

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****OFFICE OF THE DIRECTOR**

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October 20, 2016

Carolyn Flowers  
Office of Environmental Health Hazard Assessment  
P.O. Box 4010  
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Dear Ms. Flowers:

**RE: Proposed Changes in the CalEnviroScreen 3.0 Draft**

The Department is writing to submit comments regarding the proposed changes in the CalEnviroScreen 3.0 Draft released September 6, 2016. As the Department responsible for implementing for the Strategic Growth Council the transportation, housing and infrastructure components of the Affordable Housing and Sustainable Communities (AHSC) Program and determining whether an investment by this program provides a "benefit to" or "is located within" a Disadvantaged Community, these changes are of particular interest to the Department.

The Department supports OEHHA's efforts to include differences in housing costs across the State in its assessment of socioeconomic vulnerability. With over 1.5 million lower-income households paying more than 50% of their income in rent and the associated impacts this has on healthcare, education, and retirement savings, housing costs are a critical part of socioeconomic vulnerability.

**SUMMARY**

In order to include housing cost burdens in the CalEnviroScreen 3.0 tool, OEHHA developed a "Rent-Adjusted Income" factor. This factor is calculated by subtracting the median gross annual rent from the median household income. The criteria provided for choosing this indicator include the following:

- 1) Data availability at the Census Tract scale
- 2) Identifies areas where households may be stressed by high housing cost relative to income
- 3) Helps account for differences in housing costs across different areas of

California

- 4) In housing cost burden measures that use a ratio of housing costs to income without regard to the income of the household, fairly wealthy people with very high income and high rent could have the same rent burden ratio as someone with low income and low rent

## **PROBLEM**

OEHHA proposes a new indicator to quantify differences in housing cost burdens. Established indicators used by Federal, State, and local housing agencies, and accepted across the housing industry, meeting OEHHA's criteria for a housing indicator are readily available.

## **RECOMMENDATION**

OEHHA should replace the Rent-Adjusted Income indicator with Lower Income Severe Cost Burden (Percent of Households in Census Tract earning less than or equal to 80% of HUD Area Median Family Income paying greater than 50% of their income toward housing costs) based on the most recent available HUD Comprehensive Housing Affordability Strategy (CHAS) data. Similar to the proposed Rent Adjusted Income factor, data is available at the census tract scale, this factor would identify areas where households may be stressed by high housing costs relative to income, and it accounts for differences in housing costs across different areas of California. Further, by calculating severe cost burden for the low income population only, this factor would avoid a situation where fairly wealthy people with very high income and high rent could have the same rent burden ratio as someone with low income and low rent, and therefore focuses analysis on the section of the population for whom housing costs potentially increase socioeconomic vulnerability to the effects of pollution. By using this existing cost burden indicator, OEHHA would be consistent with the thousands of Federal, State, and Local agencies that use cost burden data to assess housing need and distribute housing funding.

Sincerely,



Linda Wheaton  
Assistant Director, Intergovernmental Affairs