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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 San Mateo County Transit District (SamTrans) and the Peninsula Corridor Joint Powers Board (Caltrain), 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. Our review finds that CES3.0 overlooks many commonly identified disadvantaged communities. For instance, based on the final CES3.0 scores, only two census tracts would be considered as DACs in San Mateo County even though we have many more disadvantaged communities in need throughout the Peninsula.

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 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

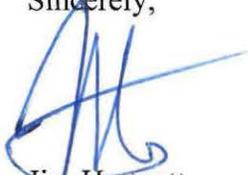
improvements projects that can compete for funds from the Affordable Housing and Sustainable Communities Program (AHSC) and the Transit and Intercity Rail Capital Program (TIRCP). The proposed changes in CES3.0 compound this problem for the San Francisco Bay Area, whose identified DACs shrink from 85 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.

The proposed changes resulting from CES3.0 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.

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 don't administrator 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. Please feel free to contact Seamus Murphy, Chief Communications Officer, at (650) 508-6388 or via email at [murphys@samtrans.com](mailto:murphys@samtrans.com) if you need additional information.

Sincerely,



Jim Hartnett

General Manager/ Chief Executive Officer/Executive Director

cc: San Mateo County Transit District Board of Directors  
Peninsula Corridor Joint Powers Board of Directors  
San Mateo County Transit District Executive Team  
Seamus Murphy, Chief Communications Officer