

DAVE CORTESE

**PRESIDENT, BOARD OF SUPERVISORS
COUNTY OF SANTA CLARA SUPERVISOR, THIRD DISTRICT**

COUNTY GOVERNMENT CENTER, EAST WING
70 WEST HEDDING STREET, 10TH FLOOR
SAN JOSE, CALIFORNIA 95110
TEL: (408) 299-5030 FAX: (408) 298-6637
dave.cortese@bos.sccgov.org • www.supervisorcortese.org



October 21, 2016

The Honorable Matthew Rodriguez
Secretary, California Environmental Protection Agency
1001 I Street
P.O. Box 2815
Sacramento, CA 95812-2815

Dr. Lauren Zeise, Acting Director
Office of Environmental Health Hazard Assessment (OEHHA)
P.O. Box 4010
Sacramento, CA 95812-2815

Dear Secretary Rodriguez and Director Zeise,

On behalf of the Santa Clara County Board of Supervisors, I am writing to express concerns about the Office of Environmental Health Hazard Assessment's (OEHHA's) proposed update to CalEnviroScreen (CES), known as CES3.0. CES is the tool your agencies have developed to define "disadvantaged communities" (DACs) for the purpose of targeting cap and trade funds. While we appreciate your intent to identify disadvantaged communities throughout the state, we have grave concerns about how CES is configured and applied.

Our review finds that CES3.0 overlooks many commonly identified disadvantaged communities. For instance, based on the final CES3.0 scores, only 16 census tracts would be considered as DACs in Santa Clara County even though 25 score in the top 75th percentile in the combined "population-characteristics" variable used by the tool to assess socio-economic disadvantage. This defies common sense and leads us to question the appropriateness of this definition.

Despite concerns expressed by the public health community, legislators from the Bay Area, and rural communities with respect to the exclusion of hundreds of low-income communities, CES3.0 continues the same flawed approach. This is because under the formula for CES, areas that score "high" on some factors, but not high enough on others, are easily overlooked. CES3.0 even excludes dozens of tracts that score in the top 10 percent for exposure to diesel particulate matter or other environmental variables. The exclusion of low-income/high-diesel tracts is especially troubling considering that 60 percent of cap and trade funds are dedicated to affordable housing and clean transportation, programs for which socioeconomic factors and air pollution are the most relevant.

The recent passage of AB 1550 (Gomez) makes this CFS update especially important. Under AB 1550, the DAC requirement was narrowed so that 25 percent of cap and trade funds must be invested *within* DACs, instead of requiring that 25 percent of funds *benefit* DACs. By itself, this change will limit the number of viable affordable housing and transit improvements projects that can compete for funds from the Affordable Housing and Sustainable Communities Program (AHSC) and the Transit and Intercity Rail Capital Program (TIRCP). The proposed changes in CES3.0 compound this problem for the San Francisco Bay Area, whose identified DACs shrink from 85 to just 56, a 34 percent reduction, bringing the Bay Area's share to less than 3 percent statewide. This is especially problematic given the urgent need for affordable housing in the Bay Area and the critical role AHSC funds have played in helping projects move forward for the last two years.

In conclusion, we respectfully urge you to reconsider your approach in CES3.0 and broaden the definition of DACs so that it includes all areas that are the most socioeconomically disadvantaged regardless of how they score on the pollution variables. To further target funds so as to maximize environmental benefits, applications for specific programs could be assigned extra points based on the project area's level of pollution/exposure relevant to the funding program (e.g. for clean heavy duty vehicle funding, assign higher scores for proposals from areas with high diesel emissions). While your agencies do not administer cap and trade funds, you play a pivotal role in determining where investments occur on the basis of defining DACs. As such, you have a responsibility to define DACs in a manner that ensures cap and trade funds are spent effectively and where they are most needed.

Thank you for consideration of these comments.

Sincerely,



Dave Cortese
President, Board of Supervisors

cc: Santa Clara County Legislative Delegation
Santa Clara County Board of Supervisors
Jeffrey V. Smith, County Executive
Michael Rattigan, Legislative Representative