September 15, 2014

Ms. Shelby Livingston   Via email to: GGRFProgram@arb.ca.gov
Branch Chief
Climate Investments Branch
California Air Resources Board (ARB)
1001 I Street
Sacramento, California 95814

Dr. John Faust   Via email to: john.faust@oehha.ca.gov
Chief, Community Assessment & Research Section
Office of Environmental Health Hazard Assessment (OEHHA)
California Environmental Protection Agency (CalEPA)
1515 Clay Street, Suite 1600
Oakland, CA 94612

SUBJECT: Comments on SB 535 Draft Guidance: Disadvantaged Communities

Dear Ms. Livingston and Dr. Faust:

I am writing on behalf of the Transportation Agency for Monterey County (TAMC) to comment on
the draft guidelines for the investment of Cap-and-Trade auction proceeds in disadvantaged
communities, the identification of disadvantaged communities, and the evaluation of benefits to
disadvantaged communities in accordance with Senate Bill (SB) 535 (De León, Chapter 830, Statute
of 2012).

TAMC is the Regional Transportation Planning Agency and Local Transportation Commission for
Monterey County. The mission of TAMC is to develop and maintain a multimodal transportation
system that enhances mobility, safety, access, environment quality and economic activities in
Monterey County.

<u>Recommended Improvements to CalEnviroScreen</u>

TAMC acknowledges the extensive public process that went into the most recent update to
CalEnviroScreen. We understand and appreciate that CalEPA and OEHHA are committed to
continuing to revise and improve the tool through an open and public process. However, the
current results from CalEnviroScreen in identifying disadvantaged communities leaves out many
areas of the State that by all measures should be considered "disadvantaged", and raises
Environmental Justice concerns.

As a means of improving the tool, the Transportation Agency strongly recommends the following enhancements be implemented in advance of this cycle of Cap-and-Trade funding to ensure that disadvantaged communities throughout California are properly identified:

- **Incorporate Cost of Living as a Factor**: The CalEnviroScreen draft methodology for defining "disadvantaged communities" should take into account the **cost of living** as one of the socioeconomic indicators. California's coastal communities are some of the most expensive places to live, yet rely on relatively cheap labor for the agricultural and tourism industries, making them one of the least affordable places to live for our workforces. The Public Policy Institute of California (PPIC) developed the California Poverty Measure (CPM, see enclosed excerpt and refer to: http://www.ppic.org/main/mapdetail.asp?i=1396), which shows that high-cost coastal communities are more disadvantaged than the areas of the state considered "disadvantaged" by the CalEnviroScreen methodology.

  To bring this metric into CalEnviroScreen, the U.S. Department of Housing and Urban Development (HUD) has data on affordable housing by census tract that should be incorporated. Low-income households in high costs communities are statistically more disadvantaged than those with the same incomes in low-cost areas. This important fact needs to be included in the final CalEnviroScreen methodology.

- **Expand the Definition of the Poverty Metric:** CalEnviroScreen currently defines poverty as an area two times below the national poverty level. To be consistent with how other State-level agencies are defining poverty and disadvantaged communities in grant programs, the Department of Transportation's Active Transportation Program should be used as a guide. The Active Transportation Program uses two additional metrics that should be incorporated into CalEnviroScreen:

  - **Adjusted Median Income:** The median household income is less than 80% of the statewide median based on the most current census tract level data from the American Community Survey.

  - **Free or Reduced Price School Lunches:** At least 75% of public school students in the project area are eligible to receive free or reduced price meals under the National School Lunch Program.

Methods for Identifying Benefits to Disadvantaged Communities

In the SB 535 presentation, ARB asked: "Are there other criteria ARB should consider for projects that are located outside disadvantaged community census tracts, but provide benefits that are direct, meaningful, and assured to residents of those tracts?"

- **Use Corridor Improvements to Define Benefits:** TAMC believes that the method of defining a "benefit" to disadvantaged communities is important. The Transportation Agency supports identifying benefits to disadvantaged communities through a corridor systems approach. Particularly in areas that suffer a jobs-housing imbalance, improvements to transportation corridors can provide critical benefits to affected communities without the project being located within the census tract boundaries. Transportation improvement

projects that decrease travel times, reduce vehicle miles traveled, and lessen congestion along corridors that serve disadvantaged communities will improve the air quality while ensuring fair treatment without disproportionate impact to minority populations.
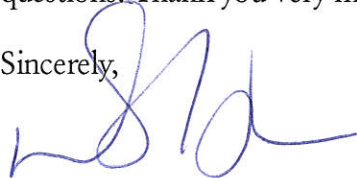
Approaches to Identifying Disadvantaged Communities

OEHHA proposed five methods to apply CalEnviroScreen to determine "disadvantaged communities" under the law and requested input on which method to use. As all of these methods rely entirely on CalEnviroScreen, TAMC would like to refer to the concerns above for using this tool as currently configured. However, the Transportation Agency offers the following comments and recommendations:

- **Support for Method 4:** The Transportation Agency supports using Method 4 ("Equal Cutpoints") as the means to identify disadvantaged communities. This method focuses CalEnviroScreen more on the highest risk areas and excludes areas below the average for pollution and population characteristic scores. This method is a fair balance between pollution impacts and disadvantaged population characteristics, whereas with Method 1, an area could score high in either pollution impacts or population characteristics and have a low score in the other but still qualify.

- **Support for Top 25% Cut-points:** The Transportation Agency also supports using cut-points at the top 25% to capture more disadvantaged community locations.

TAMC also supports Monterey-Salinas Transit in urging you to consider ways in which the military and veteran communities could be considered eligible for Cap and Trade funding. TAMC looks forward to continuing to collaborate and coordinate with you in the development of these guidelines. Please feel free to contact me at debbie@tamcmonterey.org or (831) 775-0903 with any questions. Thank you very much for your time and consideration.

Sincerely,
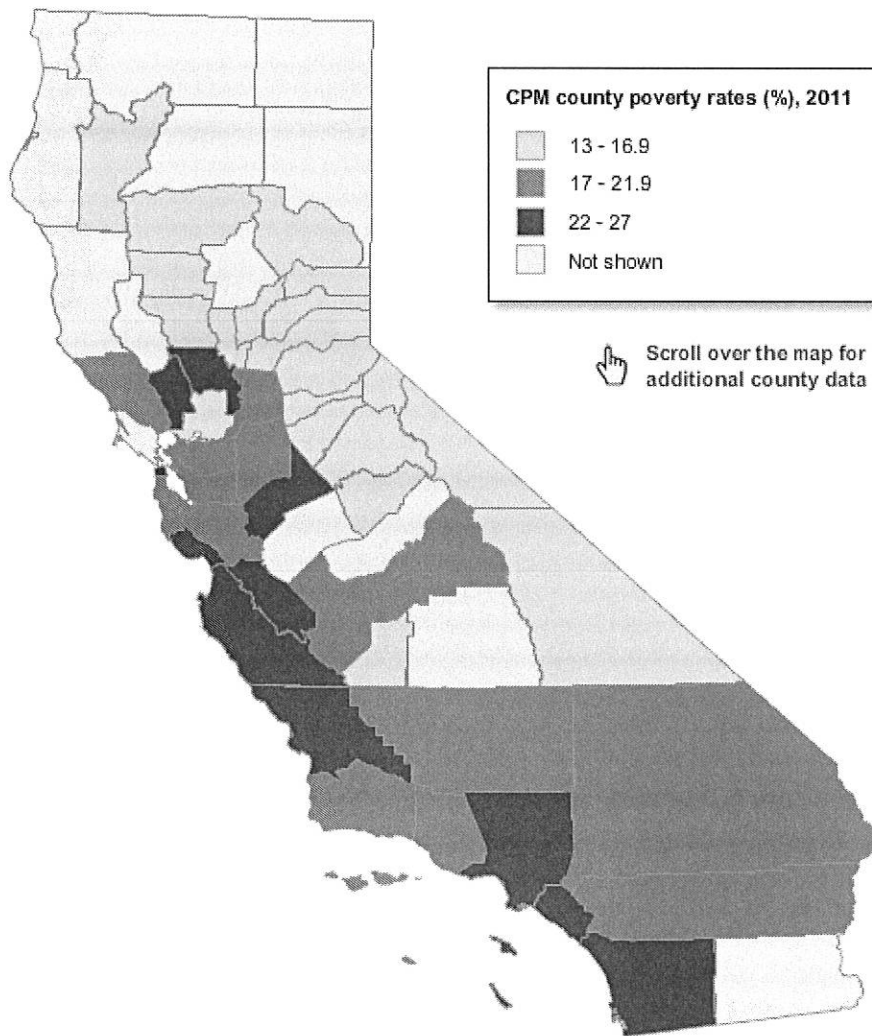
Debra L. Hale
Executive Director

Enclosure

cc: Anna Caballero, Secretary of the Business, Consumer Services and Housing Agency, Strategic Growth Council
Matthew Botill, Manager, Policy Section, California Air Resources Board
Arsenio Mataka, Assistant Secretary, California Environmental Protection Agency (CalEPA)
Bruce Roberts, Acting Chief, Caltrans Division of Rail and Mass Transportation
Jila Priebe, Office Chief, State Transit Programs, Caltrans Division of Rail and Mass Transportation
Maura Twomey, Association of Monterey Bay Area Governments (AMBAG)
George Dondero, Santa Cruz County Regional Transportation Commission (SCCRTC)
Carl Sedoryk, Monterey-Salinas Transit (MST)

Public Policy Institute of California (PPIC)
California Poverty Measure (CPM)
http://www.ppic.org/main/mapdetail.asp?i=1396
Monterey/ San Benito Counties: CPM rate 24.6%, official rate 15.8%, threshold $29,518

This interactive map shows poverty rates according to both the California Poverty Measure (CPM) and the official poverty measure. It also shows poverty thresholds—the dollar amount that signals poverty for a family of four. In contrast to the official poverty measure, the CPM incorporates the state's high—and variable—cost of living and the effect of social safety net programs.

CPM county poverty rates (%), 2011

	13 - 16.9
	17 - 21.9
	22 - 27
	Not shown

Scroll over the map for additional county data

SOURCE: Data Set - California Poverty by County.

NOTES: Poverty thresholds are for a family of four that rents its place of residence. Data for some counties is not shown because of wide margins of error (calculated for a 99% confidence interval). Poverty rates for certain counties are calculated at the multi-county level because of sample size constraints. Official poverty rate calculated with CPM universe of households.