



Guide and Application for the
Transportation Fund for Clean Air Program
(TFCA) for Napa County Program Manager Funds



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

FYE 2016 Applications Due to NCTPA: April 3, 2015

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Table of Contents

INTRODUCTION 4

YOUR RESPONSIBILITIES AS PROJECT SPONSOR: 4

BASIC ELIGIBILITY 5

USE OF TFCA FUNDS 8

TFCA PROJECT TYPES..... 8

DATES OF IMPORTANCE 9

TFCA PROGRAM MANAGER SELECTION CRITERIA FOR NAPA COUNTY 9

APPLICATION INSTRUCTIONS:..... 10

TFCA DO'S AND DON'TS 11

CONTACT INFORMATION 11

APPENDIX A..... 13

February 20, 2015

Greetings Participants!

The Napa County Transportation and Planning Agency is pleased to announce a “Call for Projects” for the Transportation Fund for Clean Air, Program Manager Funds.

The Transportation Fund for Clean Air (TFCA) is a grant program, funded by a \$4 surcharge on motor vehicles registered in the Bay Area. This generates approximately \$22 million per year in revenues. The purpose of the TFCA program is to provide grants to implement the most cost-effective projects in the Bay Area that will decrease motor vehicle emissions, and thereby improve air quality. Projects must be consistent with the 1988 California Clean Air Act and the Bay Area Ozone Strategy.

The TFCA program can fund a wide range of project types, including the construction of new bicycle lanes; shuttle and feeder bus services to train stations; ridesharing programs to encourage carpool and transit use; bicycle facility improvements such as bicycle racks and lockers; and arterial management projects that reduce traffic congestion such as signal interconnect projects.

NCTPA is pleased that your agency or organization has chosen the TFCA program as a potential funding source to complete your eligible project. This packet has been created to help guide you in submitting a successful application for funding.

The available funding for Napa County TFCA projects for FYE 2016 will be approximately \$265,000 dollars. The TFCA Applications for FYE 2016 will be due to NCTPA by 5:00 PM on Friday, April 3, 2015.

If you have any questions, you may contact Diana Meehan, TFCA Program Manager at:
NCTPA TFCA Program
625 Burnell Street
Napa, CA 94559
Phone: 707-259-8327

Sincerely,



Kate Miller
Executive Director
Napa County Transportation & Planning Agency

Introduction

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

To protect public health, the State Legislature enacted the California Clean Air Act in 1988. As part of the requirements, the Air District prepared the Bay Area Clean Air Plan (CAP) and the Bay Area 2005 Ozone Strategy, which describes how the region will work toward compliance with the State one-hour ozone standard. To reduce emissions from motor vehicles, the Bay Area 2005 Ozone Strategy contains 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, which result not only in the reduction of ozone precursor emissions, but also of greenhouse gas emissions.

The TFCA Program

To fund the implementation of TCMs and MSMs, the State Legislature authorized the Bay Area Air Quality Management District to impose a \$4 surcharge on motor vehicle registration fees paid within the San Francisco 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:

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

Forty percent (40%) of these funds are allocated to the designated program manager within each county and are referred to as the TFCA Program Manager Fund. NCTPA is the program manager for Napa County. Sixty percent (60%) of these funds are awarded directly by the Air District through the TFCA Regional Fund.

Your Responsibilities as Project Sponsor:

1. Submit projects to the Program Manager that comply with Air District policies.
2. Prepare and submit your project's information form and cost-effectiveness worksheet to the Program Manager.

3. Adhere to the Program Manager's timeline and submit deliverables on time.
4. Submit project status report forms on time.
5. Complete your TFCA project two years from the effective date of the Master Agreement between the Program Manager and the Air District (July 2015).
6. Provide proof of Air District credit for vehicles purchased, published materials, and construction funded or partially funded through the TFCA program.
7. Provide itemized invoices to the Program Manager for reimbursement of your project.
8. Provide proof of general liability insurance with a limit of not less than \$1,000,000 per occurrence.

NCTPA's Responsibilities as Program Manager:

1. Provide guidance, offer technical support to project sponsors.
2. Review Project Sponsor's Project Information forms, cost-effectiveness sheets, and reporting forms.
3. Administer program in accordance with applicable legislation, including Health and Safety Code Sections 44233, 44241, and 44242, and with Air District Board-Adopted TFCA County Program Manager Fund Policies
4. Hold one or more public meeting each year for the purpose of adopting criteria for the expenditure of the funds and to review expenditure of revenues received.
5. Provide funds only to projects that comply with Air District Policies and Procedures.
6. Encumber and expend funds within two years of the receipt of funds.
7. Provide information to the Air District and to auditors on the expenditures of TFCA funds.

Basic Eligibility

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 the Air District Board of Directors adopted TFCA County Program Manager Fund Policies for FYE 2016. 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.

TFCA Cost-Effectiveness: Projects must achieve TFCA cost-effectiveness, on an individual project basis, equal to or less than \$90,000 of TFCA funds per ton of total emissions reduced, unless a different value is specified in the policy for that project type. (See “Eligible Project Categories” below.) Cost-effectiveness is based on the ratio of TFCA funds divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NOx), and weighted particulate matter 10 microns in diameter and smaller (PM10) reduced (\$/ton). All TFCA-generated funds (e.g., TFCA Regional Funds, 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, etc.), each component must achieve this cost-effectiveness requirement.

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.

Consistent with Existing Plans and Programs: All projects must comply with the transportation control measures and mobile source measures included in the Air District's most recently approved plan for achieving and maintaining State and national ambient air quality standards, which are adopted pursuant to HSC sections 40233, 40717 and 40919, and, when specified, with other adopted State, regional, and local plans and programs.

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.

- 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).

Readiness: Projects must commence by the end of calendar year 2016. “Commence” includes any preparatory actions in connection with the project’s operation or implementation. For purposes of this policy, “commence” 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.

Maximum Two Years Operating Costs: Projects that provide a service, such as ridesharing programs and shuttle and feeder bus projects, are eligible to apply for a period of up to two (2) years. Grant applicants that seek TFCA funds for additional years must reapply for funding in the subsequent funding cycles.

APPLICANT IN GOOD STANDING

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 five (5) years from the date of the Air District's final audit determination in accordance with HSC section 44242, or 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).

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) after the Funding Agreement with the Air District has been executed.

Insurance: Both the County Program Manager and each grantee must 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.

Use of TFCA Funds

- 1. Cost of Developing Proposals:** The costs of developing grant applications for TFCA funding are not eligible to be reimbursed with TFCA funds.
- 2. Combined Funds:** TFCA County Program Manager Funds may be combined with TFCA Regional Funds for the funding of an eligible project with the exception of clean air vehicle projects. For the purpose of calculating TFCA cost-effectiveness, the combined sum of TFCA County Program Manager Funds and TFCA Regional Funds shall be used to calculate the TFCA cost of the project.
- 3. 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. A County Program Manager may, if it finds that significant progress has been made on a project, approve no more than two (2) one-year (1-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 between the Program Manager and the Air District is amended to reflect the revised schedule.

TFCA Project Types

- 1. Ridesharing projects**
- 2. Shuttle/Feeder Bus**
- 3. Bicycle Facility Improvements**
- 4. Smart Growth**
- 5. Clean Air Vehicle Purchase**
- 6. Arterial Management**

Ineligible Project Types

- 1. Duplication:** Grant applications for projects that duplicate existing TFCA-funded projects (including Bicycle Facility Program projects) and therefore do not achieve additional emission reductions are ineligible. Combining TFCA County Program Manager Funds with TFCA Regional Funds to achieve greater emission reductions for a single project is not considered project duplication.
- 2. Planning Activities:** Feasibility studies are not eligible, nor are projects that only involve planning activities and that do not include an implementation phase.
- 3. Employee Subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy or shuttle/feeder bus service exclusively to employees of the project sponsor are not eligible.

Recent Project Examples in Napa County

<u>Project Name</u>	<u>Sponsor</u>	<u>TFCA Funds</u>	<u>Total Project \$</u>
Riverside Class I Path	City of Calistoga	\$20,000	\$125,000
SR 29 Signal Interconnect	City of American Canyon	\$225,666	\$327,327
Electric Vehicle Charging Stations	City of Napa	\$12,144	\$50,000
Commuter Incentives & Marketing Materials	SNCI	\$40,000	\$40,000

Dates of Importance

- April 3, 2015** **Project submittals are due to NCTPA**
- Aug. 7, 2015** Deadline: Within three months of Board approval, Program Manager submits request for Air District approval of any projects that do not conform to TFCA policies (date tentative)
- Nov. 6, 2015** Deadline: Within six months of Board approval, Program Manager (NCTPA) provides Cost-Effectiveness Worksheets and Project Information forms for new FYE 2016 projects to the Air District (date tentative)

Project Selection Process

The project selection process is as follows. The NCTPA Technical Advisory Committee (TAC), with representation from all six Napa County jurisdictions, will serve as the selection and prioritization committee. NCTPA staff will run the prospective projects through an initial qualification process based on project eligibility, and present their findings to the TAC. TAC's recommendations will be forwarded to the NCTPA Board.

Projects will be evaluated on a cost effective and project readiness basis.

TFCA Program Manager Selection Criteria for Napa County

1. The proposed project must improve the quality of the air as determined by the BAAQMD.
2. The project must fall into one or more of the statutory expenditure categories, which are:
 - The implementation of ridesharing programs.

- The purchase or lease of clean fuel buses for school districts and transit operators.
 - The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - Implementation and maintenance of local arterial traffic management.
 - Implementation of rail-bus integration and regional transit information systems.
 - Implementation of low-emission and zero-emission vehicle programs and of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
 - Implementation of a smoking vehicles program (Air District project).
 - Implementation of an automobile buy-back scrappage program operated by a governmental agency (Air District project).
 - Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions.
 - 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.
3. Geographic equity in the Napa region.
 4. The project proponent has expended past allocations of funds in a timely manner.
 5. Meet the requirements of the Air District Board-Approved TFCA County Program Manager Fund Policies.

Application Instructions:

TFCA project applications for FYE 2016 must be submitted to NCTPA no later than 5:00 pm on Friday, April 3, 2015. Applications may be emailed to Diana Meehan at dmeehan@nctpa.net. Applications may be in the form of a completed Project Information Form that provides a detailed project scope and includes a cost effectiveness calculation. To obtain a cost effectiveness calculation worksheet contact Diana Meehan.

What Happens After Submission?

After applications are submitted to NCTPA the evaluation process will begin. NCTPA plans on the following action timeline:

- **April – May 2015** – NCTPA will evaluate the potential FYE 2016 TFCA projects
- **May 7, 2015** – NCTPA will take proposed projects to the NCTPA Technical Advisory Committee (TAC) for recommendation to NCTPA Board (date tentative)
- **May 20, 2015** – NCTPA will take proposed final projects for FYE 2016 to the NCTPA Board for approval (date tentative)
- **July- August 2015** – NCTPA sends out agreements to project sponsors (date tentative)

TFCA Do's and Don'ts

Do

- Establish a clear link to the air quality benefits of your project
- Provide clear and detailed cost estimates
- Have good back-up documentation including maps and pictures
- Have a clearly defined project scope and timeline
- Keep NCTPA in “the loop” the greater understanding the Program Manager has of your project, the better

Don't

- Bite off more than you can chew – if the project cannot be completed in two years apply for funding in phases, it will not hurt your chances of eligibility
- Scope creep – when you fill out your **Project Information Form** this is your application. You have to adhere to the project description you write on this form
- Forget to ask for help – NCTPA is here as a resource, do not assume, rather ask for clarification
- Apply for the TFCA funds now, and figure out where the rest of your project's funding is going to come from later

Frequently Asked Questions

1. Is there a local match requirement to apply for TFCA funding?

No, there is no requirement for a local match.

2. Can TFCA Program Manager Funds be combined with TFCA Regional Funds?

Yes, TFCA Program Manager Funds may be combined with Regional Funds for the funding of an eligible project with the exception of clean air vehicle projects.

3. What is the TFCA funding limit for alternative fuel vehicles?

TFCA funds awarded to alternative fuel vehicle projects may not exceed incremental cost after all other applicable manufacturer and local/state rebates, tax credits, and cash equivalent incentives are applied. Incremental cost is the difference in cost between the purchase or lease price of the vehicle and/or retrofit and its new conventional vehicle counterpart that meets, but does not exceed 2011 emissions standards.

Contact Information

Napa County TFCA Program Manager:

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Bay Area Air Quality Management District:
Strategic Incentives Division
Karen Schkolnick
Phone: (415) 749-5070
kscholnick@baaqmd.gov

Appendix A

PROJECT INFORMATION

A. Project Number: 16XX01

Use consecutive numbers for projects funded, with year, county code, and number, e.g., 16MAR01, 16MAR02 for Marin County. Zero (e.g., 16MAR00) 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").

C. TFCA County Program Manager Funds Allocated: \$ _____

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

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

F. 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.

G. 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.*

H. 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 <http://www.baaqmd.gov/Divisions/Strategic-Incentives/Funding-Sources/TFCA/County-Program-Manager-Fund.aspx> for a listing of the following forms:

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

- I. 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.

- J. Comments (if any):

Add any relevant clarifying information in this section.