



# Bay Area Air Quality Management District

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Grant Program Application Guidance for

## **Existing Shuttle/Feeder Bus and Regional Ridesharing Services**

*For Fiscal Year Ending (FYE) 2019*

Open to public agencies who sponsor eligible existing shuttle and ridesharing projects

This competitive grant program is funded by the Bay Area Air Quality Management District's  
Transportation Fund for Clean Air (TFCA) Regional Fund

[www.baaqmd.gov/shuttles](http://www.baaqmd.gov/shuttles)

Applications (both online and a hard copy) must be received by  
4 PM, September 17, 2018

*Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, CA 94105*

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## Background Information

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### BAY AREA AIR QUALITY MANAGEMENT DISTRICT

The Bay Area Air Quality Management District (Air District) is the public agency entrusted with regulating stationary sources of air pollution in the nine counties that surround San Francisco: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, southwestern Solano, and southern Sonoma counties.

The nine counties of the Bay Area form a regional air basin, sharing common geographical features and weather patterns, and therefore similar air pollution burdens, which cannot be addressed by counties acting on their own. Recognizing that air pollution transcends political boundaries, the California Legislature created the Air District in 1955 as the first regional air pollution control agency in the country.

The Air District employs a portfolio strategy to reduce air pollution in the Bay Area through regulations, enforcement, outreach, and incentives. The Air District's incentive programs are funded by local, state, and federal sources and in FYE 2019 over \$100 million will be awarded to projects that reduce air pollution, primarily from mobile sources (e.g., cars, trucks, and off-road equipment).

### TRANSPORTATION FUND FOR CLEAN AIR (TFCA)

Vehicle emissions contribute to unhealthy 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. In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the Bay Area to fund projects that reduce on-road motor vehicle emissions. 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 Sections 44241 and 44242. Annually, the TFCA program generates approximately \$23 million in funding for eligible projects.

Sixty percent (60%) of TFCA funds are awarded directly by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air, Charge! Program) and through a grant program known as the Regional Fund Program. The remaining forty percent (40%) of TFCA funds are forwarded to the designated Congestion Management Agency within each Bay Area county and distributed through the County Program Manager program (see [www.baaqmd.gov/tfca4pm](http://www.baaqmd.gov/tfca4pm) for details).

For FYE 2019, approximately \$6 million of the Air District's TFCA funding is reserved for trip reduction projects, of which up to \$4 million will be awarded to support the operation of eligible shuttle/feeder bus and ridesharing services.

## Program Overview

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Reducing single-occupancy commute trips is one of the key strategies to improving air quality in the Bay Area. For FYE 2019, up to \$4 million of funding will be awarded through the Existing Shuttle/Feeder Bus and Regional Ridesharing Services Grant Program (Program). Public agencies are eligible to apply for funding to support the operation of the following types of trip-reduction services:

- **Shuttle/Feeder Bus Services:** Costs directly related to the operation of existing routes that link commuters to mass transit in areas that are under-served and lack other comparable service.
- **Regional Ridesharing Services:** Costs directly related to the operation and promotion of existing carpool, vanpool, and operation of other existing rideshare services. Projects must be comprised of riders from at least five counties within Air District's jurisdiction, with no one county accounting for more than 80% of all riders.

This is a competitive solicitation; applications received by the submittal deadline will be evaluated and ranked based on their cost-effectiveness at using grant funds to reduce criteria pollutant emissions, with the highest-ranking projects being recommended for award.

*This Program does not provide funding to launch new routes or services, or to pay for costs related to the purchase or lease of vehicles or equipment needed to operate services. Public and private organizations who are seeking funding to purchase new, clean buses, shuttles and other medium- and heavy-duty vehicles are encouraged to apply to the Carl Moyer Program ([www.baaqmd.gov/moyer](http://www.baaqmd.gov/moyer)) or to contact the Air District to learn about other funding opportunities for new and replacement vehicles ([www.baaqmd.gov/grants](http://www.baaqmd.gov/grants)). Public agencies who are seeking funding to start up new shuttle/feeder bus, regional ridesharing, or other trip reduction services are encouraged to apply to the Pilot Trip Reduction Program ([www.baaqmd.gov/ptr](http://www.baaqmd.gov/ptr)) and to contact their local Congestion Management Agencies to inquire about the TFCA County Program Manager program funds (see [www.baaqmd.gov/tfca4pm](http://www.baaqmd.gov/tfca4pm) for details) and other local funding opportunities.*

*The Air District reserves the right to modify this solicitation at its discretion.*

## Pre-Application Webinar and Webinar Schedule

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**Webinar attendance is required for new applicants who were not awarded TFCA Program funds in FYE 2018, and voluntary (but highly encouraged) for current project sponsors.**

Air District staff will conduct pre-application webinars (free and online) to review program requirements, application process, evaluation criteria, and grantee/project sponsor's administrative requirements. Please note that registration is required to sign-up for a webinar, and early registration is encouraged as **each webinar is limited to 100 attendees**. The following webinars have been scheduled:

***Register to attend one of the following webinars:***

- [Register](#) for the Tuesday, August 14, 2018 (10:30AM – 11:30AM) webinar
- [Register](#) for the Monday, August 27, 2018 (1:30PM – 2:30PM) webinar

Based on demand, additional webinars may be scheduled in the future. Information on the webinars will be posted to the Program's website ([www.baaqmd.gov/shuttles](http://www.baaqmd.gov/shuttles)), and interested parties are encouraged to sign up for the Air District's TFCA emailing list at <http://www.surveymonkey.com/r/tfcemails> and to check the Program's website regularly for updates.

## Key Program Requirements

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Each proposed shuttle route and rideshare component must independently meet all Program requirements. Applicants should read this entire document which contains a complete listing of Program requirements (including those listed in APPENDIX A and B). A summary of key Program requirements is listed below.

### BASIC ELIGIBILITY REQUIREMENTS

- **Applicant / Project Sponsor must be a public agency that operates an existing shuttle/feeder bus or regional ridesharing service.** Other non-governmental entities, such as non-profits and private businesses may partner with a public agency, but the public agency must serve as lead applicant and project administrator.
- **Service must be available to all members of the public.** Services that are limited to only one group, e.g., Project Sponsor's employees or students, are not eligible.
- **Service must be pre-existing and have at least 18 months of usage/service data at the time of application.** Applicants must submit the raw data of a User Survey that was conducted within the previous 12 months as part of the application. Please see the "Resources" section in the Program website for a list of questions that must be included in the User Survey. User surveys that don't cover the Air District's approved questions will not be accepted.
- **Service must be located within the Air District's jurisdiction.** For services that travel outside of the Air District's jurisdiction, only the portion that is located within the Air District's jurisdiction will be used for determining the Project's cost-effectiveness and be eligible for funding.
- **Applicant must be in "good standing" with the Air District.** See APPENDIX A, Policy #s 11, 12, and 13 for more information.

- **Additional requirements for shuttle/feeder bus services:**
  - Each route must serve an area that is under-served and lack other comparable service. See APPENDIX A, Policy #28.d for more information.
  - Each route must provide direct service connections between a mass transit hub and a distinct commercial or employment location and each route's service schedule must be coordinated to have a timely connection with the corresponding mass transit service. Mass transit hubs include rail or Bus Rapid Transit (BRT) stations, ferry or bus terminals, or airports. Routes that primarily serve as local-circulators or that provide local transit service are not eligible.
  - Program funds may only be used to pay for weekday commute peak-hour service that is provided between 5:00-10:00 AM and 3:00-7:00 PM.
- **Additional requirement for ridesharing services:** Components must be comprised of riders from at least five counties within the Air District's jurisdiction, with no one county accounting for more than 80% of all riders.

## **KEY PROJECT SPONSOR OBLIGATIONS**

Project Sponsors must agree to and do all of the following:

- Coordinate with all transit districts/agencies that provide service in the proposed project service-area to ensure there is no conflict with other existing services. Applications must include a letter of concurrence from the local transit district or agency certifying that the service does not conflict with existing service;
- Be able to pay for all project costs up-front as awarded Program funding is paid on a reimbursement basis after services have been rendered;
- Be able to provide match funding to cover all costs that will not be reimbursed by Program funding;
- Sign (Execute) the Funding Agreement and return to the Air District within 60 days of receiving it;
- Obtain and maintain the required insurance throughout the operational phase;
- Submit the following reports to the Air District:
  - **Operations Reports** that summarize the project's progress over the previous 6-month period (January to June and July to December) and report current status; and
  - A **Final Report**, following the conclusion of the Project's Operational Phase;
- Conduct a User Survey using Air District approved questions within the first six months of the Project's Operational Phase to evaluate behavior changes as a result of the service (see "Resources" section of the Program website for more information). The results and raw data from the User Survey must be submitted along with the first Operations Report;
- Acknowledge the Air District as a funding source in printed and electronic materials describing the project, such as brochures, handbooks, announcements, newsletters and press releases, and by affixing the Air District logo on any vehicles that are used to provide the TFCA-funded service; and
- Allow Air District staff and its authorized representatives to inspect the Project and conduct financial audits, including all records relating to project performance and expenses incurred.

## **Project Funding and Eligible Costs**

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### **AWARD AMOUNTS (MAXIMUM AND MINIMUM) AND MATCH FUNDING**

**Funding amounts will be determined on a per-route and per component-basis by the Air District to ensure that each route and component is cost-effective.** A Project's cost effectiveness is based on the amount of criteria pollutant emissions potentially reduced by each of the Project's route(s) and service component(s); highly cost-effective projects may qualify for the maximum Program funding limit of 90% of total Eligible Costs, not to exceed \$1.5 million. Applicants are encouraged to contact the Air District to discuss their Project's cost-effectiveness prior to applying. Applicants are also encouraged to request less Program funds than what is determined to be cost-

effective to improve their Project's ranking and competitiveness. Project Sponsors who reduce their scope of work post-award will have their award amounts recalculated and reduced proportionally, or cancelled.

- **Maximum award amount: 90% of total Eligible Costs, not exceed \$1.5 million.** No one applicant may receive more than \$1.5 million total in TFCA Regional Fund funding per calendar year.
- **Minimum award amount: \$10,000.** Each Project must qualify for at least \$10,000 in Program funding to be eligible. Project Sponsors who modify their Project's scope of work post-award such that their award is reduced to below this threshold will have their entire award cancelled.
- **Match Funding:** Applicants must be able to provide match funding to cover all costs prior to reimbursement, all costs that will not be reimbursed by Program funding, and a minimum of 10% of Eligible Costs.

Applicants are responsible for assuring that their acceptance of Program funds and any match funding used for their Project does not conflict with federal, state, local, or other requirements. Applicants are also responsible for ensuring that their match funding sources is compatible with these Program funds (e.g., not another TFCA fund source).

## **REIMBURSEMENT PROCESS**

Grant funding is paid on a reimbursement basis for Eligible Costs AFTER all invoiced costs have been incurred and paid by the Project Sponsor and after the Air District has reviewed and approved all invoices and required reports.

Reimbursements requests may be submitted as often as quarterly. Fifteen percent (15%) of the eligible reimbursable funds will be withheld from each payment until after the Air District has received and approved the Final Report and Final Invoice. Details on the payment schedule are specific to each Project and will be specified in Attachment B of the funding agreement.

Project Sponsors must use the Air District's General Invoice Form when submitting a reimbursement request. A copy of the General Invoice Form, including the instructions for completing the form, is available in the "Resources" section of the Program website.

*The Air District will not process any reimbursement requests until the Project Sponsor has fulfilled all of the obligations for their projects that have been awarded funding by the Air District.*

## **ELIGIBLE COSTS**

Grant funding may only be used to reimburse for the approved Eligible Costs specified in the funding agreement that were incurred by the Project Sponsor **and** that are directly and solely related to the operation of the project. Also, only approved Eligible Costs may be counted toward the match funding requirement. Eligible Costs may include:

- Documented hourly labor charges (salaries, wages, and benefits) and contractor labor charges; and
- For Ridesharing Services only: marketing and outreach materials (e.g. flyers, email campaign).

## **INELIGIBLE COSTS**

Project related costs that are not specified in the funding agreement (in Eligible Costs), are considered ineligible costs, and will not be reimbursed with Program funding and may not be counted towards the match funding requirement. The following are examples of ineligible costs:

- Costs associated with non-essential (i.e., not directly related to the operation of the service) hardware/equipment or labor;
- Costs related to vehicles that provide service (e.g. purchase of vehicles, leases, maintenance);
- Costs related to grant administration (e.g., salaries, wages, benefits, supplies, equipment and other office expenses) including but not limited to the following types of costs incurred:
  - Costs that were incurred prior to the execution of a funding agreement;

- Costs associated with the accounting of TFCA funds and participation in audit proceedings;
  - Costs associated with the application phase, project status monitoring, reporting, and record-keeping and other requirements specified in the TFCA Funding Agreement; and
  - Other indirect administrative costs, including management fees and overhead, e.g., costs of utilities, office supplies, property fees/leases.

# Program Process and Schedule

## **APPLICATION INSTRUCTIONS**

To apply:

1. Complete and submit an online application along with the required supplemental documents (note: the application will work best using Google Chrome or Mozilla Firefox browsers). Links to the online application can be found on the Program website at [www.baaqmd.gov/shuttles](http://www.baaqmd.gov/shuttles).

The required supplemental documents include:

- A signed Letter of Commitment or Resolution that authorizes the submittal of the application; identifies the individual authorized to submit and carry out the proposal; and commits the sponsoring agency to provide all necessary funds to undertake the project including matching funds.
  - Documentation showing the total number of annual users of the service during the peak-commute hour window. For shuttle/feeder bus services, these are reported as boardings and for rideshare projects as the number of participants or riders.
  - Raw data from the User Survey (See the “Resources” section of the Program website for more information) conducted within the past 12 months (exported in an Excel spreadsheet). Note that only surveys that use Air District approved questions will be considered.
  - Documentation showing methodology for all calculations used, including assumptions (e.g. commute mode and one-way trip distance) and equations.
  - Documents for each vehicle that will be providing service, as applicable, including:
    - A copy of the vehicle’s current Department of Motor Vehicle (DMV) registration;
    - Executive Order for each vehicle’s engine; and
    - Executive Order of retrofit device, if applicable.
  - A map and schedule for each service route.
  - A letter of concurrence from all transit districts or transit agencies that provide service in the area of the proposed route or component, certifying that the service does not conflict with existing service. (see Policy #28.i in APPENDIX A for more information).

2. Mail one printed and signed copy of the online application AND the required supplemental documents to the Air District at the address below. The deadline for receiving the hard copy of the package is 4 PM, September 17, 2018 (*board resolutions may be submitted after the due date, but no later than October 3, 2018*).

Printed copy: Attn: Chengfeng Wang, Grant Program Manager  
Strategic Incentives Division  
Bay Area Air Quality Management District  
375 Beale Street Suite 600  
San Francisco, CA 94105

## EVALUATION AND AWARDS

The Air District will evaluate all applications received by the deadline, rank eligible projects according to cost-effectiveness, and recommend Program funding awards to the highest ranked routes and components.

The Air District will evaluate applications using the information provided in the application and the User Survey and calculate the amount of criteria pollutant emissions that can be potentially reduced by each route and

component. The Air District will then determine whether the Project is cost-effective at the requested funding amount and will notify applicants if their requested amount exceeds the cost-effectiveness limit and must be reduced.

The cost-effectiveness of a Project represents its effectiveness at using the Program funds to reduce criteria pollutant emissions and is equal to the amount of Program funding requested divided by the amount of criteria pollutant emissions potentially reduced. Typically, projects that use the cleanest (i.e., zero-emission) shuttle or vanpool vehicles; that reduce a large number of single occupancy vehicle commute trips; and predominantly connect commuters to mass transit, will rank higher.

*Applicants requesting less Program funds than what is determined to be cost-effective will rank higher.*

## **OPERATIONAL PHASE**

Applicants may specify the start and end dates of their Project's Operational Phase; however, the Operational Phase must begin in calendar year 2019 and may not be longer than 12 months. During this phase, the Project Sponsor must:

- Operate the shuttle/feeder bus or regional ridesharing service in compliance with all Program and funding agreement requirements;
- Maintain required insurance;
- Submit Operational Reports that summarize the Project's progress over the previous 6-month period (January to June and July to December) and current status; and
- Conduct the User Survey using Air District approved questions within the first six months of the Project's Operational Phase and submit the results and raw data along with the first Operations Report.

Only the approved Eligible Costs incurred during the Operational Phase may be reimbursed with Program funding. Within three months following the end of the Operational Phase, the Project Sponsor must submit a Final Report and Final Invoice.

## **RECORDS RETENTION PHASE**

The Project Sponsor must maintain all Project records in a centralized location for three years from the date of the Air District's final reimbursement payment. A fiscal audit of the Project will be conducted during this phase.

## **PROGRAM SCHEDULE (TENTATIVE)**

Date	Activity
August 1, 2018	Program solicitation released
August 14 & 27, 2018	Pre-application webinars
<b>By 4 PM, Monday, September 17, 2018</b>	<b>Application Deadline—Last day to submit applications</b>
By 4 PM, October 3, 2018	Deadline to receive Board/Council Resolutions
October 2018	Air District Mobile Source Committee considers recommendation for awards to highest ranking applicants
November-early December 2018	Board of Directors considers recommendation for awards to highest ranking applicants and Air District issues Notice of Proposed Award  <b>Proposed funding agreements</b> sent to awardees for signature
By December 28, 2018	<b>All funding agreements executed</b>

<p>During the Project Operational Phase</p>	<p><b>Project Sponsor:</b></p> <ul style="list-style-type: none"> <li>• <b>Submits Invoices:</b> as often as quarterly</li> <li>• <b>Submits Operations Reports:</b> due by September 1 (for the January to June reporting period) and by March 1 (for the July to December reporting period)</li> <li>• <b>Conduct User Survey of Riders/Program Participants:</b> within the first six months of operations and the results and data submitted to the Air District along with the first Operations Report.</li> </ul> <p><b>Air District:</b></p> <ul style="list-style-type: none"> <li>• <b>Payment(s):</b> made after the Air District's approval of each invoice</li> <li>• <b>Physical Inspection:</b> Air District, or its representatives, may conduct a physical inspection of the service</li> </ul>
Within three months after the end of the Project Operational Phase	Project Sponsor submits the Final Report and Final Invoice.
Project Closure and Records Retention Phase	<p>Air District reviews the Final Report and Invoice, notifies Project Sponsors whether there are any outstanding obligations, and reimburses Project Sponsor for any remaining eligible grant funds owed once all outstanding obligations have been fulfilled.</p> <p>The <b>Project Sponsor must maintain all Project records</b> in a centralized location for three years from the date of the Air District's final reimbursement.</p> <p>Additionally, a <b>fiscal audit will be conducted for every Project</b>, and Project Sponsors are required to cooperate.</p>

## Other Grant Opportunities

This Program does not provide funding to launch new routes or services, or to pay for costs related to the purchase or lease of vehicles or equipment needed to operate services. Public and private organizations who are seeking funding to purchase new, clean buses, shuttles and other medium- and heavy-duty vehicles are encouraged to apply to the Carl Moyer Program ([www.baaqmd.gov/moyer](http://www.baaqmd.gov/moyer)) or to contact the Air District to learn about other funding opportunities for new and replacement vehicles ([www.baaqmd.gov/grants](http://www.baaqmd.gov/grants)). Public agencies who are seeking funding to start up new shuttle/feeder bus, regional ridesharing, or other trip reduction services are encouraged to apply to the Pilot Trip Reduction Program ([www.baaqmd.gov/ptr](http://www.baaqmd.gov/ptr)) and to contact their local Congestion Management Agencies to inquire about the TFCA County Program Manager program funds (see [www.baaqmd.gov/tfca4pm](http://www.baaqmd.gov/tfca4pm) for details) and other local funding opportunities.

The Air District currently offers grants and incentives for the following project types:

- Trucks, buses, and refueling infrastructure
- School buses
- Off-road vehicles and equipment
- Light-duty vehicle buy-back
- Trip reduction pilot projects
- Marine vessels
- Locomotives
- Agricultural equipment
- Wood-burning fireplace and stove replacements

For more information on **these Air District Grants and Incentives and to learn about new programs** contact us:

Website: [www.baaqmd.gov/grants](http://www.baaqmd.gov/grants) Email: [grants@baaqmd.gov](mailto:grants@baaqmd.gov)

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## APPENDIX A: FYE 2019 TFCA Regional Fund Policies and Evaluation Criteria

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### **TFCA REGIONAL FUND POLICIES**

#### **BASIC ELIGIBILITY**

1. **Eligible Projects:** Only projects that result in the reduction of motor vehicle emissions within the Air District's jurisdiction are eligible. Projects must conform to the provisions of the California Health and Safety Code (HSC) sections 44220 et seq. and Air District Board of Directors adopted TFCA Regional Fund Policies and Evaluation Criteria for FYE 2019.

Projects must achieve surplus emission reductions, i.e., reductions that are beyond what is required through regulations, contracts, and other legally binding obligations at the time the Air District executes the project's funding agreement.

2. **TFCA Cost-Effectiveness:** Cost-effectiveness (\$/weighted ton) is the ratio of TFCA funds awarded to 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).

Existing Shuttle/Feeder Bus Services (Policy #28) and Existing Regional Ridesharing Services (Policy #30) must not exceed the maximum cost-effectiveness (C-E) of:

- \$250,000/weighted ton for shuttle/feeder bus services in CARE Areas or PDAs;
- \$200,000/weighted ton for shuttle/feeder bus services in non-CARE Areas or PDAs; and
- \$150,000/weighted ton for existing regional ridesharing services in all areas.

3. **Consistent with Existing Plans and Programs:** All project categories must comply with the Transportation Control and Mobile Source Control Measures included in the Air District's most recently approved strategy(ies) for achieving and maintaining State and national ozone standards; those plans and programs established pursuant to California Health & Safety Code (HSC) sections 40233, 40717 and 40919; and, when specified, other adopted Federal, State, regional, and local plans and programs.
4. **Eligible Recipients and Authority to Apply:** Applicants must have the legal authority, as well as the financial and technical capability, to complete projects. In addition, the following conditions apply:
  - a. **Eligible Recipients:** Only public agencies are eligible to apply.
  - b. **Authority to Apply:** Applicants 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 these 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).
5. **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. Project applicants must demonstrate 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.
6. **Minimum Grant Amount:** \$10,000 per project.
7. **Maximum Grant Amount:** Each public agency may be awarded up to \$1,500,000 per calendar year.
8. **Readiness:** Projects must commence by the end of calendar year 2019 or within 12 months from the date of execution of the funding agreement with the Air District, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the beginning of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a service contract.

9. **Maximum Two Years Operating Costs for Service-Based Projects:** TFCA Regional Funds may be used to support up to two years of operating costs.
10. **Project Revisions:** The Air District will consider only requests for modifications to approved projects that are within the same project categories, achieve the same or better cost-effectiveness, comply with all TFCA Regional Fund Policies, and are in compliance with all applicable federal and State laws, and Air District rules and regulations. The Air District may also approve minor modifications, such as to correct typographical mistakes in the grant agreements or to change the name of the grantees, without re-evaluating the proposed modification in light of the regulations, contracts, and other legally-binding obligations that are in effect at the time the minor modification was proposed.

## APPLICANT IN GOOD STANDING

11. **In Compliance with Air Quality Regulations:** Applicants must certify that, at the time of the application and at the time of issuance of the grant, they are in compliance with all local, State, and federal air quality regulations. Applicants who are in compliance with those laws, rules and regulations, but who have pending litigation or who have unpaid civil penalties owed to the Air District, may be eligible for funding, following a review and approval by the Air District. The Air District may terminate a grant agreement and seek reimbursement of distributed funds from the project sponsor who was not eligible for funding at the time of the grant.
12. **In Compliance with Agreement Requirements:** Project sponsors who have failed to meet contractual requirements such as project implementation milestones or monitoring and reporting requirements for any project funded by the Air District may not be considered eligible for new funding until such time as all of the unfulfilled obligations are met.
13. **Independent Air District Audit Findings and Determinations:** Project sponsors who have failed either a fiscal audit or a performance audit for a prior Air District funded project will be excluded from future funding for three (3) years from the date of the Air District's final determination in accordance with HSC section 44242. Additionally, project sponsors with open projects will not be reimbursed until all audit recommendations and remedies have been satisfactorily implemented.

A failed fiscal audit means an uncorrected audit finding that confirms an ineligible expenditure of funds. A failed performance audit means that a project was not implemented as set forth in the project funding agreement.

Project sponsors must return funds that the Air District has determined were expended in a manner contrary to the TFCA Regional Fund's requirements and/or requirements of HSC Code section 44220 et seq.; the project did not result in a surplus reduction of air pollution from the mobile sources or transportation control measures pursuant to the applicable plan; the funds were not spent for surplus reduction of air pollution pursuant to a plan or program to be implemented by the TFCA Regional Fund; or otherwise failed to comply with the approved project scope, as set forth in the project funding agreement. Applicants who failed to reimburse such funds to the Air District from prior Air District funded projects will be excluded from future TFCA funding.

14. **Executed Funding Agreement:** Only a fully-executed funding agreement (i.e., signed by both the project sponsor and the Air District) constitutes the Air District's award of funds for a project. Approval of an application for the project by the Air District Board of Directors or notices such as a transmittal letter announcing the proposed award do not constitute a final obligation on the part of the Air District to fund a project.

Applicants must sign funding agreements within 60 days from the date the agreements were transmitted to them in order to remain eligible for award of TFCA Regional Funds. Applicants may request, in writing, an extension of up to no more than 180 days from the transmittal date to sign the grant agreements. The request shall include the basis for an extended signature period. At its discretion, the Air District may authorize such an extension.

15. **Maintain Appropriate Insurance:** Project sponsors must obtain and maintain general liability insurance and additional insurance that is appropriate for its specific project type throughout the life of the project, with coverage being no less than the amounts specified in the respective funding agreement. Project sponsors shall require their subcontractors to obtain and maintain such insurance of the type and in the amounts required by the grant agreements.

## INELIGIBLE PROJECTS

16. **Planning Activities:** The costs of preparing or conducting feasibility studies are not eligible. Other planning activities may be eligible, but only if the activities are both: 1) directly related to the implementation of a specific project or program, and 2) directly contribute to the project's emissions reductions.
17. **Cost of Developing Proposals and Grant Applications:** The costs to prepare grant applications are not eligible.
18. **Duplication:** Projects that have previously received TFCA Regional or County Program Manager funds and do not propose to achieve additional emission reductions are not eligible.

## USE OF TFCA FUNDS

19. **Combined Funds:** TFCA County Program Manager Funds may not be combined with TFCA Regional Funds to fund a TFCA Regional Fund project.
20. **Administrative Costs:** TFCA Regional Funds may not be used to pay for administrative costs (i.e., the costs associated with administering a TFCA Regional Fund grant).
21. **Expend Funds within Two Years:** Project sponsors must expend the grant funding within two (2) years of the effective date of their grant agreement. Applicants may request a longer period in the application, by submitting evidence that a longer period is justified to complete the project due to its unique circumstance. Project sponsors may request a longer period before the end of the agreements' second year in the event that significant progress has been made in the implementation of the project. If the Air District approves a longer period, the parties shall memorialize the approval and length of the extension formally (i.e., in writing) in the grant agreement or in an amendment to the executed grant agreement.

## ELIGIBLE PROJECT CATEGORIES

To be eligible for funding from the TFCA Regional Fund, a proposed project must meet the purposes and requirements for the particular category's type of project.

**Policies 22-27, 29, 31, and 32: Reserved.** For other eligible TFCA Project Categories (22-27, 29, 31, and 32), please visit our website at [www.baaqmd.gov/grants](http://www.baaqmd.gov/grants)

### Trip Reduction Projects

28. **Existing Shuttle/Feeder Bus Services:** The project will reduce single-occupancy vehicle commute-hour trips by providing the short-distance connection between a mass transit hub and one or more definable commercial hubs or employment centers:
- a. The service must provide direct service connections between a mass transit hub (e.g., a rail or Bus Rapid Transit (BRT) station, ferry or bus terminal, or airport) and a distinct commercial or employment location;
  - b. The service's schedule must be coordinated to have a timely connection with the corresponding mass transit service;
  - c. The service must be available for use by all members of the public;
  - d. TFCA Regional 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. **Reserved.**
  - f. TFCA Regional Funds may be used to fund services only during commuter peak-hours, i.e., 5:00-10:00 AM and/or 3:00-7:00 PM;
  - g. Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) of the project;
  - h. Project Sponsors must be either: (1) a public transit agency or transit district that directly operates the shuttle/feeder bus service, or (2) a city, county, or any other public agency;
  - i. Applicants 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; and
  - j. Projects that would operate in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program, or in Priority Development Areas (PDAs), may qualify for funding at a higher cost-effectiveness limit (see Policy #2).
30. **Existing Regional Ridesharing Services:** The project will provide carpool, vanpool, and other rideshare services. For TFCA Regional Fund eligibility, ridesharing projects must be comprised of riders from at least five counties within Air District’s jurisdiction, with no one county accounting for more than 80% of all riders, as verified by documentation submitted with the application.
- If a project includes ride-matching services, only ride-matches that are not already included in the Metropolitan Transportation Commission’s (MTC) regional ridesharing program are eligible for TFCA Regional Funds. Projects that provide a direct or indirect financial transit or rideshare subsidy are also eligible under this category. Applications for projects that provide a direct or indirect financial transit or rideshare subsidy exclusively to employees of the project sponsor are not eligible.

### **TFCA REGIONAL FUND EVALUATION CRITERIA**

1. Projects must meet all of the applicable TFCA Regional Fund policies.
2. Applications will be reviewed after the submittal deadline and eligible projects will be ranked based on their cost-effectiveness score and conformity to the Program requirements.
3. Up to sixty percent (60%) of TFCA Regional Funds will be prioritized for projects that meet one or more of the following criteria:
  - a. Projects in Highly Impacted Communities or Episodic Areas as defined in the Air District Community Air Risk Evaluation (CARE) Program;
  - b. Projects in Priority Development Areas (PDAs).

## APPENDIX B: Insurance Guidelines

This appendix provides guidance on the insurance coverage and documentation typically required for TFCA Regional 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 the project sponsor meets the following requirements for each of its projects.

- a) **Liability Insurance** with a limit of not less than \$1,000,000 per occurrence, of the type usual and customary to the business of the Project Sponsor, and to the operation of the vehicles, vessels, engines or equipment operated by the Project Sponsor.
- b) **Property Insurance** in an amount of not less than the insurable value of Project Sponsor's vehicles, engines or equipment funded under the Agreement, and covering all risks of loss, damage or destruction of such vehicles, vessels, engines or equipment.
- c) **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 table lists the types of insurance coverage generally required. The requirements may differ in specific cases. Project Sponsors should contact the Air District with questions, especially about unusual projects.

Activity	Insurance Required
Operation of shuttles and vanpools	Commercial General Liability Automobile Liability Automobile Physical Damage Workers Compensation
Ridesharing operation	Commercial General Liability Automobile Liability (if applicable) Automobile Physical Damage (if applicable) Workers Compensation (if applicable)