

CITY OF OAKLAND



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October 21, 2016

The Honorable Matthew Rodriquez
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

RE: Comments from the City of Oakland on the Office of Environmental Health Hazard Assessment's proposed update to CalEnviroScreen

Dear Secretary Rodriquez and Director Zeise:

On behalf of the City of Oakland, I am writing to comment on the Office of Environmental Health Hazard Assessment's (OEHHA's) proposed update to CalEnviroScreen (CES), known as CES 3.0. The City of Oakland applauds and supports California EPA and OEHHA in your efforts to put into practice the intent of SB535. Additionally, Oakland appreciates the extensive efforts in collecting community input for both CES 2.0 in 2014 and version 3.0 this year. We also believe that your staff have worked diligently to craft this tool which is a tall order given the environmental justice issues at hand.

CES 3.0 is the tool your agencies have developed to define "disadvantaged communities" (DACs). Among CES's purposes is measuring how Greenhouse Gas may be reduced if the State's Affordable Housing and Sustainable Communities (AHSC) Cap and Trade funds were applied to projects within the DACs. While your agency's efforts are commendable, this letter identifies several issues of serious concern about how the current CES 3.0 version has changed and how those changes will likely affect Oakland's ability to compete effectively for future funding opportunities like the AHSC program.

The City of Oakland is in alignment with Bay Area Air Quality Management District and the Metropolitan Transit Commission in their critiques of the version 3.0 CES evaluation tool. Specifically, the alternate "product-of-ranks" methodology will be more likely to ensure that communities with top ranks in a few indicators will be represented equitably in this tool. Our review finds that CES 3.0 overlooks many commonly identified disadvantaged communities. For instance, based on the final CES 3.0 scores, none of Oakland census tracts rank in the 95th percentile of DACs and only 14 are ranked in the top 75th percentile in the overall CES 3.0 score. Given that these rankings reduce the City's number of DACs that have scores in the 75th percentile

by 60% over CES 2.0 overall scores, it is difficult to understand how these indicators have changed so dramatically in just 2 years.

Concerns have been clearly expressed by the public health community, legislators from the Bay Area, and rural communities about excluding hundreds of low-income communities. Nevertheless, CES 3.0 continues an approach that many experts find flawed. In the current modeling for CES 3.0, areas that score “high” on some factors, but not high enough on others, receive low overall DAC scores. Again, with Oakland as an example, CES 3.0 excludes dozens of tracts that score in the top 90th percentile of the environmental indicators for exposure to diesel particulate matter, toxic clean-up sites, ground water threats, hazardous waste disposal, and impacted water bodies. Similarly, in the socio-economic indicators, CES 3.0 excludes dozens of tracts that score in the 90th percentile for asthma rates, low birth weights, linguistic isolation, poverty, unemployment, and rent-adjusted income. The exclusion of low-income/high-diesel tracts is especially troubling considering that 60 percent of Greenhouse Gas Reduction 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 CES update especially important. Under AB 1550, the DAC requirement was tightened 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 improvement projects that can compete for funds from the AHSC Program and the Transit and Intercity Rail Capital Program (TIRCP). The proposed changes in CES 3.0 compound this problem for the San Francisco Bay Area; 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 issue 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.

The proposed changes resulting from CES 3.0 would further constrain how transit operators can spend their formula-based Low Carbon Transit Operations Program (LCTOP) funds. These funds are distributed to transit operators by formula, but for every operator that has a DAC in its service area, 50 percent of its LCTOP funds must be spent to benefit a DAC. Operators with few DACs in their service area have been frustrated that this requirement steers investments to projects and services in areas that might not need new investment and that don’t serve the transit-dependent, low-income areas that would most benefit from service improvements.

We applaud the effort to use housing as an indicator of socio-economic stresses within a community. This concern is particularly evident in Oakland as the City is hugely impacted by the current housing crisis. Similar to BAAQMD’s critique of this indicator, we suggest the use of U.S. Department of Housing and Urban Development’s Comprehensive Housing Affordability Strategy (CHAS) data. Contrary to what was stated in the proposed changes to CES 3.0, the justification for creating the rent-adjusted income methodology is incorrect. The CHAS quantifies rent burden, housing problems and overcrowding by various area median income levels. The data for low income households can easily be isolated to understand the specific housing problems of the neediest, rent burdened and housing-vulnerable populations.

In conclusion, we respectfully urge you to reconsider your approach in CES 3.0 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 don’t administrate cap and trade funds, you play a pivotal role in determining where investments occur on the basis of defining DACs. As such, you have an affirmative 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. If you need further information or wish to discuss any of the issues raised in this letter in more detail, please contact Maryann Sargent, Housing Program Coordinator, at 510-238-6170.

Sincerely,

A handwritten signature in black ink, appearing to read "Libby Schaaf". The signature is fluid and cursive, with a large loop at the end.

Libby Schaaf
Mayor
City of Oakland

cc: Governor Edmund G. Brown
Nancy McFadden, Office of Governor Brown
Assembly Member Rob Bonta
Assembly Member Tony Thurmond
Ben Metcalf, Director, State Department of Housing and Community Development