

MAYOR JEAN QUAN
CITY OF OAKLAND

September 15, 2014

Honorable Matt Rodriquez
Secretary, Cal EPA
California Environmental Protection Agency
1001 I Street
Sacramento, CA 95814

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

Dear Secretary Rodriquez and Chairman Nichols:

On behalf of the City of Oakland, I would like to express our gratitude for the opportunity to provide comments on the California Environmental Protection Agency's identification of disadvantaged communities for priority investments of Cap-and-Trade auction proceeds and on the California Air Resources Board's interim guidance for State agencies to maximize benefits in disadvantaged communities, including criteria to determine which projects benefit disadvantaged communities as prescribed by Senate Bill 535. The funds dedicated to benefit disadvantaged communities will play a critical role in our State's efforts to combat climate change and ensure equitable access to new State resources.

In order to effectively implement the legislative intention of SB 535, we believe that it is essential that the methodology utilized accomplishes the following goals: 1) fully captures the conditions that disadvantaged communities face in Oakland as well as other communities in our State; and 2) results in equitable access to the new funds for local communities that have been significantly impacted by both pollution burdens and socio-economic inequities. Upon review of the different information provided by your agencies, as well as information from the Bay Area Air Quality Management District (BAAQMD), environmental justice, social equity and public health experts, we would like to offer you four main comments for your consideration.

First, we recommend that the Method deployed in identifying “disadvantaged” communities is the most inclusive possible. It is extremely critical that the State avoids the exclusion of any local communities or areas that are disadvantaged from access to the funds through future project or program selection processes. The more expansive we are at this juncture in identifying disadvantaged areas will facilitate future equitable access to critical funds for merit-based projects that both benefit disadvantaged residents and reduce greenhouse gas

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emissions. We applaud the long-time and dedicated work of the statewide environmental justice coalition, including Oakland serving groups such as APEN, Greenlining Institute, and the Ditching Dirty Diesel Coalition, which has advocated the use of “Method 1,” which incorporates pollution burden and health and socio-economic indicators for identifying disadvantaged communities. In addition, BAAQMD has recently developed a “Method 6,” which seeks to incorporate areas not represented under the other methods and appears to include more census tracts that have been historically disadvantaged. **As such, we ask that you provide full consideration for the use of Method 6.**

Second, we request that additional factors be included in the determination of “disadvantaged” communities, especially the following two indicators currently missing from the guidelines: 1) housing affordability, including rent burden and homeownership levels, and 2) life expectancy. The inclusion of these indicators in defining “disadvantaged” communities will help capture the socio-economic challenges and disparities that many residents face. The lack of housing affordability in our urban and employment centers like Oakland results in the displacement of our lower income residents from the centers to outer areas, with devastating impacts on our environment, family and community health, and diversity. For example, we are experiencing unprecedented housing unaffordability in Oakland for long-time residents of all income levels, with particular impact on our lower to moderate income residents and elders. In recent years, Oakland has experienced a decrease of 24% in its African American and 16.7% of its children population, much of which is attributed to a rapid escalation of housing costs. A key strategy to greenhouse gas reduction is to build new housing in urban centers that’s affordable to low and moderate income residents. With the loss of redevelopment funds, the SB 535 funds serve as a critical resource in implementing this strategy.


In addition, the inclusion of life expectancy as an indicator is vital to realizing SB 535’s legislative direction to include public health criteria. As the comment letter from the Alameda County Public Health Director, Dr. Muntu Davis, evidences, life expectancy outcomes reflect major health equity disparities we confront in our local communities and statewide.

Third, we request that SB 535’s two set-aside categories be counted separately to realize the goal of having a minimum of 35% of funds spent to benefit disadvantaged communities and populations. SB 535 specifies that 10% of funds be allocated for projects located in disadvantaged communities and 25% of funds be allocated for projects that provide benefits to disadvantaged communities. We believe that a fair interpretation of SB 535 would require investments to fulfill either the 10% or 25% set-aside requirements, for a total of 35% of funds to benefit disadvantaged communities and residents.

Fourth, we support the recommendations from statewide and local social equity and environmental justice organizations that all projects eligible for the set-aside funds for disadvantaged communities should meet the following standards: 1) directly benefit disadvantaged people, 2) prevent displacement, and 3) include meaningful resident participation. These implementing standards represent the spirit and intent behind SB 535 for the set-aside funds to directly benefit residents most impacted by pollution, health, and socio-economic inequities. In addition, these standards would help us prevent unintended consequences, such as furthering the displacement of our lower-income residents, from new transit or other capital improvement projects.

Thank you for your efforts to ensure that the rules governing the new SB 535 funds advance our goals of inclusive and equitable access for disadvantaged communities in Oakland and statewide.

Sincerely yours,

A handwritten signature in black ink that reads "Jean Quan". The signature is written in a cursive, flowing style.

Mayor Jean Quan

Cc: Pat Kernighan, City Council President, City of Oakland
Henry Gardner, Interim City Administrator, City of Oakland
Dr. Muntu Davis, Director, Alameda County Public Health Department
Jack Broadbent, Executive Director, BAAQMD
Damian Breen, Deputy Director, BAAQMD
Mari Rose Taruc, Statewide Organizing Director, APEN
Matt Schwartz, Executive Director, California Housing Partnership
Ezra Rappaport, Executive Director, ABAG
Brad Paul, Deputy Director, ABAG