



## SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

1523 Pacific Ave., Santa Cruz, CA 95060-3911 • (831) 460-3200 FAX (831) 460-3215 EMAIL [info@sccrtc.org](mailto:info@sccrtc.org)

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Matt Rodriquez  
Secretary  
California Environmental Protection Agency  
1515 Clay Street, Suite 1600  
Oakland, CA 94612

Mary D. Nichols  
Chairman  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Re: **“Disadvantaged Communities” and Cap & Trade Programs**

Dear Mr. Rodriquez and Ms. Nichols:

Thank you for the opportunity to review and provide input on California Environmental Protection Agency and California Air Resources Board proposals for investing Cap-and-Trade auction proceeds in disadvantaged communities. As the Regional Transportation Planning Agency (RTPA) and Local Transportation Commission for Santa Cruz County, the Santa Cruz County Regional Transportation Commission (RTC) is working to reduce greenhouse gas emissions (GHG) and expand travel options, access, and mobility, especially for transportation disadvantaged communities. While many residents of Santa Cruz County are considered disadvantaged under a wide range of definitions, it appears that most (if not all) of Santa Cruz County’s disadvantaged communities would not meet the definitions initially proposed by CalEPA for Cap-and-Trade programs, and would be excluded from competing for a significant portion of the funds if current proposals are implemented. This could mean millions in lost funds for transportation, housing, agriculture, health, social services and other important programs in Santa Cruz County.

RTC staff appreciates the opportunity to work with CalEPA, ARB, and other state agencies to ensure that the definition of disadvantaged communities (DAC) established for Cap-and-Trade programs are effective in achieving the goals of the Cap and Trade programs and SB535 and do not result in the exclusion of communities that are truly disadvantaged. As guidelines for the Cap-and-Trade programs are refined, RTC staff respectfully request your consideration of the following comments, concerns and suggestions in order to ensure that Santa Cruz County’s disadvantaged populations can benefit from cap-and-trade programs.

- CalEnviroScreen 2.0 (CESv2) is helpful at evaluating how some areas of the state are impacted by a wide range of geographic, socioeconomic, public health and environmental hazard criteria. However, the proposed methods for weighting a broad range of CalEnviroScreen criteria and averaging of conditions in relatively large areas (census tract) will entirely omit many, disadvantaged populations around the state. Many excluded areas in Santa Cruz County actually do have populations that should be recognized as “disadvantaged”, and are recognized as such under most understandings of the term. This includes definitions of disadvantaged set by U.S. HUD for CFBG, UC Davis Center for Regional Change metrics (ratio of low-wage jobs to affordable housing units), the California Department of Water Resources, California Transportation Commission (CTC), and U.S. DOT.
- SB535 notes that criteria for identifying disadvantaged communities could include: areas with concentrations of people that are of low income, have high unemployment, have low levels of home ownership, have a high rent burden, are in sensitive populations, or have low levels of educational attainment, or are in areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure or environmental degradation. **Therefore, groups experiencing any one or more of these challenges should be defined as disadvantaged for the purpose of the cap and trade program.** However, while Santa Cruz County residents face many of the disadvantages identified in SB535, the averaging of a wide range of criteria to determine an overall CalEnviroScreen score omits nearly all health-impacted and transportation disadvantaged communities in Santa Cruz County that are in need of the benefits that SB 535 envisioned.
- We further recommend that factors such as cost-of-living, housing affordability, eligibility of students for free and reduced priced lunches, and adjusted median income be added as measures for identifying disadvantaged communities and individuals.
- **Averaging conditions on a census tract level also does not recognize the fact that in Santa Cruz County disadvantaged populations are not necessarily as segregated, especially at the census tract level, as in perhaps some other communities or counties, but rather living and working throughout our county or sometimes concentrated in areas which are significantly smaller than the census tract level.** While the use of census tracts as the geographic scale provides a more precise screening of pollution burdens and vulnerabilities in communities than ZIP code, in Santa Cruz County even census tracts are too high of a scale to identify seriously disadvantaged communities.
- Regarding the “Recommendations for Administering Agencies to Maximize Funding to Benefit Disadvantaged Communities” identified in the CARB Draft SB535 Guidance, the strategies identified could result in not just 25% of funds going to disadvantaged communities, but rather only projects that are also in state defined disadvantaged communities from receiving funding. We also recommend that agencies first rank applications based on their greenhouse gas and transportation merits, and then if the 25% goal is not reached, considers projects that fall “below the line” if they will help ensure the 25% goal is met.

- Regarding “Draft Criteria to Evaluate Projects” for transit and sustainable communities programs: In assessing which projects benefit disadvantaged communities, **requiring projects to be within ½ mile of a DAC too narrowly defines what “benefits” disadvantaged communities.** One key to helping communities economically and to reducing GHG emissions simultaneously is to reduce vehicle miles traveled by expanding transportation options, often times along corridors, and promoting affordable housing closer to where members of disadvantaged communities work, not necessarily where they reside now. Consideration should also be given to some projects which serve transportation disadvantaged individuals regardless of the census tract where those lives. These disadvantages may relate to income, age, disabilities, language ability, and automobile ownership among other factors.

As noted in the CalEnviroScreen 2.0 Guidance and Screening Tool Final Report document, “it is important to remember that CalEnviroScreen provides a broad environmental snapshot of a given region. While the data gathered in developing the tool could be useful for decision makers when assessing existing pollution sources in an area, more precise data are often available to local governments and would be more relevant in conducting such an examination...it is important to note some of its limitations. The tool’s output provides a relative ranking of communities based on a selected group of available datasets, through the use of a summary score...Further, as a comparative screening tool, the results do not provide a basis for determining when differences between scores are significant in relation to public health or the environment.”

Therefore, we urge that common sense definitions of “disadvantaged communities”, consistent with SB 535, which rely on basic population characteristics, and that avoid bias and geographic inequity be used. **CESv2 should not be used exclusively to define disadvantaged communities, but rather we urge the adoption of guidelines that include a broader, socioeconomic understanding of “disadvantaged communities”, and allow project applicants to submit for consideration an assessment of why the community should be considered disadvantaged, even if the community does not meet the CalEPA definition.** We similarly encourage ARB to make certain that incentives for projects to “benefit” disadvantaged communities are in alignment with the larger goals of AB 32 to reduce GHG emissions.

Thank you again for the opportunity to comment and please do not hesitate to contact me with any questions.

Sincerely,



George Dondero  
Executive Director

cc: Bill Monning, 17<sup>th</sup> Senate District  
Mark Stone, 29<sup>th</sup> Assembly District  
Luis A. Alejo, 30<sup>th</sup> Assembly District  
Bill Higgins, CALCOG Executive Director