



MEMORANDUM

TO: Capital Improvement Program Working Group Members and Interested Parties

FROM: Larissa Sanderfer, Transportation Planner

DATE: March 10, 2023

SUBJECT: Call-For-Projects: FY2023/24 (FYE24) Transportation Fund for Clean Air Program Manager (TFCA CPM) Fund

This memorandum serves as the General Call-for-Projects for the 2023/24 (FYE24) Transportation Fund for Clean Air County Program Manager (TFCA CPM) funding cycle. The TFCA CPM Fund is 40% of the TFCA grant program, which is funded by a \$4 surcharge on motor vehicles registered in the Bay Area. Approximately \$2.5 million is available this year for programming.

Eligibility

Only Santa Clara Congestion Management Program (CMP) Member Agencies are eligible to apply. Member agencies are the 15 incorporated cities/towns, the County of Santa Clara, and the Valley Transportation Authority (VTA). All other parties, including public agencies, must work with a CMP Member Agency in order to apply for Program Manager Funds. All projects must be within Santa Clara County.

Applicants must follow all Bay Area Air Quality Management District (BAAQMD) policies and guidance as presented in the attached BAAQMD's ["County Program Manager Fund Expenditure Plan Guidance for Fiscal Year Ending 2024."](#) Applicants must read and understand this document prior to applying. Projects found to be non-compliant with these policies will be disqualified. **If the instructions in this document conflict with the BAAQMD program guidance, the latter will govern.**

Only projects where all the other funding is secured or committed will be considered for TFCA CPM funding.

At its November 5, 2020 meeting, the VTA Board of Directors established that a set aside up to 25% of the annual TFCA CPM allocation is reserved for all TFCA-eligible bike & pedestrian projects. Because TFCA funds cannot be “banked” from year to year, if less than the set-aside amount can be programmed to qualified projects, the remaining funds are programmed via the competitive process and the balance does not carry over to the following year.

Project Type and Eligibility. The following project types are eligible:

Clean Air Vehicle Projects

1. Alternative Fuel Light- and Medium-Duty Vehicles:

These projects are intended to accelerate the deployment of zero- and partial-zero emissions motorcycles, cars, and light-duty vehicles. All of the following conditions must be met for a project to be eligible for TFCA funds:

- a. Vehicles must have a gross vehicle weight rating (GVWR) of 8,500 lbs. or lower;
- b. Vehicles may be purchased or leased;
- c. Eligible vehicle types include plug-in hybrid-electric, plug-in electric, fuel cell vehicles, and neighborhood electric vehicles (NEV) as defined in the California Vehicle Code. Vehicles must also be approved by the CARB;
- d. Vehicles that are solely powered by gasoline, diesel, or natural gas, and retrofit projects are not eligible;
- e. The total amount of TFCA funds awarded may not exceed 90% of the project’s eligible cost; the sum of TFCA funds awarded with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;
- f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and
- g. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.

2. Alternative Fuel Heavy-Duty Trucks and Buses:

These projects are intended to accelerate the deployment of qualifying alternative fuel vehicles that operate within the Air District’s jurisdiction by encouraging the replacement of older, compliant trucks and buses with the cleanest available technology. If replacing heavy-duty vehicles and buses with light- duty vehicles, light-duty vehicles must meet Policy #22 (See BAAQMD’s Guidance). All of the following conditions must be met for a project to be eligible for TFCA Funds:

- a. Each vehicle must be new and have a GVWR greater than 8,500 lbs.;
 - b. Vehicles may be purchased or leased;
 - c. Eligible vehicle types include plug-in hybrid, plug-in electric, and fuel cell vehicles. Vehicles must also be approved by the CARB;
 - d. Vehicles that are solely powered by gasoline, diesel, or natural gas and retrofit projects are not eligible;
 - e. The total amount of TFCA funds awarded may not exceed 100% of the project's eligible cost for School Buses and 90% of the project's eligible cost for all other vehicle types; the sum of TFCA funds awarded combined with all other grants and applicable manufacturer and local/state/federal rebates and discounts may not exceed total project costs;
 - f. Grantees may request authorization of up to 100% of the TFCA Funds awarded for each vehicle to be used to pay for costs directly related to the purchase and installation of alternative fueling infrastructure and/or equipment used to power the new vehicle; and
 - g. Projects that seek to scrap and replace a vehicle in the same weight-class as the proposed new vehicle may qualify for additional TFCA funding. Costs related to the scrapping and/or dismantling of the existing vehicle are not eligible for reimbursement with TFCA funds.
- 3. On-Road Truck Replacements:** These projects will replace Class 6, Class 7, and Class 8 diesel-powered trucks that have a gross vehicle weight rating (GVWR) of 19,501 lbs. or greater (per vehicle weight classification definition used by Federal Highway Administration (FHWA) with new or used trucks that have an engine certified to the 2010 CARB emissions standards or cleaner. The existing truck(s) to be replaced must be registered with the California Department of Motor Vehicles (DMV) to an address within the Air District's jurisdiction and must be scrapped after replacement.
- 4. Alternative Fuel Infrastructure:** These projects are intended to accelerate the adoption of zero-emissions vehicles through the deployment of alternative fuel infrastructure, i.e., electric vehicle charging sites, hydrogen fueling stations.

Eligible refueling infrastructure projects include new dispensing and charging facilities, or additional equipment or upgrades and improvements that expand access to existing alternative fuel fueling/charging sites. This includes upgrading or modifying private fueling/charging sites or stations to allow public and/or shared fleet access. TFCA funds may be used to cover the cost of equipment and installation. TFCA funds may also be used to upgrade infrastructure projects previously funded with TFCA funds as long as the equipment was maintained and has exceeded the duration of its useful life after being placed into service.

Equipment and infrastructure must be designed, installed, and maintained as required by the existing recognized codes and standards and as approved by the local/state authority.

TFCA funds may not be used to pay for fuel, electricity, operation, and maintenance costs.

Trip Reduction Projects

- 5. Existing Ridesharing Services:** The project provides carpool, vanpool, or other rideshare services. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the grantee are not eligible.

- 6. Existing First and Last-Mile Connections:** The project reduces single-occupancy vehicle trips by providing short-distance connections between mass transit and commercial hubs or employment centers. All the following conditions must be met for a project to be eligible for TFCA funds:
 - a. The 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.
 - b. The service's schedule, which is not limited to commute hours, must be coordinated to have a timely connection with corresponding mass transit service.
 - c. The service must be available for use by all members of the public.
 - d. TFCA funds may be used to fund only shuttle services to locations that are under-served and lack other comparable service. For the purposes of this policy, "comparable service" means that there exists, either currently or within the last three years, a direct, timed, and publicly accessible service that brings passengers to within one-third (1/3) mile of the proposed commercial or employment location from a mass transit hub. A proposed service will not be deemed "comparable" to an existing service if the passengers' proposed travel time will be at least 15 minutes shorter and at least 33% shorter than the existing service's travel time to the proposed destination.
 - e. Grantees must be either: (1) a public transit agency or transit district that directly operates the service; or (2) a city, county, or any other public agency.
 - f. If an applicant is not the only transit agency serving the area, the applicant(s) must submit a letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route, certifying that the service does not conflict with existing service.
 - g. Each route must meet the cost-effectiveness requirement in Policy #2 (See BAAQMD's Guidance).

7. Pilot Projects:

a. Pilot First- and Last-Mile Connections:

The project provides new first- and last-mile connections service that is at least 70% unique and operates where no other service was provided within the past three years. In addition to meeting the conditions listed in Policy #28 of BAAQMD's Guidance for First- and Last-Mile Connections, project applicants must also comply with the following application criteria and agree to comply with the project implementation requirements:

- i. Demonstrate the project will reduce single-occupancy vehicle trips and result in a reduction in emissions of criteria pollutants.
- ii. Provide data and/or other evidence demonstrating the public's need for the service, such as a demand assessment survey and letters of support from potential users.
- iii. Provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation after the pilot period.
- iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- v. Projects located in Highly Impacted Communities as defined in the Air District CARE Program and/or a Planned or Potential PDA may receive a maximum of two years of TFCA County Program Manager Funds under the Pilot designation. For these projects, the project applicants understand and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
 1. During the first year and by the end of the second year of operation, projects must not exceed a cost-effectiveness of \$500,000/ton
 2. Projects entering a third year of operation and beyond are subject to all of the requirements, including cost-effectiveness limit, of Policy #28 (See BAAQMD's Guidance).
- vi. Projects located outside of CARE areas and PDAs may receive a maximum of two years of TFCA County Program Manager Funds under this designation. For these projects, the project applicant understands and must agree that such projects will be evaluated every year, and continued funding will be contingent upon the projects meeting the following requirements:
 1. By the end of the first year of operation, projects shall meet a cost-effectiveness of \$500,000/ton, and

2. By the end of the second year of operation, projects shall meet all of the requirements, including cost-effectiveness limit, of Policy #28 (See BAAQMD's Guidance).

b. Pilot Trip Reduction:

The project reduces single-occupancy commute vehicle trips by encouraging mode-shift to other forms of shared transportation. 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. Funding is designed to provide the necessary initial capital to a public agency for the start-up of a pilot project so that by the end of the third year of the trip reduction project's operation, the project will be financially self-sustaining or require minimal public funds, such as grants, to maintain its operation.

- i. Applicants must demonstrate the project will reduce single-occupancy commute vehicle trips and result in a reduction in emissions of criteria pollutants;
- ii. The proposed service must be available for use by all members of the public;
- iii. Applicants must provide a written plan showing how the service will be financed in the future and require minimal, if any, TFCA funds to maintain its operation by the end of the third year;
- iv. If the local transit provider is not a partner, the applicant must demonstrate that they have attempted to have the service provided by the local transit agency. The transit provider must have been given the first right of refusal and determined that the proposed project does not conflict with existing service;
- v. Applicants must provide data and any other evidence demonstrating the public's need for the service, such as a demand assessment survey and letters of support from potential users;
- vi. Pilot trip reduction projects that propose to provide ridesharing service projects must comply with all applicable requirements in policy #27 (See BAAQMD's Guidance).

8. Bicycle Projects:

These projects expand public access to bicycle facilities. New bicycle facility projects or upgrades to an existing bicycle facility that are 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 are eligible to receive TFCA funds. Projects that are included in an adopted city general plan or area-specific plan must specify that the purpose of the bicycle facility is to reduce motor vehicle emissions or traffic congestion.

a. Bicycle Parking:

The project expands the public's access to new bicycle parking facilities (e.g., electronic bicycle lockers, bicycle racks), which must be publicly accessible and available for use by all members of the public. Eligible projects are limited to the purchase and installation of the following types of bike parking facilities that result in motor vehicle emission reductions:

- i. Bicycle racks, including bicycle racks on transit buses, trains, shuttle vehicles, and ferry vessels;
- ii. Electronic bicycle lockers; and
- iii. Capital costs for attended bicycle storage facilities.

b. Bikeways:

The project constructs and/or installs bikeways for the purpose of reducing motor vehicle emissions or traffic congestion. Bikeways for exclusively recreational use are ineligible. Projects are limited to the following types of bikeways:

- i. Class I Bikeway (bike path), new or upgrade improvement from Class II or Class III bikeway;
- ii. New Class II Bikeway (bike lane);
- iii. New Class III Bikeway (bike route); and
- iv. Class IV Bikeway (separated bikeway), new or upgrade improvement from Class II or
- v. Class III bikeway.

All bikeway projects must, where applicable, be consistent with design standards published in the California Highway Design Manual or conform to the provisions of the Protected Bikeway Act of 2014.

9. Bike Share:

Projects that make bicycles available to individuals for shared use for completing first- and last-mile trips in conjunction with regional transit and stand-alone short distance trips are eligible for TFCA funds, subject to all the following conditions:

- a. Projects must either increase the fleet size of existing service areas or expand existing service areas to include new Bay Area communities.
- b. Projects must have a completed a suitability study demonstrating the viability of bicycle sharing.
- c. Projects must have shared membership and/or be interoperable with the Bay Area Bike Share (BABS) project when they are placed into service, in order to streamline transit for end users by reducing the number of separate operators that would comprise bike trips. Projects that meet one or more of the following conditions are exempt from this requirement:

- i. Projects that do not require membership or any fees for use;
- ii. Projects that were provided funding under MTC's Bike Share Capital Program to start a new or expand an existing bike share program; or
- iii. Projects that attempted to coordinate with, but were refused by, the current BABS operator to have shared membership or be interoperable with BABS. Applicants must provide documentation showing proof of refusal.

TFCA funds may be awarded to pay for up to five years of operations, including the purchase of bicycles or tricycles (self-propelled or electric), plus mounted equipment required for the intended service and helmets.

10. Infrastructure Improvements for Trip Reduction:

The project expands the public's access to alternative transportation modes through the design and construction of physical improvements that support development projects that achieve motor vehicle emission reductions.

- a. The development project and the physical improvement must be identified in an approved area-specific plan, redevelopment plan, general plan, bicycle plan, pedestrian plan, traffic-calming plan, or other similar plan.
- b. The project must implement one or more transportation control measures (TCMs) in the most recently adopted Air District plan for State and national ambient air quality standards. Pedestrian projects are eligible to receive TFCA funds.
- c. The project must have a completed and approved environmental plan. If a project is exempt from preparing an environmental plan as determined by the public agency or lead agency, then that project has met this requirement.

11. Telecommuting: Implementation of demonstration projects in telecommuting. No funds expended under this policy shall be used for the purchase of personal computing equipment for an individual's home use.

TFCA funds may not be used for:

- 1. Duplication:** Projects that have previously received any TFCA funds, e.g., TFCA Regional Funds or County Program Manager Funds, and that do not propose to achieve additional emission reductions are not eligible.
- 2. Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Planning activities are not eligible unless they are directly related to the implementation of a specific project or program.
- 3. Cost of Developing Proposals and Grant Applications:** The costs to prepare proposals and/or grant applications are not eligible.

Cost-Effectiveness Worksheet

Projects must meet cost effectiveness standards as set forth by BAAQMD in their board-adopted policies. Cost-effectiveness is based on the ratio of TFCA funds divided by the sum total tons of reactive organic gases (ROG), oxides of nitrogen (NO_x), and weighted particulate matter 10 microns in diameter and smaller (PM₁₀) reduced (\$/ton). All TFCA-generated funds (e.g., TFCA Regional Funds, reprogrammed TFCA funds) that are awarded or applied to a project must be included in the evaluation. For projects that involve more than one independent component (e.g., more than one vehicle purchased, more than one shuttle route, etc.), each component must achieve this cost-effectiveness requirement.

Project sponsors must provide all relevant assumptions used to determine the project's cost-effectiveness in the Notes & Assumptions tab on the cost-effectiveness spreadsheet. If a sponsor seeks to use different default values or methodologies, it is advisable that they consult with VTA staff before applying. Please read the guidance carefully before submitting an application.

Project Completion Date

Applicants must certify that they understand BAAQMD's "Expend Funds within Two Years" project delivery policy #17. **Applications must include a schedule demonstrating that the project will comply with this policy.**

If VTA finds that significant progress has been made on a project, it may approve no more than two one-year schedule extensions for a project. Any subsequent schedule extensions for projects can only be given on a case-by-case basis by BAAQMD, if it finds that significant progress has been made on a project, and the Funding Agreement is amended to reflect the revised schedule.

Projects must commence within six months of approval by the VTA Board.

To avoid difficulties with this "Readiness" policy, VTA and BAAQMD recommend that projects have completed the following activities prior to being awarded TFCA funds:

- Planning (drawings)
- Obtaining permits
- Conducting environmental review/approvals.
- Securing non-TFCA funding.

Additionally, applicants should note the following:

1. Grant recipients must complete the BAAQMD project information form and sign a funding agreement with VTA as a condition of this grant.

2. Project sponsors will not be reimbursed for expenses incurred before the 2022/23 TFCA CPM Program Funding Agreement between BAAQMD and VTA has been executed. This will be reflected in the VTA-sponsor agreement.
3. The TFCA CPM program is a reimbursement grant program.
4. Funds will be available for two years unless a time extension is approved.
5. VTA will evaluate project progress at the 18-month milestone after final BAAQMD grant approval. Funds may be recommended for re-programming at this time if the sponsor does not demonstrate adequate progress towards project completion.
6. Project sponsors are required to submit progress reports to VTA as specified in the funding agreement between the sponsor and VTA.
7. Project sponsors must obtain and maintain insurance coverage throughout the project as specified in BAAQMD's insurance requirements.
8. Project sponsors must post BAAQMD and VTA's logo on signs posted at the site of any project construction, on any vehicles or equipment operated with or obtained as part of the project, on any material intended for public consumption associated with the project, such as brochures, handbooks, maps created for public distribution.
9. There is no requirement for a local match to obtain a TFCA grant. However, if the TFCA program is oversubscribed at the application deadline, (applications exceed available funds) VTA's internal project evaluation process gives preference to projects that bring local funds to the project. Up to 30 points (out of 100) are given, one per percent of the match.

Submitting Applications

Project sponsors with a project that is TFCA-eligible and ready for construction should follow the following steps:

1. Complete the application form.
2. Complete the cost-effectiveness calculation spreadsheet. Projects must meet cost effectiveness standards as set forth by BAAQMD in their board-adopted policies. See BAAQMD's guidance. VTA and BAAQMD reserve the right to review these cost effectiveness spreadsheets and amend them as necessary.
3. Email a **pdf** of the application form and an **excel file** of the cost-effectiveness calculation spreadsheet to Larissa Sanderfer (larissa.sanderfer@vta.org).

The application requires specific project elements, a project budget, a project location map, project schedule and a cost effectiveness data spreadsheet. Applicants may also attach additional pages to discuss any features of the project that they feel are not adequately covered by the application form.

If the TFCA program is undersubscribed as of the application deadline, VTA staff will continue to accept eligible project applications on a first come, first served basis until the available funds are exhausted.

Project Evaluation Criteria – Screening & Scoring

On November 5, 2020, the VTA board set-aside 25% of TFCA funding to any eligible bicycle and pedestrian project, subject to the BAAQMD guidance and the VTA screening criteria below. Since TFCA CPM funds cannot be "banked" from year to year, if less than the set-aside amount can be programmed to qualified projects, the remainder is programmed via the competitive process and the difference does not carry over to the following years. The remaining projects will be evaluated by the scoring criteria below and are also subject to the general screening criteria.

Schedule

The schedule for this year’s TFCA CPM project application and approval process is:

- VTA issues call for projects.....March 10, 2023
- Applications due to VTAApril 28, 2023 by 5:00 PM
- Project evaluation by staff & scoring team.....Begins May 1, 2023
- CIP Reviews review programAugust 2023 (tentative)
- PAC and TAC reviews programSeptember 2023 (tentative)
- CMPP Committee recommends programSeptember 2023 (tentative)
- VTA Board of Directors approves programOctober 2023 (tentative)

If you have any questions about the application or criteria, please contact Larissa Sanderfer at larissa.sanderfer@vta.org.

Attachment A
Current TFCA Screening/Scoring Criteria

Project Screening Criteria

1. Projects must be consistent with BAAQMD’s policies and guidance and must meet cost effectiveness standards as set forth by BAAQMD in their board-adopted policies.
2. Project sponsors are ineligible for funding if they have five or more projects greater than two years old on BAAQMD's “less than 100% complete” list.
3. Only projects where all the other funding is secured or committed will be considered for TFCA 40% funding.

Project Scoring Criteria (Competitive Projects Only)

Criteria	Maximum Points
Cost Effectiveness Relative Scale (See CE values below)	30
Community Benefits	
Reduce Congestion	8
Countywide Significance	8
Serve MTC designated "Equity Priority Communities" (neighborhood having a population that is at least 30 percent low income and 70 percent minority.)	8
Number of people served	8
Mode Shift	8
Local Matching Funds	
1 point for each percentage of local match; up to 30%.	30
Total = 100	100

Cost Effectiveness – Relative Scale

For Maximum Cost Effectiveness at \$90,000		
Min	Max	Points
\$0	\$19,999	30
\$20,000	\$27,999	28
\$28,000	\$35,999	26
\$36,000	\$43,999	24
\$44,000	\$51,999	22
\$52,000	\$59,999	20
\$60,000	\$67,999	18
\$68,000	\$75,999	16
\$76,000	\$83,999	14
\$84,000	\$89,999	12
\$90,000	and over	disqualified

For Maximum Cost Effectiveness at \$150,000		
Min	Max	Points
\$0	\$33,332	30
\$33,333	\$46,665	28
\$46,667	\$59,998	26
\$60,000	\$73,332	24
\$73,333	\$86,665	22
\$86,667	\$99,998	20
\$100,000	\$113,332	18
\$113,333	\$126,665	16
\$126,667	\$139,998	14
\$140,000	\$149,998	12
\$150,000	and over	disqualified

For Maximum Cost Effectiveness at \$250,000		
Min	Max	Points
\$0	\$55,553	30
\$55,556	\$77,775	28
\$77,778	\$99,997	26
\$100,000	\$122,219	24
\$122,222	\$144,442	22
\$144,444	\$166,664	20
\$166,667	\$188,886	18
\$188,889	\$211,108	16
\$211,111	\$233,331	14
\$233,333	\$249,997	12
\$250,000	and over	disqualified

For Maximum Cost Effectiveness at \$500,000		
Min	Max	Points
\$0	\$111,106	30
\$111,111	\$155,550	28
\$155,556	\$199,994	26
\$200,000	\$244,439	24
\$244,444	\$288,883	22
\$288,889	\$333,328	20
\$333,333	\$377,772	18
\$377,778	\$422,217	16
\$422,222	\$466,661	14
\$466,667	\$499,994	12
\$500,000	and over	disqualified