



CONNECTING COMMUNITIES  
ARROYO GRANDE | ATASCADERO | GROVER BEACH  
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SAN LUIS OBISPO | SAN LUIS OBISPO COUNTY



Air Pollution Control District  
San Luis Obispo County

PRESERVING CLEAN AIR  
3433 ROBERTO COURT  
SAN LUIS OBISPO, CA 93401  
805-781-5912

February 21, 2017

California Environmental Protection Agency  
Attn: Arsenio Mataka, Assistant Secretary for Environmental Justice and Tribal Affairs  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812-2815

California Air Resources Board  
Attn: Charanya Varadarajan, Manager Transportation and Toxics Division  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812-2815

**SUBJECT: SLOCAPCD/SLOCOG Comments Regarding AB 1550 Implementation**

Dear Mr. Mataka and Ms. Varadarajan:

Thank you for the opportunity to provide comments on your agencies' implementation of AB 1550 relative to the investment of Cap-and-Trade Auction Proceeds that are deposited in the Greenhouse Gas Reduction Fund (GGRF). AB 1550 modifies the SB 535 disadvantaged community investment minimums, and requires new investments for low-income communities and low-income households.

On behalf of our constituents, we are writing to express concern about the reliance on CalEnviroScreen 3.0 as the sole tool by which to identify "disadvantaged communities" and therefore impact the allocation of Cap-and-Trade program revenues. Like many other counties, San Luis Obispo County will have no census tracts meeting any of the potential CalEnviroScreen scoring thresholds. This situation has now become commonplace for several rural/small urban counties in California's Central Coast and North Coast for each GGRF funding cycle. It excludes us from funding consideration even though we have several major sources under Cap-and-Trade that contribute to the GGRF and our counties are significantly impacted by the effects of climate change.

While we recognize the role that CalEnviroScreen plays in identifying disadvantaged communities throughout the state, the tool does not accurately reflect local communities that are smaller than census tracts. For instance, San Luis Obispo County has neighborhoods with low-income households earning no more than 80% of the statewide median household income, but they are not counted because the entire tract does not meet that definition. Localized environmental impacts are also likely diluted when considered at the census tract-level. CalEnviroScreen does not account for other regional economic factors that are important to non-urban communities, such as the high cost of housing in low-growth regions with a tourist-based economy, and the cost of transportation. Most of California's coastal counties from the Bay Area to San Diego consistently rank among the least affordable housing markets in the nation. Additionally, longer distances to work likely increases

transportation costs as a share of the household budget, and non-urban communities typically have limited transit service. Furthermore, more refined data for suburban and rural communities is often available at local agencies, rather than state agencies, and could provide a more nuanced and detailed reflection of pollution burdens at a local level.

Like urban communities, suburban and rural communities also have the potential to build out in a sustainable manner and therefore positively impact future GHG emissions and targets. We feel it is imperative that more suburban and rural communities be included in any discussion of GGRF funding. Therefore, we would like to propose that ARB consider the option of utilizing more regional definitions that better reflect local environmental burdens and community vulnerabilities. As an example, the San Luis Obispo Council of Governments (SLOCOG) developed a *regional definition of disadvantaged communities* as part of its 2014 RTP/SCS that includes thirteen (13) variables meant to address a cross-section of social, economic, and built environment considerations, including minority and low-income communities, households that are renters, housing affordability (percent of income spent on mortgage), aging populations, educational attainment, language proficiency, and access to transit services, among others. This definition utilizes local data aggregated to the traffic analysis zone (TAZ) level to identify specific neighborhood-level locations within cities and county communities as “disadvantaged communities.” Using this type of regional definition and local information, our county could have areas *smaller than census tracts* that would meet a disadvantaged community threshold defined by CalEnviroScreen.

When comparing the two proposed definitions of disadvantaged communities under AB 1550 to SLOCOG’s *regional definition of disadvantaged communities*, a number of neighborhoods that fall outside of the AB 1550 census tracts are included in SLOCOG’s regional definition, when accounting for a number of other factors, as well as using more granular geographic data. **Census tracts as a unit of geographic analysis work well in large metropolitan areas for this type of analysis, but are not well-suited for rural counties. As an example, San Luis Obispo County has just 53 census tracts, resulting in geographic areas that do not adequately identify disadvantaged neighborhoods or smaller communities contained within them.**

Recognizing that our above commentary and recommendations are geared at important future refinements to defining disadvantaged communities, we have the following recommendation for providing short term benefits when implementing AB 1550. This legislation required CalEPA to identify a specific list of disadvantaged communities based on either environmental hazards or community socioeconomic factors. To help regions like ours more effectively compete for GHG funding, we recommend that low-income communities receive the same or similar ranking as disadvantaged communities. Finally, we recommend that CalEnviroScreen v3.0 use a 30% scoring threshold to better capture a broader range of disadvantaged/low-income communities and enable funding for the needs of some rural areas that would otherwise be underrepresented.

Sincerely,



**Larry R. Allen**  
Air Pollution Control Officer  
San Luis Obispo Air Pollution Control District



**Ronald L. DeCarli**  
Executive Director  
San Luis Obispo Council of Governments

cc: Senator Bill Monning  
Assemblyman Jordan Cunningham