



**San Francisco
County Transportation
Authority**

BD021026

RESOLUTION NO. 26-38

RESOLUTION ADOPTING THE FISCAL YEAR 2026/27 TRANSPORTATION FUND FOR
CLEAN AIR LOCAL EXPENDITURE CRITERIA

WHEREAS, The Transportation Fund for Clean Air (TFCA) Program is funded by a \$4 vehicle registration fee collected by the California Department of Motor Vehicles in the nine-county Bay Area and forty percent of the revenues collected are available to each county on a return-to-source basis to implement strategies to improve air quality by reducing motor vehicle emissions; and

WHEREAS, The Transportation Authority is the designated Administering Agency for the San Francisco TFCA program; and

WHEREAS, The passage of Assembly Bill 434 required that the designated Administering Agency annually adopt criteria establishing a set of priorities for expenditure of funds for certain types of projects; and

WHEREAS, Drawing on the agency's past experience as the Administering Agency for TFCA, Transportation Authority staff recommend adopting the attached draft Fiscal Year 2026/27 TFCA Local Expenditure Criteria, which are consistent with the Air District's TFCA guidance; and

WHEREAS, The recommended prioritization criteria include consideration of the following factors: cost effectiveness, project readiness, program diversity, community support, benefits to Equity Priority Communities, leveraging other fund sources, investment from non-public project sponsors or partners (i.e., commensurate investment, if applicable), and other factors (e.g., the project sponsor's recent delivery track-record for TFCA projects); and

WHEREAS, At its January 28, 2026 meeting, the Community Advisory Committee considered the staff recommendation and unanimously adopted a motion of support for its adoption; and

WHEREAS, In late January 2026, the Air District offered each TFCA Administering Agency supplementary funds from the Regional TFCA program to



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award to bikeway and bike parking projects in their county to be administered as part of the Fiscal Year 2026/27 TFCA program; and

WHEREAS, The additional amount of Regional TFCA funds offered to San Francisco is \$1,616,000, including \$468,750 for projects in the area of Southeast San Francisco identified as a high priority community through the state Community Air Protection Program established by Assembly Bill 617, and up to \$101,000 for program administration; and

WHEREAS, The estimated amount of county TFCA funds available to San Francisco for the Fiscal Year 2026/27 call for projects is \$667,000; now, therefore, be it

RESOLVED, That the Transportation Authority hereby adopts the attached Fiscal Year 2026/27 TFCA Local Expenditure Criteria; and be it further

RESOLVED, That the Fiscal Year 2026/27 TFCA Local Expenditure Criteria also will apply to any Regional TFCA funds passed through from the Air District to the Transportation Authority for the Fiscal Year 2026/27 TFCA program; and be it further

RESOLVED, That the Executive Director is hereby authorized to communicate this information to all relevant agencies and interested parties, including releasing a call for projects to solicit applications for available TFCA funds.

Attachments:

1. Draft FY 2026/27 Local Expenditure Criteria
2. Draft Schedule for FY 2026/27 TFCA Call for Projects
3. San Francisco 2021 Equity Priority Communities Map (*Pending update prior to release of TFCA call for projects to align with Plan Bay Area 2050+ EPC areas)

Enclosure:

1. Air District 40 Percent Fund Expenditure Plan Guidance for Fiscal Year Ending 2027



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The foregoing Resolution was approved and adopted by the San Francisco County Transportation Authority at a regularly scheduled meeting thereof, this 24th day of February 2026, by the following votes:

Ayes: Commissioners Dorsey, Fielder, Mahmood, Melgar, Sherrill, Walton, and Wong (7)

Absent: Commissioners Chan, Chen, Mandelman, and Sauter (4)

DocuSigned by:
 3/10/2026
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Myrna Melgar Date
 Chair

ATTEST: DocuSigned by:
 3/12/2026
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Tilly Chang Date
 Executive Director



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Attachment 1

Fiscal Year 2026/27 Transportation Fund for Clean Air Program

Draft Fiscal Year 2026/27 TFCA Local Expenditure Criteria

The following are the Fiscal Year 2026/27 Local Expenditure Criteria for San Francisco's TFCA 40 Percent Fund program.

ELIGIBILITY SCREENING

In order for projects to be considered for funding, they must meet the eligibility requirements established by the Air District's TFCA 40 Percent Fund Expenditure Plan Guidance Commencing Fiscal Year Ending 2027. 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 2026/27 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:



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Attachment 1
Fiscal Year 2026/27 Transportation Fund for Clean Air Program
Draft Fiscal Year 2026/27 TFCA Local Expenditure Criteria

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

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 administering agencies to rollover any unprogrammed funds to the next year's funding cycle. If Fiscal Year 2026/27 funds are not programmed within 6 months of the Air District's approval of San Francisco's funding allocation, expected in May 2026, 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:

1. Cost Effectiveness of Emissions Reduced - 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 2021 Climate Action Plan.

2. 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 2027 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.

3. Community Support - Priority will be given to projects with demonstrated community support (e.g., recommended in a community-based transportation plan, outreach conducted



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to identify locations and/or interested neighborhoods, or a letter of recommendation provided by the district Supervisor or a community-based organization).

4. Benefits Equity Priority Communities – Priority will be given to projects that directly benefit Equity Priority Communities, whether the project is directly located in an Equity Priority Community (see map in Attachment 3) or can demonstrate benefits to disadvantaged populations.

5. Fund Leveraging – Priority shall be given to projects that can demonstrate leveraging of TFCA funds, or that can justify why they are ineligible, have very limited eligibility, or compete poorly to receive Prop L or other discretionary funds.

6. Investment from Non-Public Project Sponsors or Partners – Non-public entities may apply for and directly receive TFCA grants for alternative-fuel vehicle and infrastructure projects and may partner with public agency applicants for any other project type. For projects where a non-public entity is the applicant or partner, priority will be given to projects that include an investment from the non-public entity that is commensurate with the TFCA funds requested.

7. Project Delivery Track Record – 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 the previous two fiscal years:

- **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.

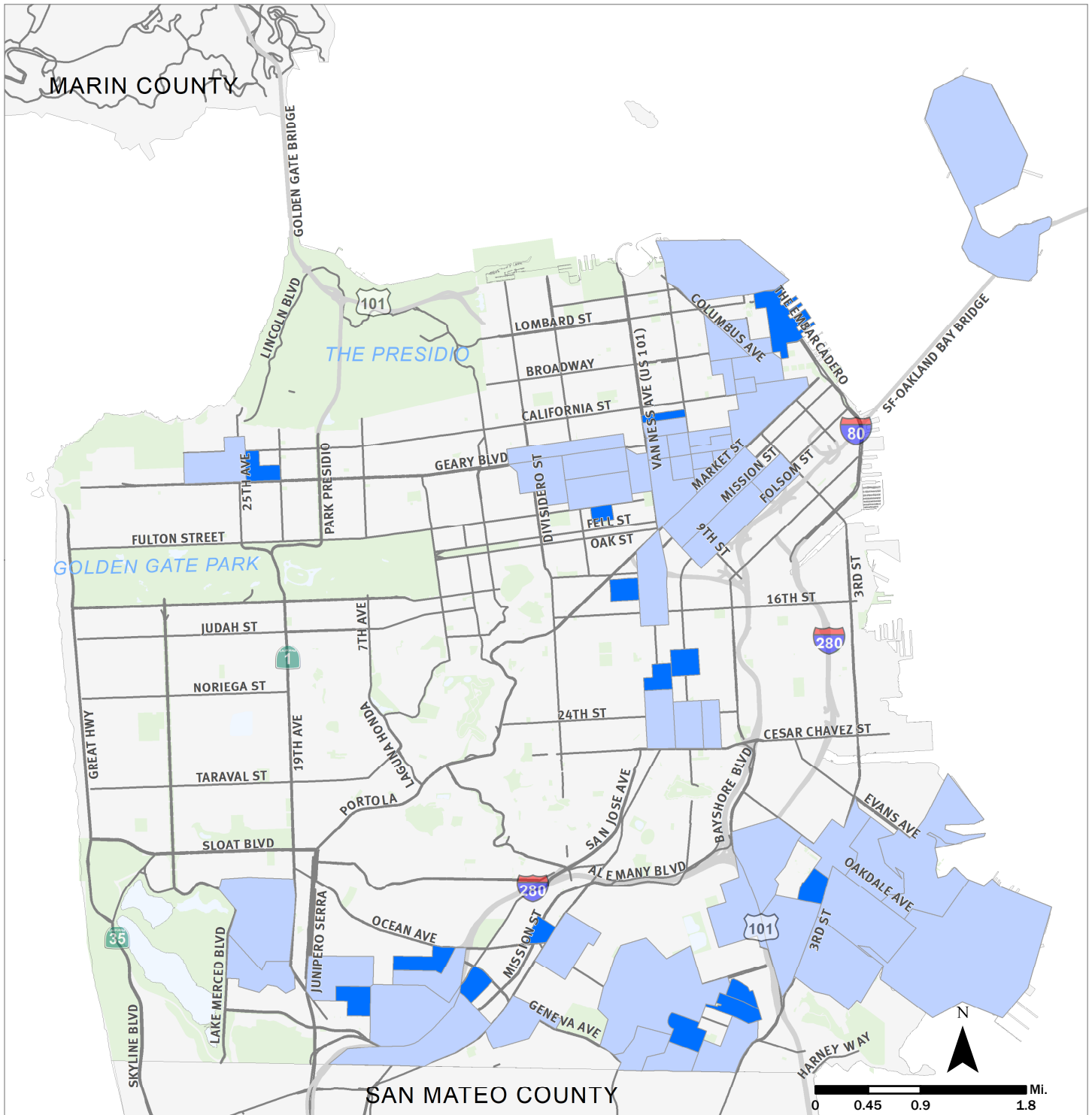
8. Program Diversity – Promotion of innovative TFCA projects in San Francisco has resulted in increased visibility for the program and offered a good testing ground for new approaches to reducing motor vehicle emissions. The Transportation Authority will continue to develop an annual program that contains a diversity of project types and approaches and serves multiple constituencies.

**Attachment 2
San Francisco County Transportation Authority
Fiscal Year 2026/27 Transportation Fund for Clean Air**

Draft Schedule for Fiscal Year 2026/27 TFCA Call for Projects*

Wednesday, January 28, 2026	Community Advisory Committee Meeting – ACTION Local Expenditure Criteria
Tuesday, February 10, 2026	Transportation Authority Board Meeting – PRELIMINARY ACTION Local Expenditure Criteria
Tuesday, February 24, 2026	Transportation Authority Board Meeting – FINAL ACTION Local Expenditure Criteria
By Friday, March 6, 2026	Transportation Authority Issues TFCA Call for Projects
Friday, April 17, 2026	TFCA Applications Due to the Transportation Authority
Wednesday, May 27, 2025	Community Advisory Committee Meeting – ACTION TFCA staff recommendations
Tuesday, June 9, 2026	Transportation Authority Board Meeting - PRELIMINARY ACTION TFCA staff recommendations
Tuesday, June 23, 2026	Transportation Authority Board Meeting – FINAL ACTION TFCA staff recommendations
Sept 2026 (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/events).



San Francisco Equity Priority Communities 2021

January 2026: Pending update prior to release of TFCA call for projects to align with Plan Bay Area 2050+ EPC areas

- MTC 2021 Equity Priority Communities[^]
- SFCTA 2021 supplemental Equity Priority Communities boundaries^{*}
- Parks and Open Space

^{*}Supplemental boundaries based on analysis conducted at block group-level, any block group meeting MTC's Equity Priority Communities definition and contiguous with MTC identified census tracts are included.
[^]Equity Priority Communities were formerly called Communities of Concern

