Transportation Fund for Clean Air 40% Fund Expenditure Plan Guidance

Commencing

Fiscal Year 2026-2027

Transportation Fund for Clean Air

Bay Area Air District

375 Beale Street, Suite 600, San Francisco, CA 94105

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Transportation Fund for Clean Air (TFCA)

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

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

In 1991, the California State Legislature authorized the Department of Motor Vehicles (DMV) to impose a $4 surcharge on motor vehicles registered within the Bay Area to fund projects of TCMs and MSMs. The Air District allocates this revenue through its Transportation Fund for Clean Air (TFCA) program to fund eligible projects and programs. The statutory authority and requirements of the TFCA program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

TFCA-funded projects have many benefits, for example:

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

Forty percent (40%) of these TFCA funds are pass-through funds to the designated administering agency in each of the nine counties within the Air District's jurisdiction based on the county's proportionate share of fee-paid vehicle registration ("TFCA 40% Fund"). The remaining sixty percent (60%) of these funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District and to a grant program known as the Regional Fund.

This document provides guidance on the expenditure of the TFCA 40% Fund.

Updates to Policies

Air District staff brings updates to the TFCA Fund Policies ("Policies") for Board approval. Based on feedback and comments received during the public comment period, the following updates have been made:

- Merged the 60% fund policies and 40% fund policies into one document
- Removed the minimum and maximum grant amounts (that originally applied to the 60% Fund), readiness policy, as well as policies for project specific categories
- Added two new project categories: implementation of rail-bus integration & regional transit information systems and demonstration of congestion pricing of highways, bridges, and public transit (policy #7)
- Increased the cost effectiveness limit for some categories (e.g. bikeways); added new and higher cost effectiveness limits for Priority Areas across all categories; and aligned future annual updates to cost effectiveness limit for categories (i.e., on-road zero-emissions vehicles, Vehicle Buy Back, Clean Cars for All) represented in the state's Carl Moyer Program (policy #7)
- Added profit (policy #16) and remanufactured or refurbished vehicles, equipment, and parts (policy #17) as ineligible uses of TFCA funds
- Allowed administering agencies, if it finds that significant progress has been made on a project, to approve no more than three one-year schedule extensions (instead of two years) for a project (policy #10)

Bay Area Administering Agency Liaisons

County	**Contact**	**Email**
Alameda	Seon Joo Kim	sjkim@alamedactc.org
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Marin	Scott McDonald	smcdonald@tam.ca.gov
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Santa Clara	John Zhao	john.zhao@vta.org
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Sonoma	David Ripperda	david.ripperda@scta.ca.gov

TFCA 40% Fund

Roles and Responsibilities

Administering agencies are required to do the following:

1. Administer funding in accordance with applicable legislation, including HSC Sections 44233, 44241, and 44242, and with Air District Board-Approved Policies (found in *Appendix D*).
2. Hold one or more public meeting each year
    a. to adopt criteria for the expenditure of the funds if those criteria have been modified in any way from the previous year (criteria must include the Air District Board-Approved Policies)[1], and
    b. to review the expenditure of revenues received.
3. Prepare and submit Expenditure Plan Applications, Cost-Effectiveness Worksheets, and Funding Status Reports to the Air District.
4. Provide funds to only projects that comply with the Air District Board-Approved Policies and/or that have received Air District Board of Director's approval for award.
5. Encumber and expend funds within two years of the receipt of funds, unless an application for funds states that the project will take a longer period of time to implement and an extension is approved in writing by the Air District or the administering agency, or unless the time is subsequently extended if the recipient requests an extension and the administering agency finds that significant progress has been made on the project. The administering agency is responsible for tracking and monitoring its administrative costs and Project Sponsors' reimbursement costs. All costs incurred must be based on actual costs (e.g., timecards) and not estimated costs.
6. Limit administrative costs in handling of TFCA funds to no more than 6.25 percent of the actual funds received, or funds allocated in the funding agreement, whichever method the administering agency has historically administered.
7. Allocate (i.e., program) all new TFCA funds within six months of the date of the Air District Board of Director's approval of the Expenditure Plan.
8. Provide information to the Air District and to auditors on the expenditures of TFCA funds.

Air District is required to do the following:

1. Hold a public hearing to allocate the administering agency's share of DMV fee revenues.
2. Re-distribute unallocated TFCA funds from the TFCA 40% Fund.
3. Conduct audits of TFCA programs and projects.
4. Hold a public hearing in case of any misappropriation of revenue.

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

Eligible Project Types[2]

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

1. The implementation of ridesharing programs;
2. The purchase or lease of clean fuel buses for school districts and transit operators;
3. The provision of local feeder bus or shuttle service to rail and ferry stations and to airports;
4. Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets";
5. Implementation of rail-bus integration and regional transit information systems;
6. Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit;
7. Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations;
8. Implementation of a smoking vehicles program;
9. Implementation of an automobile buy-back scrappage program operated by a governmental agency;
10. Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program; and
11. The design and construction by local public agencies of physical improvements that support development projects and that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

TFCA funds may not be used for:

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

Eligible Applicants[3]

Public agencies are eligible to apply for all project categories. Nonpublic entities are eligible to apply for only on-road zero-emissions vehicles and alternative fuel infrastructure projects that are permitted pursuant to California Health and Safety Code (HSC) section 44241(b)(7). This also applies for private-public partnerships; the entity entering into agreement with the Air District must be an eligible applicant.

Maximizing Surplus Emissions Reductions

To maximize emissions reductions and public health impacts, TFCA funds are used to *incentivize* surplus emission reductions. Surplus emission reductions are reductions that are beyond what is required through regulations, ordinances, contracts, and other legally binding obligations at the time of the execution of a

[2] Projects must also comply with the Board-approved TFCA Policies found in *Appendix D*.

[3] Applicants must also comply with the Board-approved TFCA Policies found in *Appendix D*.

grant agreement. Additionally, TFCA funds may not be granted to a project that has already commenced or would have commenced otherwise.

Administering agencies are encouraged to determine whether a project or project component would maximize emissions reductions by ensuring that the project is voluntary and that the project would not have happened without TFCA funding.

Attributes of Cost-Effective Projects

For **Clean Air Vehicle** projects:

- √ Project requests relatively low amounts of TFCA funds (Project Sponsor provides significant matching funds).
- √ Project uses the best available technology or cleanest vehicle (e.g., achieves significant petroleum reduction, is not a Family Emission Limit (FEL) engine, and/or have zero tailpipe emissions).
- √ Project is placed into service within one year and/or significantly in advance of regulatory changes (e.g., lower engine emission standards).
- √ Vehicle has high operational use, annual mileage, and/or fuel consumption (e.g., taxis, transit fleets, utility vehicles). A vehicle can operate outside the Air District, but only the operation within the Air District will be counted towards the air emissions reduced.

For **Trip Reduction**, service projects:

- √ Project requests relatively low amounts of TFCA funds (Project Sponsor provides significant matching funds).
- √ Project serves relatively large percentage of riders/participants who otherwise would have driven alone over a long distance.
- √ Service operates on a route (service and non-service miles) that connects users to mass transit, is relatively short in distance, and reduces single-occupancy commute-hour vehicle trips. For example, service provides “first- and last-mile” connection between employers and transit.
- √ Service is designed to be self-sustaining or require minimal TFCA funds by the end of the project’s Operational Period.

For **Trip Reduction**, infrastructure projects:

- √ Project requests relatively low amounts of TFCA funds (Project Sponsor provides significant matching funds).
- √ Trips are utilitarian and not recreational as recreational trips do not reduce vehicle emissions.
- √ Project is located along high-volume transit corridors and/or is near major activity centers such as schools, transit centers, civic or retail centers or is associated with a multi-modal transit center, supports high-density mixed-use development or communities.
- √ Project does not induce travel demand through roadway widening, intersection widening, and roadway capacity expansion.
- √ Pre- and post-project counts demonstrate high usage and potential to shift mode or travel behavior that reduces emissions. Project demonstrates a strong potential to reduce motor vehicle trips by significantly improving mobility via walking, bicycling, and improving transit.

Projects must also meet project-specific requirements in *Appendix H*, which provides further guidance on maximum project Years of Effectiveness and cost-effectiveness calculation.

Attributes of TFCA Ready Projects

Administering agencies are encouraged to ensure that projects can achieve surplus emission reductions within two years (see *Roles and Responsibilities* for administering agencies, item 5) by selecting projects that are ready for funding.. The following is a list of activities that should be completed prior to allocating TFCA funds to ensure the timely successful completion of projects:

- Planning (e.g., design)
- Jurisdictional approval (e.g., permits)
- Legislative approvals (e.g., CPUC)
- Environmental review/approvals (e.g., EIR, negative declaration)

Program Schedule

Tentative Program Schedule (*Administering agencies deadlines are italicized*)

Date	Activity
December 2025	Expenditure Plan Application Guidance issued by Air District
January 2026	Expenditure Plan Application funding estimates issued by Air District
March 2, 2026	*Deadline for administering agency to email Expenditure Plan Application, which includes:* • ***Summary Information Form**, signed and dated by administering agency's Executive Director* • ***Summary Information Addendum Form** (if applicable)*
April 16, 2026	Proposed Expenditure Plan funding allocations reviewed by Air District's Policy, Grants, & Technology Committee
May 7, 2026	Expenditure Plan funding allocations considered for approval by Air District's Board of Directors
May 31, 2026	Air District provides Funding Agreements for funding allocations to administering agency for signature
June 1, 2026	*Deadline for administering agency to email reports:* • ***Funding Status Report** – Include all open projects and projects closed since July 1.* • ***Post-Project Cost-Effectiveness Worksheet** – For projects that closed July 1-December 31 (and optionally those closing later).* • ***Final Report** – For FYE 2025 and prior-year projects closed July 1-December 31 (and optionally those closing later), submit a Final Report Form.*
July 1, 2026	*Funding Agreements executed by both the Air District and the administering agency.*

August 17, 2026	*Within three months of Air District Board approval, deadline for administering agency to email request for Board approval of any projects that do not conform to the Policies:* • ***Pre-Project Cost-Effectiveness Worksheet*** *(instructions can be found in Appendix H)*
October-December 2026	Air District issues first FYE 2027 payment
November 2, 2026	*Deadline for administering agency to email reports:* • ***Interim Project Report*** *– For FYE 2025 and prior-year projects, submit this form for every open project.* • ***Funding Status Report*** *– Include all open projects and projects closed since January 1.* • ***Post-Project Cost-Effectiveness Worksheet*** *– For projects that closed January 1-June 30 (and optionally those closing later).* • ***Final Report*** *– For FYE 2025 and prior-year projects closed January 1-June 30 (and optionally those closing later), submit a Final Report Form.*
November 7, 2026	*Within six months of Air District Board approval, deadline for administering agency to allocate funds identified in the Expenditure Plan and to email reports for each new FYE 2027 project:* • ***Pre-Project Cost-Effectiveness Worksheet*** *(instructions can be found in Appendix H)*
May 31, 2027	*Deadline for administering agency to email reports:* • ***Funding Status Report*** *– Include all open projects and projects closed since July 1.* • ***Post-Project Cost-Effectiveness Worksheet*** *– For projects that closed July 1-December 31 (and optionally those closing later).* • ***Final Report*** *– For FYE 2025 and prior-year projects closed July 1-December 31 (and optionally those closing later), submit a Final Report.*
April-June 2027	Air District issues second FYE 2027 payment

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

Expenditure Plan Application Process

Annually, the Air District will provide the administering agencies the Summary Information Form and Summary Information - Addendum Form (i.e., the Expenditure Plan application materials) with information on projected new revenue, based on the county's estimated proportionate share of vehicle registration fees for the upcoming fiscal year. See *Appendix B* for examples of these forms. Then, the administering agencies submit expenditure plans to the Air District specifying the status of their prior-year funding that is available for reprogramming and interest accrued. Finally, the Air District brings the expenditure plans to their Board for approval, which starts the clock on the six-month deadline for when administering agencies need to program their TFCA funds.

Expenditure Plans must be completed by the administering agency and **submitted electronically to the Air District via email** to tfca4pm@baaqmd.gov.

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

Programming of Funds

Administering agencies must allocate (i.e., program) TFCA funds within *six months* of Air District Board approval of an administering agency's Expenditure Plan and submit electronic copies of the cost-effectiveness worksheet for each new project. Funds are considered allocated when they are awarded to a project based on that administering agency's own programming process.

Authorization for Administering Agency to Proceed: Only a fully executed Funding Agreement (i.e., signed by both the Air District and the administering agency) constitutes the Air District's award of TFCA 40% Funds. Agencies may incur costs (i.e., contractually obligate itself to allocate the 40% Funds) only after the Funding Agreement with the Air District has been executed.

Administrative Costs: The administering agency may not expend more than 6.25 percent of its TFCA 40% Funds for its administrative costs. The agency's costs to prepare and execute its Funding Agreement with the Air District are eligible administrative costs. Interest earned on TFCA 40% Funds shall not be included in the calculation of the administrative costs. To be eligible for reimbursement, administrative costs must be clearly identified in the expenditure plan application and in the Funding Agreement and must be reported to the Air District.

Unallocated Funds: Pursuant to HSC 44241(f), any TFCA 40% Funds that are not allocated to a project within six months of the Air District Board of Directors approval of the administering agency's Expenditure Plan may be allocated to eligible projects by the Air District. The Air District shall make reasonable effort to award these funds to eligible projects in the Air District within the same county from which the funds originated.

Combined funds: TFCA 40% Funds may not be combined with TFCA Regional Funds to fund a project. Projects that are funded by the TFCA 40% Fund are not eligible for additional funding from other funding sources that claim emissions reduction credits. However, TFCA 40% fund projects may be combined with funds that do not require emissions reductions for funding eligibility.

Non-conforming projects: The Policies provide a mechanism for consideration of projects that are authorized in the TFCA legislation and meet the cost-effectiveness requirement for that project type but are in some way inconsistent with the current-year Policies. To request that such a project be considered for funding, administering agencies must submit a cost-effectiveness worksheet and supporting documentation to the Air District for review no later than *three months* after Air District Board's approval of the Expenditure Plan. See the *Program Schedule* for further details. Upon receiving the materials, the Air District will review for administrative approval internally by Air District staff.

Reporting Forms

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

- **Cost-Effectiveness Worksheet (see instructions in *Appendix H*)**

  This worksheet is used to calculate estimated (pre-project) and realized (post-project) emissions reduced for each project and to compare the emissions reductions to the TFCA funds invested.

- **Biannual Funding Status Report Form (see sample in *Appendix C*)**

This form is used to provide an update on all open and recently closed projects and report any changes in status for all projects, including cancelled, completed under budget, received supplemental funding, or received a time extension during the previous six months.

- **Final Report Form (available on the Air District's website)**

  This form is used to provide information collected after project completion. Project sponsors are required to submit this form at the conclusion of every FYE 2025 and prior-year project.

- **Annual Interim Project Report Form**

  This form is used to provide information on the status and expenditure of each project. Project Sponsors are required to submit this form annually for every active/open FYE 2025 and prior-year project.

Administering agencies may also choose to require additional reports from Project Sponsors.

Documentation and Recordkeeping

Beginning in FYE 2012, Project files must be maintained by administering agencies and Project Sponsors for a minimum of *five years* following completion of the Project Years of Effectiveness. Project files must contain all related documentation including copies of CARB executive orders, quotes, mileage logs, fuel usage (if cost-effectiveness is based on fuel use), photographs of engines and frames that were required to be scrapped, and financial records, to document the funding of eligible and cost-effective projects. The record retention requirement can be satisfied with electronic files that are safely stored with data backup.

Administration of Project Requests

- **Project Extension Request**

The administering agency may request a project extension when it finds, that despite significant progress on the particular project, the Project Sponsor requires additional time to implement the project (beyond the allowable project extensions that the administering agency has already granted). The administering agency shall submit that request to the Air District in writing no later than sixty (60) days prior to the end of the project's Expenditure Deadline.

The administering agency should include the following information in the project extension request letter:

a. Project Number
b. Reason for extension request
c. The date the administering agency's Funding Agreement ends (this information can be found in Section IV, paragraph 1 of the Funding Agreement (e.g., the corresponding Funding Agreement for fiscal year ending 2027 is 27ALA)

Then Air District staff will review the request. If the project qualifies for the extension request, Air District staff will determine whether the extension request requires an amendment to approve the extension or an administrative approval (option is based on the terms of the Funding Agreement). A project extension is approved once an amendment is executed by both parties, or a confirmation letter of approval from the Air District is received.

- **Project Scope/Modification Request**

Project modifications requested by a Project Sponsor are to be approved or denied at the discretion of the administering agency. The administering agency shall re-evaluate the cost-effectiveness of the project using the most recent cost-effectiveness worksheet, regardless of the fiscal year the project commenced. For example, if a FYE 2023 project requires an amendment in FYE 2025, then the FYE 2025 cost-effectiveness

worksheet would be used. The administering agency is responsible for making sure the cost effectiveness still falls under the cost-effectiveness limit and still achieves surplus emission reductions at the time of the amendments, as required in the Policies (see *Appendix D* of the Guidance)

The administering agency is responsible for reviewing the materials to check that the project is still eligible and within the cost-effectiveness limit. Then s/he may determine whether the modification will be recommended for approval. Finally, if the administering agency decides to approve the project modification, s/he must notify the Air District of this decision by email. This email should include (1) a clear description of the project modification request, (2) updated cost effectiveness worksheet, and (3) a description for why the project is still eligible and compliant with the Policies.

- **Multi-Year Funded Project Request**

The administering agency may request to fund a project from multiple program cycles (up to 3 years), or earmark funds up to two future fiscal cycles. The administering agency shall submit the *initial* request to the Air District no later than *three months* after the Air District Board's approval of the Expenditure Plan.

The project must meet the following criteria to qualify as a Multi-Year Funded Project:

a. Project Category is *Bikeways* or *Infrastructure for Trip Reduction*
b. Project's completion date is longer than the two-year timeframe traditionally allowed.
c. Complies with the Policies, including the project readiness policy.
d. Requests occur before the project has been funded with any TFCA.

The administering agency should include the following information in the initial Multi-Year Funded Project request:

a. Project Number
b. Explanation of how the project meets the Multi-Year Funded Project criteria listed above.
c. Cost Effectiveness Worksheet evaluated using the total award amount (current allocation plus all future proposed allocation). To account for updates in the Cost Effectiveness Worksheet, the evaluation should leave a 15% buffer from the cost effectiveness limit. For instance, a Bikeway project with a cost effectiveness limit of $500,000 would have a buffer of $75,000. In this example, a multi-year bikeway project should not exceed a cost effectiveness limit of $425,000.
d. Indicate the portioning of funds for each program year. What is allocated for the current cycle and what is earmarked for future cycle(s)?
e. Project schedule (implementation, project service period and final reimbursement).

If the Air District approves the Multi-Year Funded project during the initial year, the Project Sponsor is still required to apply for approval for its earmarked funds during the regular programming cycle. In the subsequent program cycles, the project must still comply with the current policy for that year and provide regular documentation. The inputs for the Cost Effectiveness Worksheet evaluation would still use the total award amount (past funded, current funded, and future earmarked funds).

The project naming convention will be different for subsequent program cycles. The Project Number will be based on the initial Project Number with an added alphanumeric value. If the initial Project Number was 26ALA01, the subsequent project number will be 26ALA01a, 26ALA01b, and so forth. This will help identify the project as a Multi-Year Funded Project for reporting and audit purposes. Although the project will be considered one project, the programmed funds will still need to comply with the corresponding Policies and funding agreement.

Note: All the emission reductions will be attributed to the Project in its initial program year. Subsequent program cycles would allow for funds to be distributed but would not take additional emission reduction

credit. Therefore, Multi-Year Funded Projects may **not** request any project extensions, including the 3 years that the administering agency may grant.

Additional Information

Workshops, Support, and Assistance

Air District staff will host working group meetings to update the Policies and to coordinate on issues, as needed. When assumptions or evaluation methodologies are unavailable for a project type, administering agencies will need to propose assumptions that are supported by actual data and/or a reasonable methodology. Ultimately, administering agencies are responsible for deciding whether to provide funding for these project types.

Air District Contact

Please direct questions to: Jason Newman, Assistant Staff Specialist, tfca4pm@baaqmd.gov

Appendix A: Guidelines for Eligible TFCA Reimbursable Costs

The TFCA-enabling legislation allows vehicle registration fees collected for the program to be used for project implementation costs, as well as administrative project costs. This appendix provides guidance on differentiating and reporting these costs. The Air District will use the definitions and interpretations discussed below in the financial accounting of the TFCA program. The Air District conducts audits on TFCA-funded projects to ensure that the funds have been spent in accordance with the program guidelines and Policies.

Project Implementation Costs

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

- Documented hourly labor charges (salaries, wages, and benefits) directly and solely related to implementation of the TFCA project;
- Capital equipment and installation costs;
- Shuttle driver labor and equipment maintenance costs;
- Contractor labor charges related to the TFCA project;
- Travel, training, and associated personnel costs that are directly related to the implementation of the TFCA-funded project (e.g., the cost of training mechanics to service TFCA-funded natural gas clean air vehicles); and
- Indirect costs associated with implementing the project, including reasonable overhead costs incurred to provide a physical place of work (e.g., rent, utilities, office supplies), general support services (e.g., payroll, reproduction), and managerial oversight. Project Sponsors should itemize these costs and, for each item, provide evidence that it supports the implementation of the project.

To determine if an indirect cost falls under the administrative or implementation costs, the reviewer should look at the cost in the larger context of the project type. For example, a printer can be purchased and used for (1) a project which installs a charging station versus (2) an outreach project. In the first instance, the printer is an administrative cost since the printer is not used directly as part of the charging station project; implementing the charging station project can be completed without the printer. In the second instance, the printer could be an implementation cost as a part of the project scope if the printer is used to print outreach materials related to the project; the printer is an integral part of the outreach project.

Administrative Project Costs for Project Sponsors[4]

Administrative project costs are costs associated with the administration of a TFCA project, and do not include project capital or operating costs, as discussed above. As best practice, we recommend that administrative project costs that are reimbursable to a Project Sponsor are limited to a maximum of 6.25% of the total TFCA funds received.

Administrative project costs are limited to the following activities that have documented hourly labor and overhead costs (salaries, wages, and benefits). Hourly labor charges must be expressed on the basis of hours worked on the TFCA project.

- Costs associated with administering the TFCA Funding Agreement (e.g., responding to requests for information from Air District and processing amendments). Note that costs incurred in preparation of a TFCA application or costs incurred prior to the execution of the Funding Agreement are not eligible for reimbursement;
- Accounting for TFCA funds;

[4] This section applies to the Project Sponsor. The Administering Agency's own administrative costs are discussed in Administering Agencies' Roles and Responsibilities.

- Fulfilling all monitoring, reporting, and record-keeping requirements specified in the TFCA Funding Agreement, including the preparation of reports, and invoices.
- Documented indirect administrative costs associated with administrating the project, including reasonable overhead costs of utilities, office supplies, reproduction, and managerial oversight. These costs should be itemized and for each item provide evidence that it supports the administration of the project.

Reimbursement Procedure

The administering agency must track and monitor Project Sponsor's reimbursement costs, including the following:

- Project implementation and administrative project costs that are approved by administering agency shall be described in a Funding Agreement with the Project Sponsor.
- The Project Sponsor may seek reimbursement for project implementation and administrative project costs by providing proper documentation with project invoices and proof of payment if costs incurred. Documentation for these costs will show how these costs were calculated, for example, by listing the date when the hours were worked, employees' job titles, employees' hourly pay rates, tasks being charged, and total charges. Documentation of hourly charges may be provided with time sheets or any other generally accepted accounting method to allocate and document staff time.
- It is the administering agency's responsibility to review reimbursement requests for proper documentation, such as itemized timesheets/time tracking, before reimbursing the Project Sponsor.
- All costs reimbursed by TFCA, including Administrative Cost, are required to be included in the Cost-Effectiveness Worksheet.

Appendix B: Sample Expenditure Plan Application

Administering Agency Name:
Address:

Summary Information

PROJECT FUNDS:			
#	Line	Amt	Notes
1	Last year actual DMV revenue:	$	Use the actual amount that was paid to the counties last year
2	+ Reprogramming amount (2 fiscal yeas ago):	$	Take from last year's expediture report
3	= Actual amount that was available last year:	$	Add lines 1 and 2
		$	
4	- Actual expenditures last year:	$	Filled out by county
5	= Carryover (overspending):	$	Subtract Line 4 from Line 3
		$	
6	+ Estimated DMV revenue for current year:	$	this year's estimated, filled out by Air District
7	+ Reprogrammed Funds (from previous fiscal year):	$	From projects that closed underbudget
	= Total available this year	$	Add lines 5, 6, and 7
		$	
		$	
ADMIN FUNDS:		$	
#	Line	$	Notes
1a	Last year's allowable admin	$	6.25% of Line 1 in project funds
2a	+ Unspent (Overspent) Admin from previous years	$	Filled out by county
3a	= Actual admin that was available last year:	$	Add lines 1a and 2a
		$	
4a	- Actual admin expenditures last year	$	Filled out by county
5a	= Carryover (overspending)	$	Subtract Line 4 from Line 3
		$	
6a	+ Estimated Admin amount for current year	$	6.25% of line 6 in project funds
	= Total available admin for this year	$	Add lines 5a and 6a

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

Executive Director Signature *Date*

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

SUMMARY INFORMATION – ADDENDUM

Complete if there are TFCA Funds available for reprogramming.

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

TOTAL TFCA FUNDS AVAILABLE FOR REPROGRAMMING $_____

(Enter this amount in Part B, Line 2.c. of Summary Information form)

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

Appendix C: Sample Funding Status Report Form

County Program Manager: _____

Date: _____

Report Period: ☐ ***May 31st*** ☐ ***Oct. 31st***

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

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

				A							B						
TFCA Project #	Project Title	Project Sponsor	Current TFCA Funds Awarded	Current TFCA Funds Awarded per CMA Update	Funds from CP/UB	TFCA$ Reprgm to Project# or FY	TFCA$ Paid Out To Date	TFCA$ Paid Out per CMA Update	Project Sponsor's Administrative Cost paid out (max 6.25% of Total TFCA$ paid out)	% Cmpl	% Cmpl per CMA Update	Project Completion Date	Project Completion Date per CMA Update	Final Rpt Due to CMA per Agrmnt	Final Rpt Due to CMA per Agrmnt per CMA Update	Date of First Check	Comments

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

_____(signature)
County Program Manager Liaison

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

Appendix D: Board-Approved Policies

THE TRANSPORTATION FUND FOR CLEAN AIR (TFCA) POLICIES
Commencing Fiscal Year 2026-2027

These Policies were established to guide the use of the Bay Area Air District's (Air District) Transportation Fund for Clean Air (TFCA) for both the TFCA 60% Fund that is administered by the Air District, and the 40% Fund, which is passed through and administered by the designated public agency in each of the nine Bay Area counties (collectively referred to as the "administering agencies"). Unless otherwise noted, these Policies are intended to oversee all TFCA administrators, recipients, projects, and programs.

ELIGIBLE RECIPIENTS:

1. **Eligible Applicants:** Pursuant to California Health and Safety Code (HSC) section 44241(c)(1), public agencies are eligible to apply for all project categories. Non-public entities are eligible to apply for only on-road zero-emissions vehicles and alternative fuel infrastructure projects that are permitted pursuant to HSC section 44241(b)(7).

2. **Authority and Capacity:** Grant recipients must be responsible for the implementation of the project and have the authority and capability, including funding, necessary to complete the project.

   Additionally, applicants of the TFCA 60% Fund must demonstrate that they have the authority to submit the application, to enter into a funding agreement, to carry out the project, and to bind the entity to perform all required tasks by including either: 1) a signed letter of commitment from the applicant's representative with authority (e.g., Chief Executive or Financial Officer, Executive Director, or City Manager); or 2) a signed resolution from the governing body (e.g., City Council, Board of Supervisors, or Board of Directors).

3. **Good Standing:** Grant recipients must be in good standing with the Air District. Grantees who have failed either the financial statement audit or the compliance audit for a prior TFCA-funded project awarded are excluded from receiving an award of any TFCA funds for three (3) years from the date of the Air District's final audit determination in accordance with HSC section 44242 or for a duration determined by the Air District Air Pollution Control Officer (APCO). Existing TFCA funds already awarded to the project sponsor will not be released until all audit recommendations and remedies have been satisfactorily implemented. A failed financial statement audit means a final audit report that includes an uncorrected audit finding that confirms an ineligible expenditure of TFCA funds. A failed compliance audit means an uncorrected audit finding that confirms a program or project was not implemented in accordance with the applicable Funding Agreement or grant agreement.

   A failed financial statement or compliance audit of the administering agency or its grantee may subject the administering agency 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).

4. **Viable project and matching funds:** Applicants must demonstrate that they have adequate funds to cover all stages of their proposed project(s) from commencement through completion. With the exception of public school districts, applicants of the TFCA 60% Fund must provide evidence that they have at least 10% of the total eligible project costs (matching funds) from a non-Air District source available and ready to commit to the proposed projects.

ELIGIBLE PROJECTS:

5. **Basic Requirements:** Projects must conform to the provisions of HSC sections 44220 et seq. and these Policies. On a case-by-case basis, agencies that administer the 40% Fund may receive approval by the Air District for projects that are authorized by HSC section 44241 and achieve Board-adopted TFCA cost-effectiveness but do not fully meet other Board-adopted Policies.

6. **Reduction of Air Pollution:** Only projects that result in the reduction of surplus on-road motor vehicle emissions within the Air District's jurisdiction are eligible. 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.

   Surplus emission reductions are 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. TFCA funds may not be granted to a project that has already commenced or would have commenced otherwise.

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

   Administrative costs that are permitted pursuant to HSC section 44233 are excluded from the calculation of a project's TFCA cost-effectiveness.

   This section does not apply to projects that are co-funded by other Air District administered programs (e.g., Carl Moyer Program) and the TFCA 60% Fund. Emissions benefits for these projects may be reported under other Air District- administered programs.

Table 1: Maximum Cost-Effectiveness for TFCA Projects

Eligible Project Category pursuant to HSC section 44241(b)(1)-44241(b)(11)	**Maximum C-E ($/weighted ton)**	
	Does NOT provide emission reductions in Priority Areas[1]	**Provides emission reductions in Priority Areas[1]**
Clean Air Vehicle: The following project categories encourage the introduction of zero-emission vehicle technologies and/or the retirement of older, more polluting vehicles.		
Purchase or lease of **on-road zero-emissions vehicles** (i.e., hydrogen fuel cell, battery electric)	$522,000*	$783,000*
Installation of **alternative fuel infrastructure** that supports zero emission vehicles.	$500,000	$750,000
Trip Reduction: The following project categories encourage the reduction of vehicle trips, vehicle use, and vehicle miles traveled.		
Implementation of **existing ridesharing[2]** programs and **existing first- and last-mile connections[4]**	$300,000	$450,000
Provision of **pilots[3]: ridesharing[2]** programs; **first- and last-mile connections[4]**; **congestion pricing of highways, bridges, and public transit**	$500,000	$750,000

Implementation of **bicycle parking** (e-bike charging may be eligible as part of the creation of new bicycle parking)	$500,000	$750,000
Implementation of **bicycle facility improvement projects** (e.g., Class I-IV bikeways, bike loop detectors, bike share)	$1,000,000	$1,500,000
Implementation of **infrastructure improvements for trip reduction** (including **transit signal preemption** and **bus stop relocation**)	$500,000	$750,000
Implementation of demonstration projects in **telecommuting**	$300,000	$450,000
Implementation of **rail-bus integration and regional transit information systems**	$150,000	$225,000
Case-by-case approval	$250,000	$375,000

[1] Priority Areas are communities identified through the Assembly Bill (AB) 617 process; and Priority Populations as defined by SB 535 disadvantaged communities and AB 1550 low-income communities.
[2] Ridesharing is defined as two or more persons traveling by any mode, including, but not limited to, carpooling, vanpooling, buspooling, taxipooling, jitney, and public transit.
[3] Pilot projects are defined as projects that serve an area where no similar service was available within the past three years or that will result in significantly expanded service to an existing area.
[4] The local feeder bus or shuttle service must provide direct connections between stations (e.g., rail stations, ferry stations, Bus Rapid Transit (BRT) stations, or airports) and a distinct commercial or employment location.
* The value for non-Priority Area projects may increase annually to align with adjustments made to the Carl Moyer Program Guidelines adopted by the California Air Resources Board (CARB). The value for Priority Area projects will be increased by 1.5 times.

Table 2: Maximum Cost-Effectiveness for TFCA Air District-Sponsored Programs

Project Category	Maximum C-E ($/weighted ton)
Spare the Air & Commuter Benefits	$500,000
Enhanced Mobile Source Inspections	$500,000
Vehicle Buy-Back	$60,000[1]*
Clean Cars for All	$522,000*
Charge!	N/A[2]

[1] Maximum C-E for vehicle scrapping if entirely funded by TFCA. If TFCA is used as a match for state funds, all emissions reductions will be claimed by the state program.
[2] These projects provide electric vehicle charging and/or hydrogen refueling infrastructure to support emission reductions from electric and fuel cell electric vehicles. To maximize emissions reductions and public health benefits, projects will be competitively evaluated using objective criteria. Cost-effectiveness factors will include total project cost, the amount of funding eligible under program rules, and projected emissions reductions based on anticipated equipment usage. Other evaluation factors may include benefits to environmental justice communities and communities disproportionately impacted by air pollution. No maximum cost-effectiveness threshold will apply.
*These values may increase annually to align the limit with adjustments made to the Carl Moyer Program Guidelines adopted by CARB.

8. **Consistent with existing plans and programs:** All projects must comply with the Transportation Control and Mobile Source Control Measures included in the Air District's most recently approved strategies for achieving and maintaining State and national ozone standards (Clean Air Plan), those plans and programs established pursuant to HSC sections 40233, 40717, and 40919; and, when specified, other adopted federal, State, regional, and local plans and programs.

For projects that will install **bikeways and bike parking,** pursuant to HSC section 44241(b)(10), the description of the projects must be included in an adopted countywide bicycle plan, congestion management program (CMP), countywide transportation plan (CTP), city plan, or the Metropolitan Transportation Commission's (MTC) Regional Bicycle Plan and/or Regional Active Transportation Plan. Projects that are included in an adopted city general plan, area-specific plan, community-based transportation plan, or similar plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion.

For projects that involve the installation of **infrastructure for trip reduction projects**, pursuant to HSC section 44241(b)(11), a description of that project must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.

9. **Accessible and available to the public.** Projects that provide a service (i.e., ridesharing, first- and last-mile connections, bike share) must be made accessible and available to the general public.

ADMINISTRATION:

10. **Expend Funds within Two Years:** TFCA Funds must be expended within two (2) years of receipt of either (1) the first transfer of funds from the Air District to the administering agency in the applicable fiscal year for TFCA 40% Fund or (2) the effective date of the project sponsor's grant agreement for the TFCA 60% Fund, unless the administering agency or Air District has made the determination based on an application for funding that the eligible project will take longer than two years to implement. Additionally, for the TFCA 40% Fund, an administering agency may, if it finds that significant progress has been made on a project, approve no more than three one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis, if the Air District finds that significant progress has been made on a project. For the TFCA 60% Fund, the Air District may approve a longer period, if it finds that significant progress has been made on a project.
11. **Maintain Appropriate Insurance:** Both the administering agency and each grantee must obtain and maintain general liability insurance, workers compensation insurance, and additional insurance as appropriate for specific projects, with required coverage amounts provided in Air District guidance and final amounts specified in the respective grant agreements.

INELIGIBLE USES OF TFCA FUNDS:

12. **Planning activities:** Pursuant to HSC section 44241(c)(1), planning activities are not eligible unless they are directly related to the implementation of a specific project or program.
13. **Cost of developing proposals and grant applications:** The costs to prepare proposals and/or grant applications are not eligible.
14. **Employee subsidies:** Projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the grantee are not eligible.
15. **Personal computers purchase:** Pursuant to HSC section 44241(b)(6), TFCA may not be used to purchase personal computers.
16. **Profit:** The sum of TFCA funds awarded plus all other grants and applicable manufacturer and local/state/federal rebates and discounts plus any applicable applicant cost share may not exceed total project costs.
17. **Remanufactured or refurbished vehicles, equipment, and parts:** Vehicles, equipment, and parts must be new.

Appendix E: Glossary of Terms

Clean Air Vehicle: This strategy/project category encourages the introduction of zero-emission vehicle technologies and/or the retirement of older, more polluting vehicles.

Environmental plan - A completed and approved plan to mitigate environmental impacts as required by the result of the review process of all applicable local, state, and federal environmental reviews (e.g., CEQA, NEPA). For the purpose of the TFCA 40% Fund, projects requiring a completed and approved environmental plan must complete all required environmental review processes. Any project that is exempt from preparing an environmental plan, as determined by an environmental review process, has met the requirement of having a completed and approved environmental plan.

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

Funding Agreement - The agreement executed by and between the Air District and the administering agency for the allocation of TFCA 40% Funds for the respective fiscal year.

Grant Agreement - The agreement executed by and between the administering agency and a Project Sponsor.

Implementation Period – *Status starts once Grant Agreement has been executed and project is being implemented. Status ends once Operational Period starts, i.e. once a service project starts its operation, a vehicle/equipment/facility project is purchased, installed, constructed, and placed into public service.*

Operational Period –*This status starts once a project has completed installation/construction/ procurement and has placed equipment/vehicles/facilities into public service and ends once years of effectiveness has been met. For service projects, the Operational Period starts when the project starts providing service and ends once project has met its years of effectiveness.*

Priority Areas - Communities identified through the Assembly Bill (AB) 617 (2017) process; and Priority Populations as defined by SB 535 disadvantaged communities and AB 1550 low-income communities.

Project Completion Date – Date the project scope is estimated to be completed. See *Appendix H* for difference between service and infrastructure projects.

Project Sponsor - Recipient of an award of TFCA Funds from the administering agency to carry out a TFCA project and who executes a grant agreement with the administering agency to implement that project. A project sponsor is also known as a grantee.

Project Useful Life *(see Years of Effectiveness)*

TFCA funds - Project Sponsor's allocation of funds, or grant, pursuant to an executed grant agreement awarded pursuant to the TFCA 40% Fund Funding Agreement.

TFCA-generated funds - The Transportation Fund for Clean Air (TFCA) program funds generated by the $4 surcharge on motor vehicle registration fees that are allocated through the TFCA 60% Fund and the TFCA 40% Fund.

Trip Reduction: This strategy/project category encourages the reduction of vehicle trips, vehicle use, and vehicle miles traveled.

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

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

Appendix F: Insurance Guidelines

This appendix provides guidance on the insurance coverage and documentation typically required for TFCA 40% Fund projects. Note that the Air District reserves the right to specify different types or levels of insurance in the Funding Agreement.

The typical Funding Agreement requires that each Project Sponsor provide documentation showing that they meet the following requirements for each of their projects. The administering agency is not required to meet these requirements itself, unless it is acting as a Project Sponsor.

1. **Liability Insurance:**

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

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

2. **Property Insurance:**

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

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

3. **Workers Compensation Insurance:**

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

4. **Acceptability of Insurers:**

   Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII. The Air District may, at its sole discretion, waive or alter this requirement or accept self-insurance in lieu of any required policy of insurance.

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

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

Appendix H: Instructions for Cost-Effectiveness Worksheets

Cost-Effectiveness Worksheets are used to calculate project emission reductions and TFCA cost-effectiveness (TFCA $/ton of emission reductions). Administering agencies would use the Cost-Effectiveness Worksheet to calculate estimated (pre-project) and realized (post-project) emissions reduced for each project and to compare the emissions reductions to the TFCA funds invested. The Air District posts the cost-effectiveness worksheets on an online platform. Worksheets must be completed for all project types with the exception of TFCA administering agency's administrative costs.

Administering agencies must submit a pre-project cost-effectiveness worksheet for each new project by the deadline stated in the *Program Schedule* and must ensure that the TFCA cost-effectiveness value is equal to or less than the Board-approved TFCA cost-effectiveness limit, as specified in the Policies. Administering agencies must also submit a post-project cost-effectiveness worksheet for each completed project. If post-project cost-effectiveness evaluation reveals that a project is not cost-effective, administering agencies are encouraged to make better funding decisions in the future.

Step 1: Determine which Cost-Effectiveness Worksheet to use

To determine which version of the cost-effectiveness worksheet to use, identify when the project was placed into service and what is the project type. Note that the fiscal year begins July 1st and ends June 30th (e.g., July 4, 2024 is fiscal year ending or FYE 2025) and use the following guidance:

- **For service projects** (e.g., ridesharing, shuttle), post-project evaluations should be completed using the cost-effectiveness worksheet version based on when the service was available to the public. (This version may be the same as the one used in the pre-project evaluation).
- **For all other projects** (e.g. vehicle replacement, EV charging station), post-project evaluations should be completed using the version of the cost-effectiveness Worksheet for when the purchased, installed, or constructed project became available for use by the public.

Worksheet Name	Project Type
Trip Reduction FYE 2027	• Ridesharing • First- and last-mile connections • Bicycle Parking, Bikeways, Bike Share • Infrastructure improvements for trip reduction, Smart Growth, Traffic Calming, Transit Bus Signal Priority, bus stop relocation • Pilot Trip Reduction • Telecommuting • Congestion pricing of highways, bridges, and public transit • Rail-bus integration, regional transit information systems
Vehicles 14,000 lbs & less FYE 2027	• Alternative-Fuel Light-Duty and Light Heavy-Duty Vehicles • Alternative Fuel Infrastructure (for private fleet)
Vehicles 14,001 lbs + FYE 2027	• Alternative-Fuel Low-Mileage Utility Trucks - Idling Service • Alternative-Fuel Heavy-Duty Trucks, Buses • Alternative Fuel Infrastructure (for private fleet)
EV Infrastructure FYE 2027	• EV charging infrastructure projects that do not involve private fleet. Note: Contact the Air District for projects that support vehicles that are 14,001 lbs +.

Step 2: Enter information in the Cost-Effectiveness Worksheet

Make entries in the yellow-shaded areas only in the worksheets. Each worksheet contains separate tabs for: Instructions (no user input), General Information, Calculations, Notes and Assumptions, and Emission Factors (no user input).

Instructions Specific to Each Project Type

Ridesharing and First- and Last-Mile Connection Projects

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

In addition, **each shuttle route must meet the cost-effectiveness criteria** (Policy #7). If a project consists of more than one route, one worksheet should be submitted with all routes listed, **and** a separate worksheet must be prepared showing the cost-effectiveness of each route (i.e., as determined by that route's ridership, funding allocation, etc.).

Annually funded service projects with a one-year project useful life, or one Year of Effectiveness, and that do propose surplus emissions reduction may continue receiving funds.

Note that MTC's regional rideshare program (i.e., 511.org) provides funding to counties. This funding may also contain some TFCA funding, which, if used in combination with this TFCA funding, may violate Policy 11. Duplication.

Pilot Projects

Two key components in calculating cost-effectiveness are the number of vehicle trips eliminated per day and the trip length. **The number of vehicle commute trips eliminated is the number of trips by participants that would have driven as a single occupant vehicle if not for the service; *it is not the same as the total number of riders or participants***. If a survey was conducted on potential demand, a frequently used proxy is the percentage of survey respondents who report that they would have driven alone if not for the service provided. If survey data is not available, alternative supporting documentation must be provided to justify the inputs used in the cost-effectiveness worksheet. For calculating the length of trip, only use the length of the vehicle trip avoided by only the riders that otherwise would have driven alone. For the post-project CE worksheet, the project sponsor should provide similar data to support their post-project vehicle trips eliminated count.

Transit Signal Priority Projects

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

Smart Growth and Traffic Calming Projects

Projects must reduce vehicle trips by increasing pedestrian/bicycle travel and transit use. Projects that only involve slowing automobile traffic briefly (e.g., via speed bumps) tend to not be cost-effective, as the acceleration following deceleration increases emissions. Due to the variety of potential Smart Growth and Traffic Calming projects, there currently are no default assumptions

provided for emission reduction inputs aside from years effectiveness. A primary component in calculating cost-effectiveness is the number of vehicle trips eliminated as a result of the project.

Vehicle and Fueling Infrastructure Projects

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

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

Because TFCA funds may only be used to fund early-compliance emissions reductions, and because of the various fleet rule requirements, calculating cost-effectiveness for vehicle grant projects can be complex, and it is recommended that it be done only by someone familiar with all applicable regulations and certifications.

Additionally, electric vehicle infrastructure generally does not qualify for more than $6,000 per single-port Level 2 (6.6KW) charging station, $8,000 per dual-port Level 2 charging station, and $35,000 per DC fast charging station. Any questions should be raised to Air District staff well before project approval deadlines in order to assure project eligibility. Below is general guidance for charging type based on the duration the vehicle is parked at that specific location:

Category	Typical Venues	Available Charging Time	Charging Method (Primary/Secondary)
Opportunity and Destination	• Shopping Centers	0.5 – 2 hours	Level 2/DC Fast
	• Airport (short term parking)	< 1 hour	Level 2/DC Fast
	• Other	< 1 hour	Level 2/DC Fast
	• Cultural and Sports Centers	2 – 5 hours	Level 2/Level 1
	• Parking Garages	2 – 10 hours	Level 2/Level 1
	• Hotels/Recreation Sites	4 – 72 hours	Level 2/Level 1
	• Airports (long term parking)	8 – 72+ hours	Level 1/Level 2
Corridor/Pathway	• Interstate Highways	< 0.5 hours	DC Fast/
	• Commuting/Recreation Roads	< 0.5 hours	DC Fast/Level 2
Emergency	• Fixed	< 0.1 hours	DC Fast
	• Mobile	< 1 hour	Level 2/DC Fast

For more information, please refer to the Bay Area EV Readiness Plan.

The cost-effectiveness of fueling infrastructure is based on the vehicles that will use the funded facility. For these projects, administering agencies must exercise care that emission reductions from the associated vehicles are only credited towards a TFCA infrastructure project and are not double counted in any other Air District grant program, either at the present time or for future vehicles that will use the facility during its years of effectiveness. EV charging infrastructure projects for private fleets should use their existing fleet information in the *Vehicles 14,000 & Less* or *Vehicles 14,001 +* cost-effectiveness worksheet. All other EV charging infrastructure projects should use the *EV*

Infrastructure cost-effectiveness worksheet (for projects that support vehicles that are 14,001 lbs +, please contact the Air District for more information).

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

Heavy-duty Vehicle Projects

CARB has adopted a number of standards and fleet rules that limit funding opportunities for on-road heavy-duty vehicles. See the below list of CARB rules that affect on-road heavy-duty fleets, followed by a reference sample CARB Executive Order at the end of this appendix. Administering agencies are encouraged to ask the applicant whether they are in compliance with the truck and bus regulation or other applicable regulation. If yes, then administering agencies can proceed in evaluating whether the project is eligible for funding.

Summary of On-Road Heavy-Duty Fleet Rules

Vehicle Type	Subject to CARB Fleet Rule? *
Urban buses	, Innovative Clean Transit Regulation, Advanced Clean Fleets Regulation
Transit Fleet Vehicles	, Innovative Clean Transit Regulation, Advanced Clean Fleets Regulation
Solid Waste Collection Vehicles, excluding transfer trucks	Solid Waste Collection Vehicle Regulation, Advanced Clean Fleets Regulation
Municipal Vehicles and Utility Vehicles	Fleet Rule for Public Agencies and Utilities, Innovative Clean Transit Regulation, Advanced Clean Fleets Regulation
Port and Drayage Trucks	Drayage Truck Regulation, Advanced Clean Fleets Regulation
All other On-road heavy-duty vehicles	On-road Rule, Innovative Clean Transit Regulation, Advanced Clean Fleets Regulation
* This is not a complete list and other applicable regulations may be found in California Air Resource Board website.	

The California Air Resources Board (CARB) Carl Moyer Program Guidelines document is the source for the formulas and factors used in the Heavy-Duty Vehicle worksheet. At a minimum, a funded vehicle must have an engine complying with the model year 2010 and later emission standards. Vehicles that are funded by the TFCA shall not be co-funded with other funding sources that claim emissions credits.

Note that the Innovative Clean Transit (ICT) regulation requires all public transit agencies to gradually transition to a 100-percent zero-emission bus fleet. The zero-emission bus purchase requirement begin in 2023 for large transit agencies and 2027 for small transit agencies. A vehicle purchased to comply with ICT regulation is not considered surplus of emission reductions and therefore is not eligible for TFCA funding. Vehicle purchased that is above and beyond this requirement would be eligible for TFCA funding if the project meets all other requirements.

Zero Emission Bus Purchase Schedule (% of Total New Bus Purchases)

YEAR	LARGE TRANSIT	SMALL TRANSIT
2023	25%	-
2024	25%	-

2025	25%	-
2026	50%	25%
2027	50%	25%
2028	50%	25%
2029	100%	100%

For more information and updates on this regulation, visit the Innovative Clean Transit Regulation website.

Telecommuting Demonstration Projects

Similar to Pilot Projects, telecommuting demonstration project category is meant to support the start-up costs of a demonstration project. Therefore, the estimated emission reductions should count only the additional vehicle trip reductions that would result from the project's Implementation or Operational Period. **The number of vehicle commute trips eliminated is the number of trips by participants that would have driven as a single occupant vehicle if not for the ability to telecommute; *it is not the same as the total number of participants***. If a survey was conducted on potential demand, a frequently used proxy is the percentage of survey respondents who report that they would have driven alone if not for the ability to telecommute. If survey data is not available, alternative supporting documentation must be provided to justify the inputs used in the cost-effectiveness worksheet. For calculating the length of trip, use the length of the vehicle trip avoided by only the participant that otherwise would have driven alone. For the post-project CE worksheet, the project sponsor should provide similar data to support their post-project vehicle trips eliminated count.

Note, only costs directly related to the project are eligible (e.g., remote work training, telework project management tools). Eligible costs must be incurred during the project Operation or Implementation Period to be eligible. Subscription costs, must be limited to only the approved period in the "years of effectiveness" in the Cost-effectiveness Worksheet. For this category, equipment that will be used in an individual's home, such as computing equipment, are ineligible.

Guidance on inputs for the worksheets are as follows:

Instructions Tab

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

General Information Tab

Project Number, which has three parts:

1st – fiscal year in which project will be funded (e.g., 27 for FYE 2027).

2nd – Administering agency; use the following abbreviations:

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

3rd – two-digit number identifying project; 00 is reserved for administering agency's administrative costs.

Example: 27MAR04 = fiscal year ending **2027**, **Mar**in, Project #**04**.

Project Title: *Short and descriptive* title of project.

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

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

Code	Project Type	Code	Project Type
6b	Shuttle services – gasoline powered	**12c**	Alternative fuel infrastructure

Project Description: Provide a short description of who, what, when, where, for the project.

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

Worksheet Calculated by: Name of person completing the worksheet.

Date of Submission: Date submitted to the administering agency.

Project Sponsor Organization: Organization responsible for the project.

Public Agency: Is the Project Sponsor a public agency? Enter "Y" for yes and "N" for no.

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

Project Start Date: Date work begins on a project.

Project Completion Date: Date the project scope is estimated to be completed.

- For service projects: a project is completed after its Operational Period is completed.
- For all other projects: a project is completed after the equipment becomes available for use by the public. (i.e., after the Implementation Period is completed).

Note, this date will be used to track the project. The project scope may be completed, but projects cannot be closed out until all payment is paid out.

Final Report to County: Date the post-project cost-effectiveness worksheet was received by the administering agency.

Benefit SB 535 DAC? See *Appendix J*. Enter "Y" for yes and "N" for no.

Benefit AB 1550 LIC? See *Appendix J.* Enter "Y" for yes and "N" for no.

Benefit AB 617 Communities? See *Appendix J.* Enter "Y" for yes and "N" for no.

Is the Air District logo requirement applicable? Identify whether a logo can be applied to the project, based on the project type. Enter "Y" for yes or "N" for no. If no, please provide explanation.

Calculations Tab

Because the worksheets have many interrelated formulas and references, users must not add or delete rows or columns, or change any formulas, without consulting with the Air District. Several cells have input choices or information built in, as pull-down menus or comments in Excel. Pull-down menus are accessed by clicking on the cell. Comments are indicated by a small triangle in the upper right corner of a cell, and are made visible by resting the cursor over the cell.

<u>Cost-Effectiveness Inputs</u>

 # Years of Effectiveness: Equivalent to the administrative period of the grant. See inputs table below. The best practice is to use shortest value possible to minimize both the Project Sponsor and the administering agency's administrative burdens.

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

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

Project Operational Start Year: The Year the Operation of project would begin (for service projects), or the Year the infrastructure is available for public use (for infrastructure projects).

Emission Reduction Calculations

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

Notes & Assumptions Tab

Provide all assumptions used. If you choose to use values different from the defaults provided in this Guidance, then support your values with documentation and data. If an alternative or new methodology to evaluate the project is used, then provide an explanation and documentation supporting your new methodology.

Emission Factors Tab

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

Step 3: Ensure Project meets both the Cost-Effectiveness and Years of Effectiveness

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

Eligible Project Category	Maximum C-E ($/weighted ton)		Years of Effectiveness
	Does NOT provide emission reductions in Priority Areas	Provide emission reductions in Priority Areas	
Clean Air Vehicle: The following project categories encourage the introduction of zero-emission vehicle technologies and/or the retirement of older, more polluting vehicles.			
Purchase or lease of **on-road zero-emissions vehicles** (i.e., hydrogen fuel cell, battery electric)	522,000	783,000*	3 years recommended. 4 years max
Installation of **alternative fuel infrastructure** that supports zero emission vehicles.	500,000	750,000	3 years recommended. 4 years max
Trip Reduction: The following project categories encourage the reduction of vehicle trips, vehicle use, and vehicle miles traveled.			
Implementation of **existing ridesharing** programs and **existing first- and last-mile connections**	300,000	450,000	2 years max
Provision of **pilots: ridesharing** programs; **first- and last-mile connections**; **congestion**	500,000	750,000	2 years max

pricing of highways, bridges, and public transit			
Implementation of **bicycle parking**	500,000	750,000	3 years max
Implementation of **bikeways** (e.g., Class I, II, III, IV, bike loop detectors, bike share services)	1,000,000	1,500,000	10 years max for Class I (7 years max for all other bikeways
Implementation of **infrastructure improvements for trip reduction** (including **transit signal preemption** and **bus stop relocation**)	500,000	750,000	10 years max
Implementation of demonstration projects in **telecommuting**	300,000	450,000	1 year recommended, 2 years max
Implementation of **rail-bus integration and regional transit information systems**	150,000	225,000	2 years max
Case-by-case approval	250,000	375,000	Project Dependent

Step 4: Name the file

Administering agencies must submit the pre-project worksheets in Microsoft Excel format to the Air District with the filename structure listed below.

- [Last two digits of FYE][abbreviated county code][sequential project number]_CE-Submitted-[Project Name].xlsx
- Example: 26SC12_CE-Submitted-SanJoseZeroEmissionShuttle.xlsx

Administering agencies must submit the post-project worksheets in Microsoft Excel format to the Air District with the filename structure listed below.

- [Last two digits of FYE][abbreviated county code][sequential project number]_CE-Final-[Project Name].xlsx
- Example: 26SC12_CE-Final-SanJoseZeroEmissionShuttle.xlsx

Emission Reduction Inputs

Administering agencies must describe all relevant assumptions used to determine the project's cost-effectiveness in the Notes & Assumptions tab. If an administering agency seeks to use different default values or methodologies, it is advised that the agency consult with Air District staff, before project approval, to avoid the risk of funding projects that are not eligible for TFCA funds.

Project Type/Worksheet Name	Input Data Needed	Default Assumptions
Trip Reduction (Existing and Pilot) Worksheet = Trip Reduction FYE 2027 *Input Field, "# Trips/Day eliminated" is in reference to vehicle trips eliminated due to proposed project. For **Pilot Trip Reduction** projects, follow the instructions of the most similar project type. Any deviations from the default assumptions used must be supported by documentation or data.*		
Project Type = 5a-h, 8b, 9a-c, 11a-c		
Ridesharing	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, up to 2 years
	# Trips/Day (1-way) eliminated [% of target population (# employees)]	Enter in Step 1-Column A, 1% of target population
	Days/Yr	Enter in Step 1-Column B, 240 days (max.)
	Trip Length (1-way)	Step 1-Column C, Default = 16 miles (1-way commute distance from MTC's Commute Profile)
	# New Trips/Day (1-way) to access transit	Step 2-Column A, Default = 50% of # Trips/Day Eliminated (Step 1-Column A)
	Days/Yr	Enter in Step 2-Column B, same # as Step 1-Column B
	Trip Length (1-way)	Enter in Step 2-Column C, Default = 3 miles
	For ridesharing, the default maximum number of vehicle trips reduced per day is 1% of target population.	
School-Based Ridesharing	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, up to 2 yrs
	# Trips/Day (1-way) eliminated [% of target population (total # students)]	Step 1-Column A, No Default
	Days/Yr	Enter in Step 1-Column B, 180 days (max.)
	Trip Length (1-way)	Step 1-Column C, 1-3 miles
	For ridesharing, the default maximum number of vehicle trips reduced per day is 1% of target population.	
Transit Incentive Campaigns	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, up to 2 yrs
	# Trips/Day (1-way) eliminated [% of target population]. Use survey data if available.	Step 1-Column A, No default
	Days/Yr	Enter in Step 1-Column B, 90 days (max.) if # Trips/Day based on % of target population. If # Trips/Day based on participants, 240 days (max).

	Trip Length (1-way), based on routes accessed	Step 1-Column C, No Default
	# New Trips/Day (1-way) to access transit	Step 2-Column A, 50% of # Trips/Day Eliminated (Step 1-Column A)
	Days/Yr (new trips)	Enter in Step 2-Column B - same as # days used in Step 1
	Trip Length (1-way) for new trips	Step 2-Column C, Default = 3 miles
Guaranteed Ride Home Programs	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, up to 2 years
	# Trips/Day (1-way) eliminated	Enter in Step 1-Column A, 0.2% of target population.
	Days/Yr	Enter in Step 1-Column B, 240 days (Max.)
	Trip Length (1-way)	Step 1-Column C, Default = 16 miles
Transit Vehicle Signal Prioritization	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, 2 yrs
	# Trips/Day (1-way) eliminated	Step 1-Column A, No Default
	Days/Yr	Enter in Step 1-Column B, 240 days (max)
	Trip Length (1-way)	Step 1-Column C, No Default Step 2-Column A, 50% of # Trips/Day Eliminated (Step 1-Column A) Step 2-Column B, same as Step 1-Column B Enter in Step 2-Column C, 3 miles
Infrastructure Improvements for Trip Reduction Note: Default assumption available for Years Effectiveness only. Provide detailed explanations (in Notes and Assumptions tab) of assumptions used for other inputs.	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, 10 years max
Project Type =6a-i, 10a-b		
Shuttle/Feeder Bus, Rail-Bus Integration, and Transit Information Systems	**# Years of Effectiveness**	Cost Effectiveness Inputs, up to 2 years
	# Trips/Day (1-way) eliminated trips. Trips only from riders who previously would have driven.	Step 1-Column A For on-going service, use survey results For new service, use 50% of daily seating capacity of vehicle * 67% (% single-occupancy vehicles (SOV) from MTC Commuter Profile)

	Days/Yr eliminated trips	Step 1-Column B, Enter number of operating days. Default =240 days/yr.
	Trip Length (1-way) eliminated trips. Average trip length that will be eliminated due to shuttle passengers taking train/ferry in conjunction with the shuttle**.**	Enter in Step 1-Column C, a survey-based distance, or, if no survey, 16 miles for shuttles and 35 miles for vanpools
	# Trips/Day (1-way) new trips to access transit	Step 2-Column A, Use survey data or, if none, a default is 50% of # Trips/Day Eliminated (Step 1-Column A)
	Days/Yr new trips	Enter in Step 2-Column B, same # as in Step 1-Column B.
	Trip Length (1-way) new trips. Average trip length of shuttle passengers that drive from home to the BART/Caltrain station.	Enter in Step 2-Column C, a survey-based distance, or, if no survey, default is 3 miles for home-to-rail trips.
	When possible, emissions from shuttle vehicles should be based on the vehicle engine Executive Order. Administering Agency should consult with Air District staff for guidance.	
	Follow Step 3A for vans and shuttle vehicles 14,000 lbs. and lighter. Follow Step 3B for buses	
	# Vehicles, Model Year: Number of vehicles with same model year	Step 3A - Column A, no default.
	Emission Std.: Emission Standard from list provided.	3A - Column B, no default.
	Vehicle GVW: Weight Class from list provided.	3A - Column C, no default.
	ROG, NO_x, Exhaust PM_{10}, and Total PM_{10} Factors: enter factor from appropriate table provided on Emission Factors tab—CARB Table 2 for vehicles less than 14,000 lbs. and CARB Appendix D tables for vehicles 14,001 lbs and heavier.	3A - Column D through G, no default
	CO_2 Factor: enter factor from CO_2 Table for Light- and Light Heavy-Duty Shuttles, on Emission Factors tab.	3A - Column H, no default.
	Total annual VMT = [length of shuttle/van trip (one-way)] X [# one-way trips per day] X [# days of service per year]. For all vehicles listed in Step 3A.	3A - Column I, no default.
	If a vehicle does not match the factors provided, Administering Agency should consult with Air District staff.	

	ROG, NO_x, Exhaust PM_{10}, Other PM_{10} and CO_2 Factors: enter factor from Emissions for Buses Table provided on Emission Factors tab.	Step 3B: Columns D through H, no default. Note that Step 3B uses Other PM_{10}, not Total PM_{10}. Other PM_{10} is based on the vehicle fuel type (e.g., diesel, gas, natural gas and electric), The value for column J can be found in the tables 3.2-16 under each fuel type. The value is labeled BW + TW + RD (which translates to brake wear, tire wear and road dust). Medium and heavy duty vehicle tables do not include CO2 factors, and those may be left blank.
	Total annual VMT = [length of shuttle/van trip (one-way)] X [# one-way trips per day] X [# days of service per year]. For all vehicles listed in Step 3B.	3B Column L, no default.
Project Type = 7a-j, 11a		
<u>Bikeways (Paths, Lanes, Routes)</u> Notes: • For **Class 1** projects, use the ADT on the most appropriate parallel road. • For **gap closure** projects (where project will close a gap between two existing segments of bikeway), use the length for the total facility. • The maximum **number of vehicle trips reduced** per day is 240. The Air District generally assumes that no bike project will reduce more than 240 vehicle trips per day.	*Methodology to estimate number of trips reduced for bike paths, lanes, & routes is based on:* • *Facility type (Class 1, 2, 3, or 4)* • *Length of the project segment* • *Traffic volume (ADT) on the facility*	
	# Years of Effectiveness	Enter in Cost Effectiveness Inputs:
	Class 1 bike path (or bike bridge)	Not to exceed 10 years for Class 1 (trails/paths)
	Class 2 bike lane Class 3 bike route Class 4 cycle tracks or separated bikeways	Not to exceed 7 years for Class 2, Class 3 and Class 4
	# Trips/Day (1-way) eliminated (depends on length of project segment and ADT on project segment)	Enter in Step 1-Column A:
	Class 1 & Class 2 & Class 4 ADT ≤ 12,000 vehicles per day	Length ≤ 1 mile = 0.4% ADT Length >1 and ≤ 2 miles = 0.6% ADT Length >2 miles = 0.8% ADT
	Class 1 & Class 2 & Class 4 ADT > 12,000 and ≤ 24,000	Length ≤ 1 mile = 0.3% ADT Length > 1 and ≤ 2 miles = 0.45% ADT Length > 2 miles = 0.6% ADT
	Class 1 & Class 2 & Class 4 ADT > 24,000 and ≤ 30,000	Length ≤ 1 mile = 0.25% ADT Length > 1 and ≤ 2 miles = 0.35% ADT

	Maximum is 30,000.	Length > 2 miles = 0.45% ADT
	Class 3 bike route or bicycle blvd	Route ≤ 1 mile = 0.1% ADT Route > 1 and ≤ 2 miles = 0.15% ADT Route > 2 miles = 0.25% ADT
	Upgraded Class 1 & Upgraded Class 4	Use 10% of the appropriate formula above
	Upgraded Class 2 buffered	Use 5% of the appropriate formula above
	Days/Yr	Enter in Step 1-Column B, 240 days
	Trip Length (1-way)	Enter in Step 1-Column C, 3 miles. (Not same as segment length.)
Bicycle Parking	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, 3 yrs
	# Trips/Day (1-way) eliminated	Enter in Step 1-Column A: Capacity of lockers x 2 trip/day Capacity of cages x 0.75 trips per day Capacity of racks x 0.5 trips per day
	Days/Yr	Enter in Step 1-Column B, 240 days
	Trip Length (1-way)	Enter in Step 1-Column C, 3 miles
Bike Share	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs, max. 5 yrs
	# Trips/Day (1-way) eliminated	Enter in Step 1-Column A: Number of bikes * 1.48 trips per day * 12% (actual vehicle trips replaced based on Shaheen research dated June 2015)
	Weekdays	
	Days/Yr	Enter in Step 1-Column B, 260 days
	Trip Length (1-way)	Enter in Step 1-Column C, 16 miles
	Weekends	
	Days/Yr	Enter in Step 1-Column B, 105 days
	Trip Length (1-way)	Enter in Step 1-Column C, 3 miles
Telecommuting Note: Default assumption available for Years Effectiveness only. Provide detailed explanations (in Notes and Assumptions tab) of assumptions used for other inputs.	**# Years of Effectiveness**	Cost Effectiveness Inputs, up to 2 years

Arterial Management * new projects ineligible for funds Worksheet = Arterial Management FYE 2027		
Project Type = 8a-d		
Arterial Management (Signal Timing) Note: Data for **traffic volume** and **vehicle speed** must be generated concurrently (i.e., during the exact same day and time period)	**# Years of Effectiveness**	Enter in Cost Effectiveness Inputs: For signal timing/synchronization, 2 yrs or, with retiming required at 2 yrs, 4 yrs. Each project should include either 2- or 4-year segments, not both.
	Name of Arterial	Column A: Name of the arterial and the direction of travel.
	Segment Length (miles)	Enter under Column B the length of arterial over which speeds will be increased.
	Days/Yr	Enter under Column C the number of days per year over which the project would affect traffic. Default is 240 days.
	Time Period	Enter under Column D the time period over which the traffic volumes and speed will change (e.g., 4-7 PM). Include all the hours in a period that will benefit, not just the peak hour.
	Traffic Volume	Enter under Column E the traffic volume before the project for the corresponding Time Period and direction of travel that will make the stated speed change.
	Traffic Speed without the Project	Enter under Column F the average traffic speed along the length of the arterial before implementation of the project.
	Travel Speed with Project	Enter under Column G the average estimated traffic speed along the length of the arterial after implementation of the project. *Note: Maximum increase in speed is 25%.*
Alternative Fuel Heavy-Duty Vehicles and Infrastructure Worksheets = Vehicle 14,001 lbs + FYE 2027		
Project Types = 1a-e, 2a-e, 3a-f, 12a-c		
Vehicle 14,001 lbs + *Use separate workbook and Project # for each set of vehicles with different # Years of Effectiveness or with different fuel types.* For infrastructure projects supporting private fleet, use the *Vehicles 14,001 lbs +* Worksheet. For EV infrastructure projects that do not support a private fleet, contact the Air District prior to using the *EV Infrastructure* Worksheet.	**Column AC, Project life (yrs.): # Years of Effectiveness.**	Cost Effectiveness Inputs, 3 years is recommended - not to exceed 4 years.
	Column A, Unit #: A unique identifier. List each vehicle on a separate row.	Column A: No default
	Columns D through J, Baseline Emission Rate: NO_x, ROG, PM factors: See Moyer Table D-1, D-2 or D-4, based on your vehicle type, weight, and engine model year.	Columns D through I: For alt-fuel heavy-duty vehicle projects, including urban buses, the baseline default is the Model Year 2010 emission standards (in Table D-2 this is the 2013+ (o.2 g/bhp-hr NOx std)). Note, the CE Worksheet has further guidance on how to determine baseline emission rates for urban buses. Column J: If no existing vehicle is being replaced, the Baseline engine model year will be the year the new vehicle will be operational. If an existing vehicle is being replaced, the Baseline will be based on the existing engine model year of the vehicle.
	Column K, Annual VMT: Base on average vehicle miles traveled over 2 years, and document with 2 years of records.	Column K: No default.

	Column J, Baseline engine model year: Vehicle Executive Order	Column J: No default.
	Column L, Percent operation in Air District: Only the operation within the Air District's jurisdiction can be counted.	Column L: No default.
	Columns N through S, New Emission Rate: NO_x, ROG, and PM: Use Executive Order values.	Columns N through S: For heavy-duty vehicle projects, including urban buses, the new vehicle must be certified to *exceed* the Model Year 2010 standard of 0.2 g/bhp-hr of NO_x and 0.01 g/bhp-hr of PM, which are the default values. Some exceptions apply.
	Note: FEL engines are not eligible for TFCA funding.	
	*CARB certifies engines and provides the engine manufacturers with an Executive Order (EO) for each certified engine family. An example of an EO is shown at the end of this attachment. The EO includes general information about the certified engine such as engine family, displacement, horsepower rating(s), intended service class, and emission control systems. It also shows the applicable certification emission standards as well as the average emission levels measured during the actual certification test procedure. For the purpose of the TFCA Program, the certification emission **standards** are used to calculate emission reductions. The certification emission standards are shown in the row titled "(DIRECT) STD" under the respective "FTP" column headings for each pollutant. For instance, the Cummins 8.3 liter natural gas engine illustrated in the sample was certified to a combined oxides of nitrogen plus non-methane hydrocarbon (NOx+NMHC) emission standard of 1.8 g/bhp-hr, a carbon monoxide (CO) emission standard of 15.5 g/bhp-hr, and a particulate matter (PM) emission standard of 0.03 g/bhp-hr.*	
	*In the case where an EO shows emission values in the rows labeled "AVERAGE STD" and/or "FEL", the engine is certified for participation in an averaging, banking, and trading (AB&T) program. AB&T engines (i.e., all FEL-certified engines) **are not eligible** to participate in the TFCA Program for new vehicle purchase projects since emission benefits from an engine certified to an FEL level are not surplus emissions.*	
	Column V, Replacement Vehicle Cost: Must be supported by a quote for the new alt-fuel vehicle that exceeds standards.	Column V: No Default.
	Column W, Maximum eligible funding %	Column W: 90% maximum eligible funding as indicated in the 40% Fund policy.
	Column AB, Project start year.	Column AB: Start year when vehicle will be on the road.
	Column AG, 90% of eligible cost	Column AG: 90% of value from Replacement Vehicle Cost, column V.
	Columns AP – AR, Emission Reductions.	Columns AP – AR. Calculated automatically. Enter zero (0) if a reduction cannot be claimed.
	All reductions must be surplus to any regulatory, contractual, or other legally binding requirement.	
	Note that if ROG values are not available for both the baseline and the proposed engine, ensure value is zero (0) for ROG, as no ROG emission reductions can be claimed.	

	Column AW, TFCA Funding Amount: Amount of total TFCA funding. The column total must equal Total TFCA Cost from Cost-Effectiveness Inputs at top of worksheet.	
	Column AX, Actual Weighted CE w/o CRF--Miles Basis ($/ton). Cost-effectiveness based on emissions including weighted PM. **Must meet Policy Requirements.**	Column AX: Calculated automatically.
	*Emissions and cost-effectiveness calculations **can only be based on fuel usage for the following vehicles:*** • *Utility vehicles in idling service* • *Street sweepers* • *Solid waste collection vehicles* *All other vehicles must use mileage basis. If using fuel-based calculations, usage must be based on two years of historical fuel usage documentation (e.g., fuel logs or purchase receipts.)*	
Alternative Fuel Vehicles and Infrastructure Worksheets = Vehicle 14,000 lbs & less FYE 2027, EV Infrastructure FYE 2027		
Project Types = 4a-e, 12a-c, including projects that replace heavy-duty vehicles with and buses with alternative fuel light-duty vehicles		
Alternative Fuel Vehicles and Infrastructure (14,000 lbs and less) For infrastructure projects supporting private fleet, use the *Vehicles 14,000 lbs & less* Worksheet. For EV infrastructure projects that do not support a private fleet, use the *EV Infrastructure* Worksheet.	**Vehicles**	
	# Years of Effectiveness	3 years is recommended - 4 years max.
	Unit # / ID	List each vehicle separately.
	Current Standard and New Vehicle Standard	In the Baseline Emission Standard (Columns I through L) and Proposed Clean Vehicle Emission Standard (Columns M through P) refer to Emission Factor table. Emission factors obtained from the specific vehicle's Executive Order is the preferred method. Hybrid and plug-in hybrid vehicles without executive orders may use the default assumptions of 25% zero-emission/75% gas emissions (based on vehicle weight) included in the cost-effectiveness worksheet's emissions tab. ***Vehicle replacement projects***, use the existing vehicle's model year for the Baseline Emission section. Use the year of when the new vehicle will start operation for Proposed Emission section. A vehicle replacement project qualifies only if the existing vehicle is scrapped and replaced. ***Fleet expansion projects***, use the "vehicle purchase year" for both Baseline and Proposed Emission factors.
	Cost-Effectiveness	Column U, automatically calculated. Each vehicle must meet the Policy requirements for cost-effectiveness.
	Avg Annual Miles: Base on average vehicle miles traveled over 2 years.	Column G: No default.

	Infrastructure	
	# Years of Effectiveness	3 recommended, 4 max
	Charger ID	List each charger separately
	Description	Enter description
	Type	Select a type from types defined in Notes and Assumptions tab
	Rate (kW)	Enter the equipment's power output rate kW
	TFCA Funding	Enter total amount of TFCA funding requested for all charging stations
	Annual Usage (kWh)	(Rate kW) x (charger's estimated hours of usage per day) x (365 days per year) x (quantity of chargers)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Annette Hebert, Chief
Mobile Source Operations Division

Appendix I: Boilerplate for TFCA 40% Funding Agreement

FUNDING AGREEMENT
BETWEEN
THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
AND
«Agency»
«Agreement»

This Funding Agreement (Agreement) is entered into between the «Agency» (Administering Agency), and the Bay Area Air Quality Management District (Air District). The Administering Agency and the Air District will each be referred to as a Party, and as the Parties collectively. This Agreement includes Attachment A, which specifies the funding allocated under this Agreement, and Attachment B, which pertains to insurance requirements.

SECTION I

RECITALS:

1) The Air District is authorized under California Health and Safety (Health & Safety) Code Sections 44223 and 44225 to levy a fee on motor vehicles registered within its jurisdiction (Motor Vehicle Fees), a portion of which the Air District receives and dedicates to its Transportation Fund for Clean Air (TFCA) program.

2) TFCA program monies may be allocated for projects to reduce air pollution from motor vehicles and to implement transportation control measures included in the plan adopted pursuant to Health and Safety Code Sections 40233, 40717, and 40919.

3) In accordance with Health and Safety Code Section 44241(d), the Air District allocates not less than forty (40) percent of the TFCA monies received to implement the Transportation Fund for Clean Air 40% Fund (also referred to as the County Program Manager program) (Program).

4) The Air District has been notified, in a communication dated «para4Date», that the Administering Agency is the duly authorized recipient of the proportionate share of Program monies for «County_long», and has been so designated by resolution(s) adopted by the «County_long» Board of Supervisors and by the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The terms and conditions for the expenditure of the County's Program monies by the Administering Agency are set forth in the resolution(s).

5) On November 1, 2025, the Air District's Board of Directors (Board of Directors) approved the TFCA 40% Fund Policies Commencing FYE 2027(Policies). The Policies set forth requirements, including eligibility and cost-effectiveness requirements, for projects funded by TFCA funds in fiscal year ending (FYE) 2027. The Policies are incorporated as Appendix D and made a part of the "Transportation Fund for Clean Air 40% Fund Expenditure Plan

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Guidance for Fiscal Year Ending 2027" (Guidance) and are incorporated herein and made a part hereof by this reference as if fully set forth herein.

6) On or about March 1, 2026, the Administering Agency submitted an Expenditure Plan Application to the Air District for its «County_long» TFCA Program, which specified interest income earned by the Administering Agency and TFCA funds from previously funded TFCA projects available for reprogramming to other eligible TFCA projects.

7) On May 5, «CurrentCY», the Board of Directors approved an estimated new allocation of FYE 2026 TFCA Program monies of $«Allocation» for «County_long» (New FYE 2027 TFCA Allocation), which is based upon the County's proportionate share of the California Department of Motor Vehicle (DMV) vehicle registration fees paid. On this same date, the Board of Directors approved an estimated total funding level for FYE 2027 of $«TotAvailTFCA» for «County_long» (TFCA Funds), which is to be administered by the Administering Agency and will be covered by this Agreement. The TFCA Funds include: the New FYE 2027 TFCA Allocation, any reprogramming of TFCA monies remaining from projects from prior fiscal years, and any interest earned in the prior year.

8) The Air District and the Administering Agency, pursuant to Health and Safety Code Section 44241, hereby enter into this Agreement to: (a) implement the Program within «County_long»; (b) select and fund projects that improve air quality in the San Francisco Bay Area Air Basin and comply with the Policies; and (c) oversee such funded projects to assure that they meet, and are implemented in accordance with, the Policies and the terms of this Agreement. This Agreement covers the funding allocation set forth in Paragraph 7 above.

SECTION II

ADMINISTERING AGENCY AGREES:

1) To implement the FYE 2027 Program within «County_long» in accordance with this Agreement and the Policies.

2) To select and fund projects that improve air quality in the San Francisco Bay Area Air Basin and that comply with the Policies and the terms of this Agreement (Program Projects). Recipients of TFCA Funds may include the Administering Agency, which undertakes its own County projects, and other entities (Sub-awardees). The Administering Agency will designate the Program Projects as FYE 2027 Program Projects for administrative purposes.

3) Except in the case where the Administering Agency is undertaking its own County projects, the Administering Agency must enter into a binding agreement with each Sub-awardee that sets forth the maximum amount of TFCA Funds awarded for each Program Project, and requires each Sub-awardee to comply with both the terms of this Agreement and the Policies and to implement the Program Projects as approved by the Administering Agency. The Administering Agency must maintain copies of the Administering Agency's written agreements with Sub-awardees, including any amendments to carry out the Program Projects.

4) To allocate (i.e., program) all TFCA Funds by November 7, 2026.

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5) To expend all TFCA Funds within two (2) years of receipt of the first payment of the TFCA funds (Expenditure Deadline) unless one of the following applies:

a) Multi-Year Funded Project: Administering Agency requests multi-year funding in compliance with the Guidance; and Air District approves the request for multi-year funding.

b) Extensions of Expenditure Deadline:

i. Action by Administering Agency: If consistent with the Policies and Guidance, the Administering Agency may extend the Expenditure Deadline for up to an additional two (2) years, but no later than December 31, «CYplus4», by one of the following methods:

1. A particular Program Project application for funds states that the project will take a longer period of time to implement and an extension is approved in writing by the Administering Agency; or

2. The Administering Agency finds, based on the Sub-awardee's application that despite significant progress on the particular Program Project, the Sub-awardee requires additional time to implement the Program Project and the Administering Agency approves the extension of time in writing.

ii. Action by Air District: If consistent with the Policies and Guidance, the Air District may grant a further extension for a particular Program Project under the following circumstance:

1. The Administering Agency finds, based on the Sub-awardee's application that despite significant progress on the particular Program Project, the Sub-awardee requires additional time to implement the Program Project (beyond the two years that the Administering Agency has already granted); the Administering Agency submits an extension request to the Air District no later than sixty (60) days prior to the end of the Expenditure Deadline; and the Air District approves the request in writing.

6) To return to the Air District any TFCA Funds and associated interest unexpended as per Section II, Paragraphs 4 and 5.

7) To maintain, at all times during the term of this Agreement, a separate account or sub-ledger for all TFCA Funds and to withdraw funds from this separate account only for the reimbursement of costs to implement Program Projects. Failure to comply with this paragraph will constitute grounds for termination pursuant to Section IV, Paragraph 2 below.

8) To maintain, or cause to be maintained, adequate records to document and demonstrate to Air District staff and auditors the receipt, interest accrual, and expenditures of Air District funds to implement the Program.

9) To track and report to the Air District all interest accrued from TFCA Funds.

a) The Administering Agency may not use interest from TFCA Funds for administrative purposes.

b) The Administering Agency's distribution of any interest funds will be at the discretion of the Administering Agency, after consultation with the Air District and must be in accordance with the Policies and applicable State law.

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10) To track and report to the Air District any TFCA Funds and associated interest unencumbered at the time of completion or termination of a Program Project. The distribution of any such funds and associated interest will be at the discretion of the Administering Agency, after consultation with the Air District.

11) To limit administrative costs to conduct the Program to no more than six and one quarter percent (6.25%) of the New FYE 2027 TFCA Allocation received by the Administering Agency.

12) To allow, and to require the Sub-awardees to allow, the Air District's staff, its authorized representatives, and its independent auditors, during the term of this Agreement and for five (5) years from the end of each project's Years of Effectiveness, defined below, to conduct performance and financial audits of the County's Program and Program Projects and to inspect the Program Projects. During audits, the Administering Agency will make available to the Air District in a timely manner all records relating to the Administering Agency's implementation of the Program and of Sub-awardees' expenses and performance of their Program Projects. During inspections, the Administering Agency will provide, at the request of the Air District, access to inspect a Sub-awardee's Program Projects and related records.

13) To keep, and to require Sub-awardees to keep, all financial and Program Project implementation records necessary to demonstrate compliance with this Agreement and the Program. Such records include the reports required by Section II, Paragraphs 9 and 16 and those records required to demonstrate compliance with the terms of this Agreement, including those records specifically listed in Section II, Paragraphs 3, 7, 8, 9, 10, 11, 12, 14, 16, 17, and 21. Such records shall include documentation that demonstrates significant progress made for those Program Projects seeking extensions to the completion date. The Administering Agency must keep such documents in a central location, and require its Sub-awardee to keep such records at a central Sub-awardee location, for a period of five (5) years from the end of each project's Years of Effectiveness.

14) To maintain, and to require that each Sub-awardee maintain, employee time sheets documenting those hourly labor costs incurred in the implementation of this Agreement, including both administrative and Program Project implementation costs, or to establish an alternative method to document staff costs charged to the funded project.

15) To distribute TFCA Funds allocated to the County, for County-sponsored Program Projects, or a Sub-awardee only as reimbursement for documented Program Project costs that are eligible and approvable under the Policies.

16) To prepare and submit reports to the Air District as follows:

    a) Semi-annual Funding Status Report: Beginning May 31, 2027, the Administering Agency must submit a report by May 31 and October 31 of each year until all Program Projects are completed that specifies a) the Program Projects that have been cancelled, completed, and completed at a cost less than the allocation during the previous six-month period and if completed at a lesser cost, the amount of associated unexpended funds; and b) the Program Projects for which the Administering Agency has extended any deadlines and, for those projects, the revised completion date and documentation of the Administering Agency's certification that, pursuant to Health and Safety Code Section 44242(d), the Sub-awardee had made significant progress.

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b) Post-Project Cost-Effectiveness Worksheet: Beginning May 31, 2027, the Administering Agency must submit by each May 31 and October 31, until all Program Projects are completed, a Post-Project Cost-Effectiveness Worksheet for each completed Program Project, which itemizes (a) the expenditure of the TFCA Funds, and (b) the results of the monitoring of the performance of each Program Project on Air District-approved form.

c) If the due date for a report specified above falls on a weekend or on a State holiday, then that report is due on the following business day.

17) To acknowledge, and to require all Sub-awardees to acknowledge, the Air District as a Program Project's funding source during the implementation of a Program Project and, if applicable, use the Air District's approved logo as specified below:

a) The logo must be used on signs posted at the site of any Program Project construction.

b) The logo must be displayed on any vehicles or equipment operated or obtained as part of a Program Project.

c) The logo must be used on any public information material relating to a Program Project, such as websites and printed materials, including transit schedules, brochures, handbooks, maps and other promotional materials.

d) The Administering Agency must retain documentation, such as photographs of vehicles and copies of press releases, demonstrating that Air District logos are used and displayed as required.

18) To assure that all TFCA Funds received under this Agreement are expended only in accordance with all applicable provisions of law for projects that are implemented directly by the Administering Agency, and to require Sub-awardees to expend the funds only in accordance with all applicable provisions of law.

19) To return TFCA Funds awarded for an Administering Agency's County project to the Air District, and require that Sub-awardees return TFCA Funds awarded to the Administering Agency, all TFCA Funds that are not expended in accordance with applicable provisions of law.

20) To return TFCA Funds awarded for an Administering Agency's County project to the Air District, and require that Sub-awardees return TFCA Funds awarded to the Administering Agency, if a project is not maintained and/or operated throughout and until the conclusion of each Project's Years of Effectiveness. The Project's Years of Effectiveness is the default value stated in Appendix H of the Guidance for the applicable project type, unless a different value was approved and shown to yield a Project meeting the cost-effectiveness requirement in the Policies by the Administering Agency. The amount of funds returned to the Administering Agency will be calculated on a prorated basis. Any such funds returned to the Administering Agency must be reallocated to eligible TFCA Program Projects.

21) To obtain and maintain, and to require that each Sub-awardee obtain and maintain, throughout the Term of this Agreement, the insurance coverage specified in "Insurance Requirements," Attachment B, and to comply with all insurance requirements set forth therein, including the provision of documentation of said insurance coverage. Failure to obtain and maintain the insurance coverage and to comply with all insurance requirements is a breach of this Agreement.

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22) To the extent not otherwise prohibited by law, and to the extent required by the California Public Records Act (California Government Code section 7920 *et seq.*), to make available to the public and to require that Sub-awardees make available to the public any software, written documents, or other products developed with TFCA Funds.

23) To ensure that work products provided by the Administering Agency under this Agreement comply with Web Content Accessibility Guidelines 2.0, levels A and AA, and otherwise meet the accessibility requirements set forth in California Government Code Sections 7405 and 11135, Section 202 of the federal Americans with Disabilities Act (42 U.S.C. § 12132), and Section 508 of the federal Rehabilitation Act (29 U.S.C. § 794d) and the regulations promulgated thereunder (36 C.F.R. Part 1194). For any work products provided in PDF format, the Administering Agency shall also provide an electronic version in the original electric format (for example, Microsoft Word or Adobe InDesign).

SECTION III

AIR DISTRICT AGREES:

1) To pay the FYE 2027 TFCA monies, the amount of which is estimated on Attachment A, Summary Information, Line 3 and calculated as set forth in Section III, Paragraphs 1a and 1b below, for Program Projects and administration that are consistent with the Policies and this Agreement, in two payments. Payments will be made after this Agreement has been signed by both the Administering Agency and the Air District. Notwithstanding the above, the Air District is only obligated to pay that portion of the FYE 2027 TFCA monies that constitutes that portion of the fees subvened by the DMV for calendar year 2026 to the Air District for its allocation to the Administering Agency from the Program funds. To the extent the estimated FYE 2027 TFCA monies exceed the Motor Vehicle Fees that are received by the Air District and are available to the Administering Agency, the Administering Agency understands and agrees that the Air District will not pay the difference between the Motor Vehicle Fees available and the estimated FYE 2027 TFCA monies.

   a) To endeavor to forward the first payment within thirty (30) business days of the Air District receiving from the DMV all the revenues that comprise the payment. The first payment will represent the County's proportionate share of the Program revenues generated from registration fees paid for motor vehicles that registered in «County_long» between January 1, 2026, and June 30, 2026, less Air District's administrative and audit costs.

   b) To endeavor to forward the second payment within thirty (30) business days of the Air District receiving from the DMV all the revenues that comprise the payment. The second payment will represent the County's proportionate share of the Program revenues generated from registration fees paid for motor vehicles that registered in «County_long» between July 1, 2026, and December 31, 2026, less Air District's administrative and audit costs.

2) To provide timely notice prior to conducting an audit.

3) To provide the Administering Agency, and any other requesting party, a copy of the fiscal and performance audits conducted pursuant to Section 44242 of the Health and Safety Code.

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4) To provide the Administering Agency with all Air District-approved reporting forms required for the Administering Agency to submit pursuant to this Agreement, including the reports required pursuant to Section II, Paragraph 16 above.

5) To provide a copy of the Air District logo to the Administering Agency solely for use to fulfill the obligation under Section II, Paragraph17 of this Agreement.

SECTION IV

IT IS MUTUALLY AGREED:

1) Term: The term of this Agreement is from July 1, 2026 to December 31, «CYplus4» , unless it is terminated or amended as provided for in Paragraphs 2 and 8 of this Section or elsewhere in this Agreement, or unless this Agreement has been fully satisfied. The Administering Agency's records retention obligations under this Agreement continue beyond the Agreement's termination date.

   The Sub-awardee has two years to implement the project, unless the Expenditure Deadline is extended pursuant to Section II, Paragraph 5 for a particular Program Project. If the Expenditure Deadline is extended for a particular Program Project, the terms and conditions of this Agreement will continue to apply with respect to that particular Program Project until it is completed.

2) Termination: Either Party may terminate this Agreement at any time by giving written notice of termination to the other Party specifying the effective date thereof. Notice of termination under this paragraph must be given at least ninety (90) days before the effective date of such termination, unless the parties mutually agree to an earlier termination date. This Agreement will also terminate at the end of the fiscal year during which the «agency» loses its designation as Administering Agency for «County_long».

3) Indemnity: The Administering Agency agrees to indemnify and hold harmless the Air District, its employees, agents, representatives, and successors-in-interest against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance by the Administering Agency of its duties under this Agreement or operation or use of equipment that is funded by the Program and must require Sub-awardees to indemnify and hold harmless the Air District, its employees, agents, representatives, and successors-in-interest against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of their performance of the project or operation or use of the equipment that is funded by the Program.

4) Notices: All notices that are required under this Agreement shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person at the address listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail.

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Notice shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST/PDT. Otherwise, receipt of notices shall be deemed to have occurred on the following business day.

DISTRICT:	Bay Area Air Quality Management District Attn: Director of Strategic Incentives RE: TFCA 40% Fund Project # [«Agreement»] 375 Beale Street, Suite 600 San Francisco, CA 94105 tfca4pm@baaqmd.gov
ADMINISTERING AGENCY:	«Agency» Attn: «Name», [Title] RE: TFCA 40% Fund # «Agreement» «Address1» «City», CA «ZIP» «PMExecEmail»

5) Program Liaison: Within thirty (30) days from the Effective Date of this Agreement, the Administering Agency shall notify the Air District of the Administering Agency's Program Liaison and of the Liaison's address, telephone number, and email address. The Program Liaison shall be the liaison to the Air District pertaining to implementation of this Agreement and shall be the contact for information about the Program and Program Projects. The Administering Agency shall notify the Air District of the change of Program Liaison or of the Liaison's contact information in writing no later than thirty (30) days from the date of any change.

6) Additional Provisions and Additional Acts and Documents: Each Party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents that are reasonably required to carry out the provisions, intent and purpose of this Agreement. All attachments to this Agreement are expressly incorporated herein by this reference and made a part hereof as though fully set forth.

7) Integration: This Agreement, including all attachments hereto, represents the final, complete, and exclusive statement of the agreement between the Air District and the Administering Agency related to the Parties' rights and obligations and subject matter described in this Agreement, and supersedes all prior and other contemporaneous understandings and agreements of the parties pertaining to the terms and conditions herein. No Party has been induced to enter into this Agreement by, nor is any Party relying upon, any representation or warranty outside those expressly set forth herein.

8) Amendment: This Agreement may not be modified except in writing, signed by both Parties hereto, and any attempt at oral modification of this Agreement shall be void and of no effect.

9) Independent Contractor: Neither the Administering Agency nor its officers, employees, agents, or representative shall be considered employees or agents of the Air District.

10) Assignment: Neither Party shall assign, sell, license, or otherwise transfer any rights or obligations under this Agreement without the prior written consent of the other Party.

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11) Waiver: No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the Party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a Party to enforce performance by the other Party of any term, covenant, or condition of this Agreement, and the failure of a Party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that Party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.

12) Severability: If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected.

13) Force Majeure: Neither the Air District nor the Administering Agency shall be liable for or deemed to be in default for any delay or failure in performance under this Agreement or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of this Agreement, national or State declared pandemics, or other causes, except financial that are beyond the reasonable control of the Air District or the Administering Agency.

14) Governing Law: Any dispute that arises under or relates to this Agreement shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Agreement, including mediation, shall be San Francisco, California.

15) Effective Date: The effective date of this Agreement is the date the Air District Executive Officer/Air Pollution Control Officer executes the Agreement (Effective Date).

16) Survival of Terms: Any terms of this Agreement that by their nature extend beyond the term (or termination) of this Agreement shall remain in effect until fulfilled, and shall apply to both parties' respective successors and assigns. Such terms include, but may not be limited to, Section II. Paragraph 8, 12, and 13 and Section IV. Paragraph 3 (Indemnity).

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IN WITNESS WHEREOF, the Administering Agency and the Air District have entered into this Agreement as of the date listed below.

FOR AIR DISTRICT:

by: _____
Philip M. Fine
Executive Officer/APCO
Bay Area Air Quality Management District

Date: _____

Approved as to form:

by: _____
Alexander Crockett
General Counsel
Bay Area Air Quality Management District

FOR ADMINISTERING AGENCY:

by: _____

Executive Director
«Agency»

Date: _____

Approved as to form (optional):

by: _____

Legal Counsel

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Appendix J: Guidelines to Determine Priority Areas Benefits

This document provides an overview of the Air District's Priority Areas and instructions on how to determine if project locations benefit Priority Areas.

Priority Areas are defined as the follows:

- Disadvantaged Communities (**DAC**, SB 535)
- Low-Income Communities (**LIC**, AB 1550)
- Community Emission Reduction Program (**CERP**) Communities (AB 617 Communities)
    - West Oakland
    - East Oakland
    - Richmond-San Pablo
    - Bayview Hunters Point / Southeast San Francisco

Step 1: Determine Project location

Project Category	Project location may be determined by
Clean Air Vehicle	
On-road zero emissions vehicles	Where the vehicle or equipment is domiciled or operated a majority* of the time, OR at least one stop or station in the service.
Alternative fuel infrastructure	Where equipment is located. OR if equipment services a fleet, where the fleet is operated a majority* of the time.
Trip Reduction	
Ridesharing	Residence of the majority* of the direct recipients, OR at least one stop or station in the service to which incentives are applied.
First- and last-mile connections; bike share	At least one stop or station in the service
Congestion pricing of highways, bridges, and public transit	Location of at least a portion of the affected highway or bridge or public transit route.
Bicycle parking	Where equipment is located.
Bikeways; infrastructure improvements for trip reduction (including transit signal preemption and bus stop relocation)	Location of at least a portion of the infrastructure AND at least one access point to a priority population.
Telecommuting	Residence of the majority* of the direct recipients OR location of the workplace.
Rail-bus integration and regional transit information systems	Residence of the majority* of the direct recipients.

*Majority means over 50%.

Step 2: Determine whether Project benefits a Priority Area

Using the location determination from Step 1, evaluate the project against each of the following criteria. Project is located within the boundaries of a (check all that apply):

☐ Disadvantaged Communities (**DAC**, SB 535)

☐ Low-Income Communities (**LIC**, AB 1550)

☐ Community Emission Reduction Program (**CERP**) Communities (AB 617 Communities)

If the project does not meet at least one of the qualifying location criteria, it will not count as benefiting a Priority Area.