

September 15, 2014

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Mr. Matthew Rodriquez
Secretary, California Environmental Protection Agency
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

Ms. Mary Nichols
Chairman, California Air Resources Board
1001 I Street
P.O. Box 2815
Sacramento, CA 95812

RE: CalEPA Identification of Disadvantaged Communities & ARB Interim Guidance

Dear Secretary Rodriquez and Chairman Nichols:

The Solano Transportation Authority (STA) appreciates the opportunity to provide comments during the definition development of disadvantaged communities (DACs) proposed by the California Environmental Protection Agency (CalEPA) pursuant to Health & Safety (H&S) Code 39711 and the Interim Guidance proposed by the Air Resources Board (ARB) for state agencies administering Greenhouse Gas Reduction Fund monies pursuant to H&S Code 39715.

The STA supports SB 535 (De Leon) and CalEPA's goal of ensuring that DACs benefit from Cap and Trade investments. However, we have concerns about the use of CalEnviroScreen's (CES) Method 1, or any of the 4 alternatives presented, as the way to identify such communities. Method 1 would exclude communities that have the greatest socioeconomic hardship and where improved transportation and affordable housing options are needed most, undermining the key goals of SB 535 and cost-effective use of Cap & Trade funds.

The existing legislation allows CalEPA to define DACs based on criteria that may include, but are not limited to, a combination of population based and environmental metrics. However, CalEPA's proposed Method 1 requires that a census tract score relatively high in all 19 criteria in order to be identified as a DAC. Using this approach, many communities that are severely disadvantaged in terms of a few key health factors, such as poverty, low education, low birth weight, asthma rates, air quality, and exposure to hazardous wastes, fall short of the top 20% threshold. Consider the following counterintuitive results of Method 1:

- Of the top 10 *most impoverished* census tracts in the Bay Area — where poverty rates exceed 70 percent— not a single one is included in Method 1.
- Of the 46 census tracts that *are* identified by Method 1, 20 are census tracts where the poverty rate is actually less than 50 percent.

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Method 1 identifies only one census tract in Solano County as a disadvantaged community. The geographically large census tract includes the City of Rio Vista and the surrounding unincorporated area, which account for 8,243 residents or less than 2% of the total county population. This census tract scores highly on the CES pollution burden and moderate on the population burden due to a high senior population.

Conversely, 16 severely disadvantaged census tracts in the cities of Fairfield and Vallejo, which score among the top 20% for population burden, are not considered disadvantaged under Method 1. Among these 16 communities, 9 score amongst the 90th percentile for population burden, of which 2 communities score in the 97th percentile and 1 in the 98th percentile for population burden. Under Method 1, too many financially burdened communities in Solano County and the greater Bay Area region would be moved to the back of the funding line.

We appreciate that the development process of CES was a multi-year, public process that included stakeholder and statewide agency consultation. As a result, the STA encourages CalEPA to consider an alternative approach proposed by the Bay Area Air Quality Management District, defined as “Method 6,” which builds upon the existing CES. We strongly believe this Method 6 better reflects the intent of SB 535 and more closely aligns with the Bay Area’s Sustainable Communities Strategy, *Plan Bay Area*. In addition, we urge CalEPA to set the threshold for determining disadvantage at the top 30% rather than 20% so as not to overlook DACs whose scores might be on the cusp of the stricter thresholds.

What does Method 6 look like for Solano County? It includes 8 census tracts, home to approximately 33,000 Solano County residents.

- 5 out of 8 score in the 90th or higher percentile for population burden
 - 6 out of 8 have 35% or higher concentration of households living in poverty, of which 3 have household poverty rates that exceed 65%
 - 5 out of 8 score in the 90th or higher percentile for emergency visits for asthma
- 2 out of 8 score in the 85th or higher percentile for pollution burden
- 5 out of 8 are a MTC Community of Concern

Finally, we encourage you to take more time to identify DACs and the method for determining project benefit so that you can carefully consider public comments before you make a final decision. ARB’s scheduled adoption of its interim guidance on September 18 — just two full days after the close of public comment— leaves little opportunity for ARB staff to consider these comments before finalizing their proposal. CalEPA has indicated a similarly rushed schedule with plans to finalize identification of DACs by the end of September.

Regarding ARB’s Interim Guidance, STA’s comments are specific to the two-step approach used to evaluate Cap and Trade funded programs and the Affordable Housing and Sustainable Communities (AHSC) Program. Although the two-step process acknowledges that projects may provide direct, quantifiable benefits to disadvantaged communities without being located within the disadvantaged community, STA is concerned that the geographic boundaries used to define whether or not a project benefits a DAC (1/2 miles in the case of the AHSC program) is arbitrary and may exclude investments that would provide tremendous benefits to DACs.

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The AHSC program is the broadest of all the Cap and Trade funding programs in terms of project eligibility, but the reference to displacement in this criterion suggests it is strictly a housing program. STA strongly encourages that ARB revise the guidelines and clearly define "benefit" as it relates to all project types in the statute, consistent with legislative intent and reflective of the range of sustainable communities strategy investments designed to reduce GHG emissions.

Thank you for giving these recommendations consideration.

Sincerely,



Daryl K. Halls
Executive Director

Cc: The Honorable Lois Wolk, 3rd Senate District
The Honorable Susan Bonilla, 14th Assembly District
The Honorable Jim Frazier, 11th Assembly District
The Honorable Mariko Yamada, 4th Assembly District
STA Board Members
Steve Heminger, MTC
Jack Broadbent, BAAQMD