### Planning Committee STAFF REPORT

**Meeting Date:** June 3, 2015

<table>
<thead>
<tr>
<th>Subject</th>
<th>Adoption of Resolution 15-30-G Finding FY 2015-16 TFCA Projects Meet Bay Area Air Quality Management District (BAAQMD) Cost Effectiveness Criteria</th>
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<tr>
<td>Summary of Issues</td>
<td>On March 18, 2015 the Authority approved Resolution 15-12-G authorizing the submittal of the FY 2015-16 TFCA Program Manager Expenditure Plan to the Bay Area Air Quality Management District. At that time the proposed projects were approved by each RTPC and by the Authority, in concept, for budgeting purposes. Under the revised TFCA program policies, which provide more decision making authority to each county, each county program manager has the responsibility of determining cost effectiveness of approved projects. Pursuant to Board approval of expenditure plan projects, Authority staff will forward the Project Information Sheets and Cost Effectiveness Worksheets to the BAAQMD.</td>
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<td>Recommendations</td>
<td>Approve Resolution 15-30-G - Cost Effectiveness of FY 2015-16 Contra Costa Transportation Fund for Clean Air (TFCA) County Program Manager projects.</td>
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<td>Financial Implications</td>
<td>The proposed projects have been included in the Authority's budget. TFCA revenues are generated from a dedicated outside funding source and passed through to counties. The Authority is allowed to keep up to 5 percent of the funds received to administer the program.</td>
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<td>Options</td>
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| Attachments *(See PC Packet dated 6/3/15)* | A. Resolution 15-30-G  
B. Project Descriptions and Cost Effectiveness worksheets |
| Changes from Committee | None |
Background

The FY 2015-16 TFCA Program Manager cycle is the sixth year that the BAAQMD has released some of its authority to the county program managers for administering the program. Ultimately this should reduce some of the administrative burden and help “streamline” the program versus previous years.

One of the primary changes is that the BAAQMD will no longer make a determination regarding cost effectiveness or approve individual programs. This process has been shifted to each County Program Manager. The new procedure will not require individual projects to be associated with the funding agreement between the Authority and the BAAQMD so amendments to the funding agreement will not be necessary if a project’s scope changes.

For the purpose of meeting this new requirement, Authority staff has reviewed the TFCA Contra Costa County Program Manager projects submitted for FY 2015-16, as discussed below.

Project Evaluation

To determine eligibility, Authority staff evaluated the projects in TFCA expenditure plans for compliance with the following requirements:

1. *Consistency with State Law:* the projects shall be consistent with one of the eligible project categories listed in Health and Safety Code (HSC) Section 44241.

2. *Reduction of Emissions from Motor Vehicles:* pursuant to HSC Section 44220(b), the projects shall reduce emissions from motor vehicles.

3. *Consistency with Air District Adopted Policies:* the projects shall be consistent with policies adopted by the Air District Board of Directors.

TFCA Cost Effectiveness

Pursuant to policies adopted by the Air District Board of Directors, individual projects included in Resolution 15-30-G must achieve a TFCA cost effectiveness of equal to or less than $90,000 per ton (TFCA dollars per weighted ton of emissions reduced over the life of the project). TFCA County Program Manager administrative costs are excluded from the calculation of TFCA cost effectiveness. The proposed projects are consistent with projects submitted in previous years and their cost effectiveness has been calculated using approved BAAQMD templates. According to the templates all of the projects are less than the maximum $90,000 per ton of emissions.

While the BAAQMD looks only at TFCA dollars on an individual project basis to determine cost effectiveness, staff also looked at total TDM program cost effectiveness using BAAQMD calculators for both TFCA and Total Costs – including Measure J and CMAQ funds – at an aggregate level. By adding in Measure J Commute Alternative funds and CMAQ funds the cost
increases to $32,209 per ton of air pollutants reduced, which is still well below the BAAQMD
threshold for $90,000 per ton.

Project List

Summary information for all of the projects in the FY 2015-16 TFCA County Program Manager
expenditure plan is provided in Resolution 15-30-G, which lists the project sponsor, the project
description, the TFCA funds requested, and TFCA cost effectiveness.

As required by a policy adopted by the Air District Board of Directors, all projects recommended
for funding comply with the $90,000 per ton TFCA threshold cost effectiveness on an individual
basis, as calculated using formulas provided by Air District staff.
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