francisco: 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	EV Chargers at Faith Institutions: 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 TBD	3	No	\$248,102	454.7	\$110,000	\$110,000	\$110,000
TOTAL								\$865,110	\$589,300	\$503,440
										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. CONTINGENCY LIST OF PROJECTS RECOMMENDED FOR TFCA FUNDS

1	GGBHTD	Bike Racks on Buses (Additional Funds) - 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
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TABLE C. PROJECTS PREVIOUSLY APPROVED FOR TFCA FUNDS - PART 1

No.	Sponsor ¹	Project Description	District	Project Type ²	Prop K Eligible	CE Ratio ³	CO ₂ Tons Reduced ⁴	Total Project Cost	TFCA Amount Requested	TFCA Amount Proposed
1	SFE	Emergency Ride Home - Provides a free or low cost ride home in cases of emergency for employees who use alternative modes to get to work. The ride comes in the form of taxi, carshare or rental car reimbursement to employees of businesses participating in the program when a supervisor-approved unscheduled overtime or an emergency situation occurs. This program provides one year of funding for processing employer registrations and reimbursements.	Citywide	1	Yes	\$15,064	1,814.2	\$50,734	\$50,734	\$50,734
2	SFSU	Bike Cage at SF State Thornton Hall - The Thornton Hall bicycle storage cage will provide secure storage for 118 bicycles. The cage will use an automated door with card access to provide 24-hour access. SF State affiliates will gain access using their campus ID cards and members of the public will be able to request a card for access. The locker will contain racks, basic repair tools and an air pump.	7	1	Yes	\$225,521	71.9	\$40,069	\$40,069	\$40,069
3	ABM Parking Service	Grace Cathedral DC Fast Chargers - The Grace Cathedral parking garage has 120 self park spaces. The garage is used by monthly parkers, tourists, church members, employees of the Cathedral and neighboring businesses. Grace Cathedral would install two DC Fast chargers for electric vehicles, 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	Off-Street Car Share Electrification - 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
TOTAL										\$260,803

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

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

³ The TFCA cost effectiveness ratio (CE) is designed to measure the cost effectiveness of a project in reducing motor vehicle air pollutant emissions and to encourage projects that contribute funding from non-TFCA sources. CE ratio limits vary by project type: for FY 18/19 the limit for Ridesharing/Trip Reduction Projects, which encompasses Emergency Ride Home 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.

⁴ CO₂ Reduction is based on tons of carbon dioxide reduced over the lifetime of the project. This figure is calculated in the cost effectiveness worksheet.

Attachment 3

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

RECOMMENDED PROJECTS (sorted by cost-effectiveness (CE) ratio)				
Sponsor¹	Project	Total Project Cost	TFCA Requested	TFCA Recommended
GGBHTD	Bike Racks on Buses	\$482,400	\$268,000	\$182,140
SFSU	Ford GoBike memberships for SF State Students (with conditions) ²	\$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
Totals:		\$865,110	\$589,300	\$503,440

PREVIOUSLY APPROVED (sorted by CE ratio)			
Sponsor¹	Project	Total Project Cost	TFCA Approved
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 \$388,003 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
Totals:		\$260,803	\$260,803

Total TFCA Funding Available for Projects:	\$764,243
Total TFCA Funding Approved and Recommended:	\$764,243
Remaining Funds:	\$0

¹See Attachment 2 for acronyms and other notes.

²Assuming 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.