

**COMPREHENSIVE TRANSPORTATION PLAN
EQUITY CHAPTER WORKING GROUP
(MEETING #1)**

**3:30 p.m., Wednesday, March 13, 2019
Suisun City Council Chambers
701 Civic Center Blvd, Suisun City, CA 94585**

MEETING AGENDA

<u>ITEM</u>	<u>MEMBER/STAFF PERSON</u>
1. WELCOME & INTRODUCTIONS (3:30 – 3:35 p.m.)	Mayor Lori Wilson, Suisun City
2. OPPORTUNITY FOR PUBLIC COMMENT (3:35 – 3:40 p.m.)	
3. REVIEW WORKING GROUP PURPOSE (3:40 – 3:50 p.m.)	Robert Guerrero, STA Triana Crighton, STA
4. INTRODUCTION TO STA EQUITY CONSULTANT TEAM (3:50 - 3:55 p.m.)	Triana Crighton, STA
4. WORKING GROUP EQUITY PERSPECTIVE (3:55 – 4:40 p.m.) Discussion of Working Group members’ experience and perspectives on equity.	Group Discussion facilitated by Charles Brown, Rutgers University
5. TRANSPORTATION EQUITY FRAMEWORK (4:40 – 4:55 p.m.) A. Historical and Legislative Background B. Key Definitions	Steve Kinsey, Alta Planning Charles Brown, Rutgers University
6. NEXT STEPS & SCHEDULE (4:55– 5:00 p.m.)	Triana Crighton, STA
7. ADJOURNMENT (5:00 p.m.)	Mayor Lori Wilson, Suisun City

EQUITY WORKING GROUP MEMBERS

<u>Mayor Harry Price</u> City of Fairfield	<u>Mayor Lori Wilson</u> City of Suisun City	<u>Mayor Bob Sampayan</u> City of Vallejo	<u>Supervisor John Vasquez</u> County of Solano, District 4
<u>Michael Brito</u> KROC Center & Salvation Army Director of Operations	<u>Richard Burnett</u> STA Paratransit Coordinating Council	<u>Robert Fuentes</u> Faith in Action	<u>Andrea Garcia</u> Touro University
<u>Cookie Gordon</u> Vallejo Resident	<u>Amy Hart</u> Greenbelt Alliance	<u>O. Johnson</u> SOFITCITY	<u>Wendy Loomas</u> Health Promotion & Community Wellness Bureau
<u>Gerry Raycraft</u> Solano-Napa Habitat for Humanity	<u>Susan Rotchy</u> Independent Living Resources Center	<u>Yolanda Sanchez</u> Fairfield Resident	<u>Rochelle Sherlock</u> Potentiate LLC
			<u>Anthony Summers</u> Impact Bible Ministries

EQUITY CHAPTER CALENDAR

	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY
EQUITY		Mid-March: Working Group Meeting #1 (Charles Brown #1)	+ Mid-April: Working Group Meeting #2 (Charles Brown #2)	Equity Community Workshop (Charles Brown #3) & Equity Working Group #3	Working Group Meeting #4, Present to TAC	7/10: Release Draft for Public Comment

EQUITY MEETING DISCUSSION TOPICS

EQUITY					
Equity Working Group Meeting #1 - 3/13/2019 (CB)	Introduce Scope and Schedule of the Equity Chapter	Discuss their personal definitions of "Equity" and the issues they've observed in Solano	Discuss how Transportation can affect Equity and how STA can take a proactive role	Charles Brown will introduce himself and his work	
Equity Working Group Meeting #2 (April)	Planning for the Public Equity Workshop and what topics are important to breach and who/how to promote	Begin developing Equity "Guiding Principles"			
Equity Working Group Meeting #3 (Late May)	Reflect on the Public Equity Workshop and what were the major take-aways	Continue refining Equity "Guiding Principles"	Discuss results of the Transportation Equity Analysis		
Equity Working Group Meeting #4 (June)	Present the draft Equity Chapter	Review Key findings and conclusions	Discuss how STA's first next steps to implement		



Comprehensive Transportation Plan Equity Working Group

Different Methods for Equity Analysis

The Metropolitan Transportation Commission (MTC) focuses their equity analysis on impacts to “Communities of Concern” (COCs) versus the rest of the region. A COC was initially defined to be any census tract where 25% of the population lives at or below the poverty line. For Plan Bay Area 2040, MTC expanded the definition to include all census tracts that have a concentration of BOTH minority AND low-income households at specified thresholds of significance, or that have a concentration of three or more of six additional factors if they also have a concentration of low-income households. Among the additional factors are people with disability, seniors 75 years and over, and cost-burdened renters.

At the state level, California’s Sustainable Communities and Climate Protection Act (SB375) and the Global Warming Solutions Act (SB535) have also focused attention on “disadvantaged communities”; a designation based on a wide range of socioeconomic, public health, and environmental hazard criteria. The California EPA developed the “California Communities Environmental Health Screening Tool” (CalEnviroScreen) to focus investments aimed at reducing environmental impact in:

- Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
- Areas with concentrations of people that are of low-income, high unemployment, low levels of home ownership, high rent burden, sensitive populations, or low levels of educational attainment.

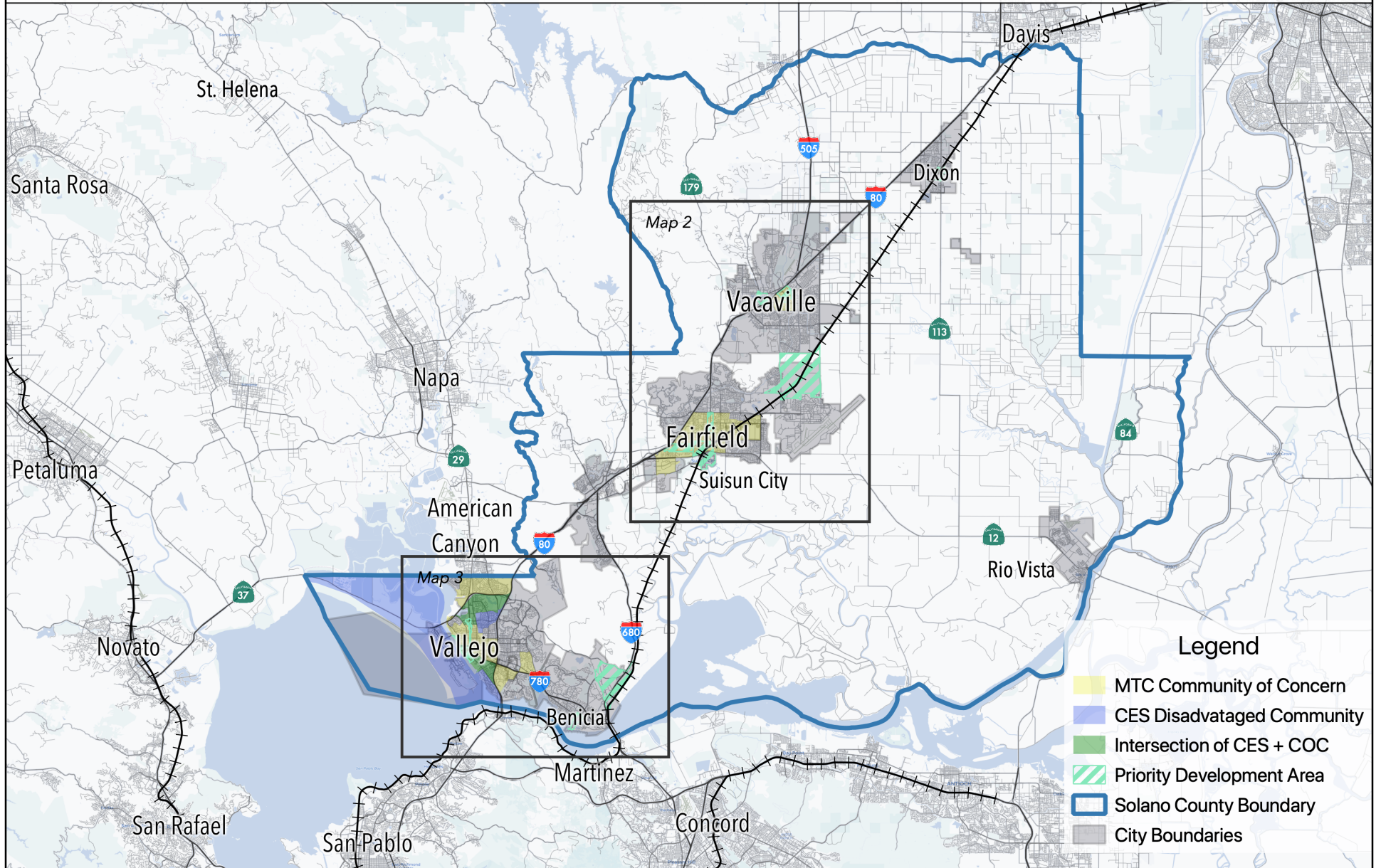
See Appendix for more information from MTC and CalEPA regarding CoC and DAC designation.

Geographic Areas for Equity Analysis in Solano County

The following maps illustrate where Communities of Concern, Disadvantaged Communities, and Priority Development Areas are located in Solano County. At the April meeting of this working group we will be discussing these the geographic areas to identify target areas for future analysis of STA’s investments to ensure that resources are equitably distributed.

Transportation Equity - Geographic Targets

Map 1
Solano County

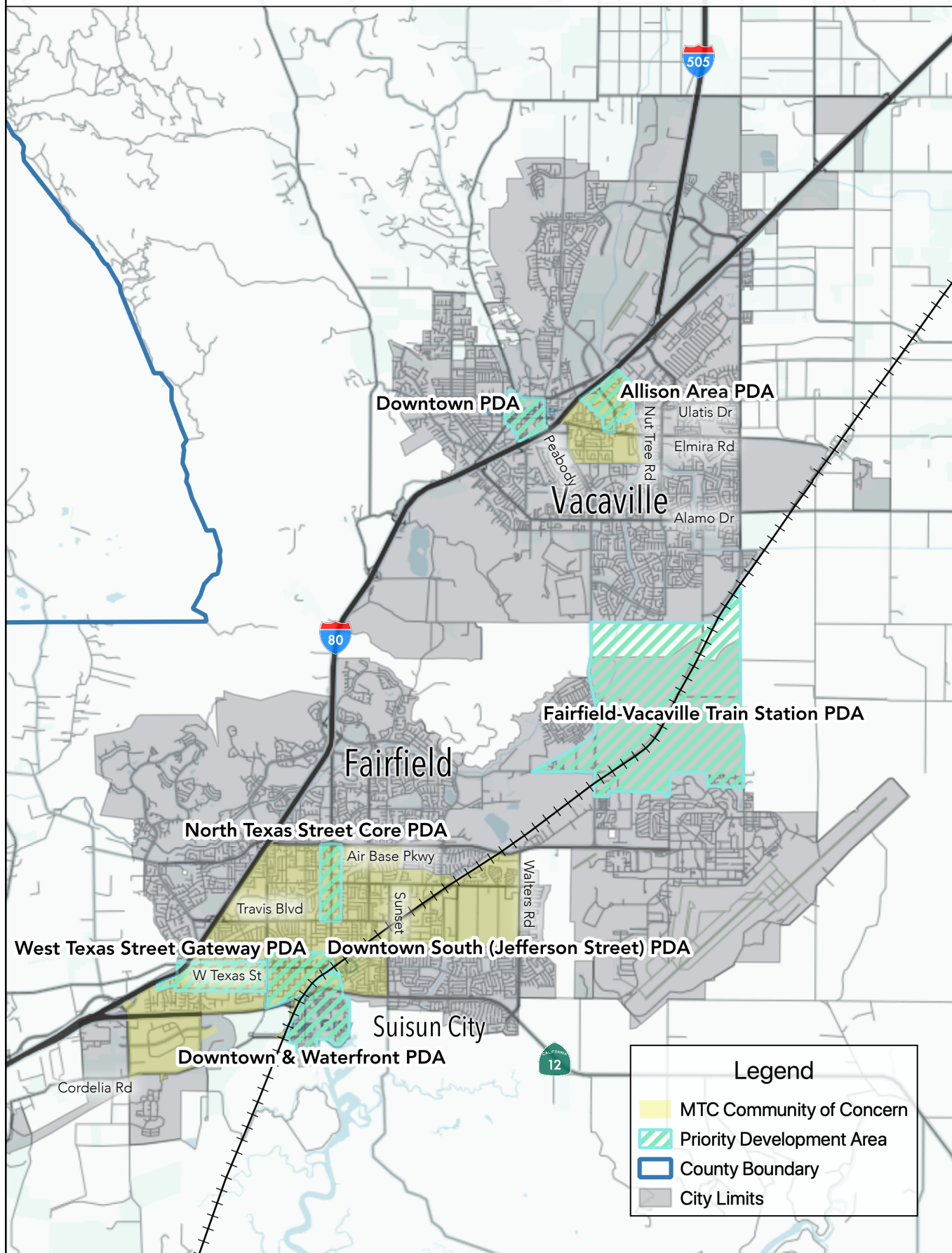


- Legend**
- MTC Community of Concern
 - CES Disadvantaged Community
 - Intersection of CES + COC
 - Priority Development Area
 - Solano County Boundary
 - City Boundaries

Transportation Equity - Geographic Targets

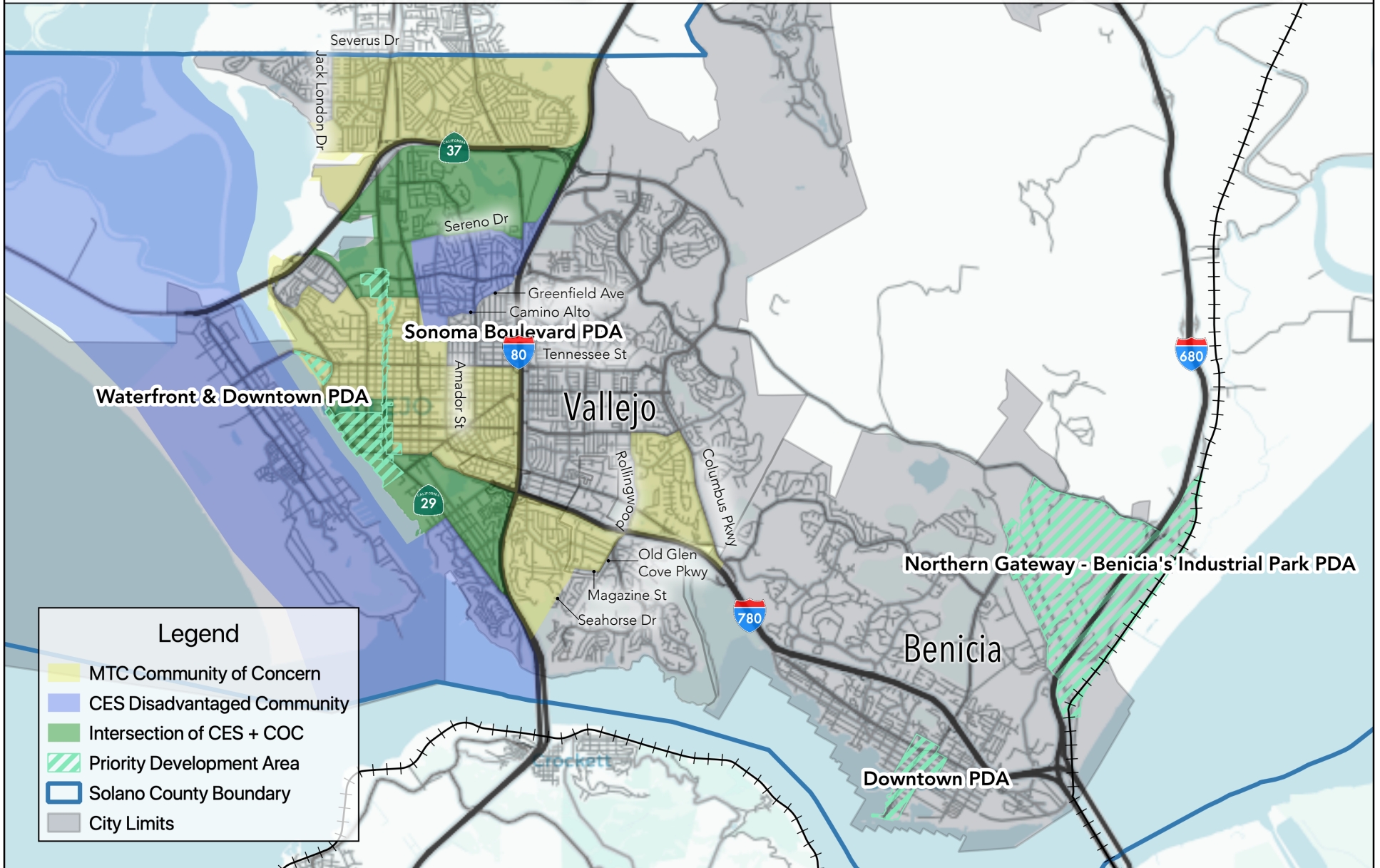
Map 2

Vacaville - Fairfield - Suisun City



Transportation Equity - Geographic Targets

Map 3
Vallejo - Benicia



Legend

- MTC Community of Concern
- CES Disadvantaged Community
- Intersection of CES + COC
- Priority Development Area
- Solano County Boundary
- City Limits



Solano Transportation Authority

... working for you!

SOLANO TRANSPORTATION AUTHORITY

Member Agencies:

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APPENDIX

The following Appendix includes:

- A. MTC Resolution No. 4217: Equity Framework for Plan Bay Area 2040 (Defines Communities of Concern)
- B. CAL EPA Designation of Disadvantaged Communities



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4a
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Memorandum

TO: Planning Committee
FR: Deputy Executive Director, Policy
RE: MTC Resolution No. 4217: Equity Framework for Plan Bay Area 2040

DATE: December 31, 2015
W.I. 1121

Summary

This memorandum presents staff recommendations for communities of concern (CoCs) and the equity measures to be used as part of the Plan Bay Area 2040 Equity Analysis. To develop these recommendations, staff has been meeting on a monthly basis since June with stakeholders and local jurisdictions through the Regional Equity Working Group (REWG). This memo provides context on the Plan's overall equity framework, discusses the Bay Area's current demographic trends, and proposes a new set of equity measures as well as an updated definition of CoCs for your consideration.

Context and Overall Equity Framework

MTC has conducted an equity analysis for the last four Regional Transportation Plans (RTPs) in compliance with federal civil rights and environmental justice laws. For each RTP, MTC used the following steps to conduct the equity analysis:

1. Identify equity measures that reflect key issues faced by vulnerable and disadvantaged communities in the region (typically a subset of the Performance Targets);
2. Define these potential disadvantaged communities based on a CoCs framework that takes into account factors such as race, income, and disability, among others;
3. Conduct an assessment during the project performance analysis phase, using the equity measures, to identify potential benefits and burdens of proposed projects on CoCs;
4. Conduct an assessment during the scenario analysis phase, using the equity measures, to identify potential benefits and burdens of scenario alternatives on CoCs, and to inform the selection of a preferred alternative; and
5. Include an assessment of benefits and burdens for the preferred alternative in the final report, and conduct a supplemental analysis of minority status to comply with federal civil rights law.

For each RTP update, the equity measures are developed with input from key stakeholders. For Plan Bay Area (PBA) 2013, the combined Sustainable Communities Strategy (SCS) and RTP, MTC and ABAG formed a Regional Equity Working Group (REWG) to provide this input. MTC and ABAG created a REWG for Plan Bay Area 2040 as well which began meeting in June and will continue to meet until fall 2016.

Overall Equity Framework

The 2013 PBA equity analysis included three components, listed below. Staff is proposing to retain this overall framework for the Plan Bay Area 2040 equity analysis. The three components include:

- A. A ***Title VI*** analysis of PBA investments that use federal and state funds to determine whether there are any disparate impacts of distribution of these funds on populations of different race, color or national origin;
- B. An ***environmental justice*** analysis of PBA investments to determine whether there are any disproportionately high and adverse impacts on low-income and minority populations or CoCs; and
- C. An ***equity analysis*** that assesses the distribution of benefits and burdens of PBA 2040 on CoCs in comparison to the rest of the region.

Equity Measures

To support the project performance and scenario analysis processes, staff recommends using the six Performance Targets listed below as equity measures (see Attachment B for the most recent list of adopted/proposed Performance Targets). The equity report will include a region-wide population-based analysis of benefits and burdens of the preferred alternative on CoCs based on these equity measures.

Staff recommends using the following Performance Targets as equity measures for PBA 2040 project performance and scenario analysis:

1. *Healthy and Safe Communities* Target #3 – will measure health benefits and burdens associated with air quality, road safety and physical inactivity (will also include a sub-analysis for low-income neighborhoods¹);
2. *Equitable Access* Target #5 – will measure the share of lower-income residents' household income consumed by transportation and housing;
3. *Equitable Access* Target #6 – will measure the share of affordable housing in Priority Development Areas (PDAs), Transit-Priority Areas (TPAs), or high-opportunity areas²;
4. *Equitable Access* Target #7 – will measure the share of low- and moderate-income renters in PDAs that are at an increased risk of displacement;
5. *Economic Vitality* Target # 8 – will measure the share of jobs that are accessible by auto and transit in congested conditions (will also include a sub-analysis for lower-income communities); and
6. *Economic Vitality* Target #9 – will measure the current share of middle-wage jobs in the region and project the share of jobs in predominantly middle-wage industries in 2040.

In addition to an analysis based on the equity measures listed above, the equity report will summarize key demographic and socio-economic trends, including the following topics:

- *Poverty in the Suburbs* – will measure trends in the share of lower-income households that reside in suburban or inland jurisdictions, as defined by Plan Bay Area 2040, and offer a discussion of its implications for the region;

¹ Census tracts with a concentration of households that earn less than 200% of federal poverty line

² See the Fair Housing and Equity Assessment report, ABAG, 2015, for a definition of high-opportunity areas

- *Concentration of Poverty* – will measure trends in the share of low-income households that reside in neighborhoods that have a high concentration³ of poverty;
- *Proximity to Services and Amenities* – will measure trends in the share of lower-income households that live in neighborhoods with a high walk score⁴;
- *Proximity to Opportunity Areas* – will measure trends in the share of lower-income households that live in high-opportunity areas; and
- *Exposure to Contamination and Pollutants* – will measure trends in the share of lower-income households exposed to air contaminants (diesel particulate matter and fine particulates (PM2.5))⁵.

Communities of Concern and Plan Bay Area 2013

MTC defined “communities of concern” for the RTPs adopted in 1999, 2003 and 2007 as areas with a concentration of *either* 70% minority *or* 30% low-income households. For PBA 2013, CoCs were defined either as census tracts with a concentration of 70% minority population AND 30% low-income households OR as census tracts that have a concentration of 4 or more of the disadvantage factors listed in Table 1 below. The concentration threshold for each disadvantage factor was based on its current share of the region’s population plus half a standard deviation above the regional mean.

Table 1: Communities of Concern Framework for Plan Bay Area 2013

<i>Disadvantage Factor</i>	<i>% Regional Population⁶</i>	<i>Concentration Threshold</i>
1. Minority	54%	70%
2. Low Income (<200% Federal Poverty Level - FPL)	23%	30%
3. Limited English Proficiency	9%	20%
4. Zero-Vehicle Household	9%	10%
5. Seniors 75 Years and Over	6%	10%
6. People with Disability	18%	25%
7. Single-Parent Family	14%	20%
8. Cost-Burdened Renter	10%	15%
<i>Definition</i> – census tracts that have a concentration of BOTH minority AND low-income households, OR that have a concentration of 4 or more factors listed above.		

Using the eight factors, concentration thresholds and definition in Table 1, PBA 2013 identified 305 out of a total of 1,405 census tracts in the region as CoCs. See Attachment C for a map of PBA 2013 CoCs. PBA 2013 used additional factors and a revised definition of COCs to respond to the changing demographics in the Bay Area. The region is far more racially diverse than in

³ Census tracts with more than 40% low-income households; see Effects of Exposure to Better Neighborhoods on Children: New Evidence from the Moving to Opportunity Experiment, Chetty, Hendren, and Katz, Harvard University and NBER, May 2015

⁴ Walk score is calculated by MTC and is based on access to a range of amenities and services including parks, schools, grocery stores, primary care facilities, transit stations, jobs and libraries, among other, subject to data availability

⁵ See Communities Air Risk Evaluation Program, Bay Area Air Quality Management District at: <http://www.baaqmd.gov/plans-and-climate/community-air-risk-evaluation-care-program>, and the California Environmental Protection Agency (CalEPA), California Communities Environmental Health Screening Tool: CalEnviroScreen at: <http://oehha.ca.gov/ej/ces2.html>

⁶ 2005-2009 American Community Survey and 2000 Census

previous decades. This trend has continued since the plan was adopted in 2013⁷ (see updated data Table 2). Between 2000 and 2013, while the total population in the region increased by 7%, both the Asian and Latino populations increased by more than 30%, while the White and African-American populations decreased by 10% and 8%, respectively.

Table 2: Racial Composition of Bay Area Population 2000-2013⁸

Race	2000		2013		Change	
	#	%	#	%	#	%
White	3,392,204	50%	3,047,321	42%	(344,883)	(10%)
Black or African American	497,205	7%	456,896	6%	(40,039)	(8%)
Asian	1,278,515	19%	1,704,791	23%	426,276	33%
Hispanic (any race)	1,315,175	19%	1,711,158	24%	395,983	30%
Total Population	6,783,760	-	7,257,501	-	473,741	7%

While the region became racially more diverse, it also became poorer. Between 2000 and 2013, the share of census tracts with a concentration of minority households (defined by PBA 2013 as 70% or more minority households per tract) increased from 23% to 32% and the share of tracts with a concentration of low-income households (defined as 30% or more low-income household per tract) increased from 23% to 35%⁹.

Table 3: Census Tracts with Concentration of Low-Income and Minority Households

Criteria	2000		2013	
	#	%	#	%
70% or more Minority Households	324	23%	498	32%
30% or more Low-Income Households	323	23%	547	35%
Both Minority and Low-Income	186	13%	311	20%
Total Census Tracts	1,405	-	1,581	-

Since the Bay Area is experiencing a rise in the share and number of both minority and low-income households, both race and income are important measures of disadvantage. Staff recommends the inclusion of all census tracts that have concentrations of both low-income and minority households as the starting point for defining CoCs for PBA 2040 Equity Analysis. Based on REWG feedback, staff also recommends retaining the remaining six disadvantage factors (#3 to #8 in Table 1) in the CoC framework, and keeping the thresholds of significance the same as in 2013. In addition to updating the data to 2009-2013 American Community Survey (Plan Bay Area 2013 used data from the 2005-2009 ACS), the REWG is proposing one change to the definition of CoCs. See Table 4 below for the proposed new definition of CoCs.

⁷ PBA 2013 used the 2005-2009 American Community Survey

⁸ Bay Area Census: <http://www.bayareacensus.ca.gov/> and 2009-2013 American Community Survey⁹ 2009-2013 American Community Survey and 2000 Census

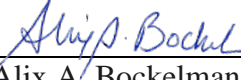
⁹ 2009-2013 American Community Survey and 2000 Census

Table 4: Proposed Communities of Concern Framework for Plan Bay Area 2040

<i>Disadvantage Factor</i>	<i>% Regional Population</i>	<i>Concentration Threshold</i>
1. Minority	58%	70%
2. Low Income (<200% Federal Poverty Level - FPL)	25%	30%
3. Limited English Proficiency	9%	20%
4. Zero-Vehicle Household	10%	10%
5. Seniors 75 Years and Over	6%	10%
6. People with Disability	9%	25%
7. Single-Parent Family	14%	20%
8. Severely Rent-Burdened Household	11%	15%
<p><i>Definition</i> – census tracts that have a concentration of BOTH minority AND low-income households, OR that have a concentration of 3 or more of the remaining 6 factors (#3 to #8) but only IF they also have a concentration of low-income households.</p>		

Recommendation

Staff recommends the Committee refer MTC Resolution No. 4217, which sets forth the equity measures and CoCs framework for Plan Bay Area 2040, to the Commission for approval.



 Alix A. Bockelman

AB: pg / dj / vs

Attachments: MTC Resolution No. 4217

1. Plan Bay Area 2040 Goals and Performance Targets, excerpt from MTC Resolution 4204, Revised
2. Plan Bay Area 2013 Communities of Concern Map
3. Plan Bay Area 2040 Proposed Communities of Concern Map
4. Comparison Map of Plan Bay Area 2013 and 2040 Proposed Communities of Concern Boundaries
5. Presentation

Date: January 27, 2016
W.I.: 1212
Referred by: Planning Committee

ABSTRACT

Resolution No. 4217

This resolution adopts the equity measures and communities of concern framework for Plan Bay Area 2040.

Further discussion of this action is contained in the MTC Deputy Executive Director's Memoranda to the Planning Committee dated December 31, 2015.

Date: January 27, 2016
W.I.: 1212
Referred by: Planning Committee

Re: Adoption of Equity Measures and Communities of Concern Framework for Plan Bay Area 2040

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4217

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, SB 375, Chapter 728, Statutes of 2008, amended Sections 65080, 65400, 65583, 65584.01, 65584.02, 65584.04, 65587, and 65588 of, and added Sections 14522.1, 14522.2, and 65080.01 to, the Government Code, and amended Section 21061.3 of, to add Section 21159.28 to, and to add Chapter 4.2 (commencing with Section 21155) to Division 13 of, the Public Resources Code, relating to environmental quality; and

WHEREAS, SB 375 requires MTC to adopt a Sustainable Communities Strategy (SCS) as part of the Regional Transportation Plan (RTP), referred to as Plan Bay Area 2040 (“the Plan”); and

WHEREAS, MTC may elect to set performance targets for the purpose of evaluating land use and transportation scenarios to help inform selection of a draft and final Plan; and

WHEREAS, MTC and ABAG have solicited extensive input from local governments, partner transportation agencies, the MTC Policy Advisory Council, the Regional Equity Working Group, and other regional stakeholders on goals and performance targets; and

WHEREAS, Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length, lists the equity measures to be used for the Plan Bay Area 2040 project performance assessment and scenario analysis; and

WHEREAS, MTC has defined ‘communities of concern’ for the RTPs adopted in 1999, 2003, 2007 and 2013 to identify communities with concentrations of poverty, minority households and other factors suggesting disadvantaged communities; and

WHEREAS, Attachment B to this resolution, attached hereto and incorporated herein as though set forth at length, sets forth the Plan Bay Area 2040 Communities of Concern framework, now, therefore be it

RESOLVED, MTC adopts the equity measures set forth in Attachment A and the proposed communities of concern framework for Plan Bay Area 2040 outlined in Attachment B.

METROPOLITAN TRANSPORTATION COMMISSION

David Cortese, Chair

The above resolution was entered into by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held in
Oakland, California, on January 27, 2016.

Equity Measures for Plan Bay Area 2040

Goal	Performance Target #	Equity Measures
Healthy and Safe Communities	3	Measure the health benefits and burdens associated with air quality, road safety and physical inactivity (will also include a sub-analysis for low-income neighborhoods)
	5	Measure the share of lower-income residents' household income consumed by transportation and housing
Equitable Access	6	Measure the share of affordable housing in Priority Development Areas (PDAs), Transit-Priority Areas (TPAs), or high-opportunity areas
	7	Measure the share of low- and moderate-income renters in PDAs that are at an increased risk of displacement
Economic Vitality	8	Measure the share of jobs that are accessible by auto and transit in congested conditions (will also include a sub-analysis for lower-income communities)
	9	Measure the current share of middle-wage jobs in the region and project the share of jobs in predominantly middle-wage industries in 2040

Date: January 27, 2016
W.I.: 1212
Referred by: Planning Committee

Attachment B
Resolution No. 4217
Page 2 of 2

Proposed Communities of Concern Framework for Plan Bay Area 2040

<i>Disadvantage Factor</i>	<i>% Regional Population</i>	<i>Concentration Threshold</i>
1. Minority	58%	70%
2. Low Income (<200% Federal Poverty Level - FPL)	25%	30%
3. Limited English Proficiency	9%	20%
4. Zero-Vehicle Household	10%	10%
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<i>Definition</i> – census tracts that have a concentration of BOTH minority AND low-income households, OR that have a concentration of 3 or more of the remaining 6 factors (#3 to #8) but only IF they also have a concentration of low-income households.		



MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

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EDMUND G. BROWN, JR.
GOVERNOR

DESIGNATION OF DISADVANTAGED COMMUNITIES PURSUANT TO SENATE BILL 535 (DE LEÓN)

APRIL 2017

I. INTRODUCTION

California is embracing a decarbonized economy. How to meet the global threat of climate change, while improving conditions throughout the state in communities over-burdened by pollution, socioeconomic, and health impacts, is one of our greatest challenges. One of our best opportunities to meet this challenge is to direct climate investments to disadvantaged communities.

The California Environmental Protection Agency (CalEPA) is responsible for identifying disadvantaged communities for purposes of the Cap-and-Trade funding program. In October 2014, after a series of public workshops, the Agency designated as disadvantaged communities the 25% highest scoring census tracts using results of the California Communities Environmental Health Screening Tool Version 2 (CalEnviroScreen 2.0).

Early this year, the Office of Environmental Health Hazard Assessment (OEHHA) released CalEnviroScreen 3.0. This version of CalEnviroScreen incorporates more recent data for nearly all of its indicators, adds two indicators and improves the way some indicators are calculated to better reflect environmental conditions and a population's vulnerability to environmental pollutants. While the overall pattern of high-scoring census tracts across the state is similar between the 2.0 and 3.0 versions of CalEnviroScreen, the presence of the new data and results led CalEPA to reassess the identification of disadvantaged communities.

After reviewing the updated results from CalEnviroScreen 3.0 and taking into consideration previous comments and input received over the past two years, including workshops held in February 2017, CalEPA is designating the highest scoring 25% of census tracts from CalEnviroScreen 3.0 as disadvantaged communities. Additionally, 22 census tracts that score in the highest 5% of CalEnviroScreen's Pollution Burden, but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data, are also designated as disadvantaged communities.

This document describes how CalEPA arrived at its decision to identify disadvantaged communities pursuant to SB 535 (De León, Chapter 830, Statutes of 2012). Starting in the 2017-2018 fiscal year, administering agencies approving projects using appropriation from the Greenhouse Gas Reduction Fund must use this designation of disadvantaged communities in determining how to satisfy the project funding requirements of this and related legislation.

II. STATUTORY REQUIREMENTS

In 2012, the Legislature passed and Governor Brown signed three bills into law – AB 1532 (Pérez, Chapter 807, Statutes of 2012), SB 535 (De León, Chapter 830, Statutes of 2012), and SB 1018 (Budget and Fiscal Review Committee, Chapter 39, Statutes of 2012) – that provide the framework for how the Cap-and-Trade program’s auction proceeds are to be appropriated and expended.

These statutes required that the State portion of the proceeds from the auction of allowances under the Cap-and-Trade program be used to achieve additional reductions of greenhouse gas emissions and, where applicable and to the extent feasible, to further other goals of AB 32 and the Legislature. These expenditures were also required to comply with the requirements contained in SB 862 (Leno, Chapter 836, Statutes of 2014), the trailer bill establishing requirements for agencies receiving appropriations of Greenhouse Gas Reduction Fund (GGRF) monies.

SB 535 required that a minimum of 25 percent of the available proceeds be allocated to projects that provide a benefit to disadvantaged communities; and at least 10 percent of the available proceeds were to be allocated to projects located within disadvantaged communities.

SB 535 also directed CalEPA to identify disadvantaged communities for purposes of the GGRF programs based on geographic, socioeconomic, public health, and environmental hazard criteria.¹ These communities may include, but are not limited to:

- Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation.
- Areas with concentrations of people that are of low-income, high unemployment, low levels of home ownership, high rent burden, sensitive populations, or low levels of educational attainment.

In 2016, the Legislature passed and the Governor signed AB 1550 (Gomez, Chapter 369, Statutes of 2016), increasing the percent of funds for projects located in disadvantaged communities from 10 to 25 percent. This supplants the requirement in SB 535 that 25 percent of the funds must benefit disadvantaged communities. AB 1550 also created new investment requirements for low-income communities and households requiring that:

- At least 5 percent of the moneys allocated from the GGRF must fund projects located within and benefiting individuals living in low-income communities or fund projects benefiting low-income households statewide; and
- At least 5 percent of the moneys allocated from the GGRF must fund projects located within and benefiting individuals living in low-income communities, or benefiting low-income households, that are within ½ mile of a disadvantaged community.

Together, the legacy of SB 535 and the advent of AB 1550 assist the Cap-and-Trade program in prioritizing investments to those disadvantaged and low-income communities in need of assistance.

¹ Health and Safety Code section 39711.

III. CALENVIROSCREEN

Over the past three years, the Agency has successfully used CalEnviroScreen to inform the implementation of many policies, programs, and activities throughout the state. CalEnviroScreen was developed by OEHHA at the request of CalEPA to identify California’s most pollution-burdened and vulnerable communities. The most recent version, CalEnviroScreen 3.0, uses a quantitative method to evaluate multiple pollution sources and stressors, and vulnerability to pollution, in California’s approximately 8,000 census tracts. Using data from federal and state sources, the tool consists of four components in two broad groups. The Exposure and Environmental Effects components comprise a Pollution Burden group, and the Sensitive Populations and Socioeconomic Factors components comprise a Population Characteristics group. The four components are made up of environmental, health, and socioeconomic data from 20 indicators (see Figure 1). The CalEnviroScreen score is calculated by combining the individual indicator scores within each of the four components, then multiplying the Pollution Burden and Population Characteristics scores to produce a final score. Based on these scores, census tracts across California are ranked relative to one another. For more information on CalEnviroScreen scores, see the CalEnviroScreen 3.0 report.²

Figure 1. CalEnviroScreen 3.0 Indicator and Component Scoring

Pollution Burden		Population Characteristics		
Exposures	Ozone Concentrations	×	Sensitive Populations	=
	PM2.5 Concentrations			
	Diesel PM Emissions			
	Drinking Water Quality			
	Pesticide Use			
	Toxic Releases from Facilities			
	Traffic Density			
Environmental Effects	Cleanup Sites		Socioeconomic Factors	=
	Groundwater Threats			
	Hazardous Waste			
	Impaired Water Bodies			
	Solid Waste Sites and Facilities			
				CalEnviroScreen Score

The CalEnviroScreen methodology is based on several scientific principles including:

1. Scientific Literature: Existing research on environmental pollutants has identified socioeconomic and other sensitivity factors as “effect modifiers” that can increase health risk by factors ranging from 3-fold to 10-fold or greater, depending on the

² California Communities Environmental Health Screening Tool, Version 3 (CalEnviroScreen 3.0). Office of Environmental Health Hazard Assessment and the California Environmental Protection Agency, Sacramento, CA <http://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>. Available in English and Spanish.

- combination of pollutants and underlying susceptibilities.
2. Risk Assessment Principles: Some people (such as those with underlying health conditions) may be 10 times more sensitive to some chemical exposures than others. Risk assessments, using principles first advanced by the National Academy of Sciences, apply numerical factors or multipliers to account for potential human sensitivity (as well as other factors such as data gaps) in deriving acceptable exposure levels.
 3. Established Risk Scoring Systems: Priority-rankings done by various emergency response organizations to score threats have used scoring systems with the formula: Risk = Threat × Vulnerability.

The public process for developing CalEnviroScreen was a multi-year effort that included consultation with other state agencies and stakeholders representing a wide cross-section of interest groups, multiple publicly released drafts, workshops, and comment periods. The process ensured transparency and the meaningful participation of all stakeholders, including low-income and minority populations, by holding workshops at convenient locations and times and providing language translation services to facilitate discussion with non-English speakers. OEHHA considered all the comments received and prepared and published a summary of comments and responses.³ For more information on prior versions of CalEnviroScreen, see the CalEnviroScreen archives page.⁴

In 2014, during the last designation process, CalEPA determined the CalEnviroScreen methodology to be the most suitable choice for identifying disadvantaged communities pursuant to SB 535. This methodology was selected since it most clearly met the statutory requirements in SB 535 that disadvantaged communities be identified based on a geographic, socioeconomic, public health, and environmental hazard criteria. Additionally, CalEnviroScreen offered the advantage of having been subject to extensive public review by community groups, businesses, academic experts, and government agencies across California. CalEPA will again use the CalEnviroScreen methodology to identify SB 535 disadvantaged communities.

IV. APPROACHES TO IDENTIFYING DISADVANTAGED COMMUNITIES

While CalEnviroScreen provides a reasoned, scientific base from which to work, identifying disadvantaged communities remains a challenging task. In general, the term disadvantaged is commonly associated with economic indicators related to poverty and income. Many of the comments received from our SB 535 workshops and public comment period focus on poverty as being the most important factor in determining whether an area should be considered disadvantaged. At the same time, the term community has numerous definitions ranging from a neighborhood within a city, to a small town or unincorporated area. In some cases, communities have been identified as an entire region. A few public comments pointed out that the use of census tracts as a proxy for a community might not give an accurate snapshot of an area where people associate with some type of commonality.

³ Comments received on CalEnviroScreen Version 3.0; available at: <http://oehha.ca.gov/calenviroscreen/comment/calenviroscreen-30-draft-public-comments>.

⁴ CalEnviroScreen Archive; available at <http://oehha.ca.gov/calenviroscreen/archive>.

In practice as well, there is no universal definition for disadvantaged communities. For instance, California has used the term “disadvantaged communities” in several state laws, but the underlying criteria used to identify these communities have not been consistent. As an example, disadvantaged communities are defined in the Safe Drinking Water Act as the entire area of a water system or community where the median household income is less than 80 percent of the statewide average.⁵ A number of state programs also use a median household income threshold to identify disadvantaged communities.⁶ Similarly, the Housing-related Parks Program administered by the California Department of Housing and Community Development implements a statutory definition for disadvantaged communities as census tracts designated by the United States Department of Housing and Urban Development with at least 51 percent of its residents at low- or moderate-income levels.⁷

In contrast to these other definitions, SB 535 requires CalEPA to take a multi-pronged approach to identifying disadvantaged communities that includes socioeconomic, public health and environmental hazard criteria. In this context, therefore, CalEPA has been directed to consider, but look beyond poverty and income statistics, to identify those areas of the state that are also disproportionately impacted by environmental pollution and negative public health effects.

A. Identifying a Percentage Threshold

Although CalEnviroScreen already ranks communities in California using the factors specified in SB 535, consideration was given to the percentage threshold that should be used to determine how many census tracts and how large a population should be defined as disadvantaged. SB 535 provided four categories of criteria that CalEPA must consider in making a determination on how to designate disadvantaged communities, but it did not specify how many communities or what percentage of the population should be included.

Version 1.0 of CalEnviroScreen, the version in circulation at the time of adoption of SB 535, suggested that the highest ranking 10 percent of zip codes should be used for identifying the most impacted communities in California. Because of the relatively larger size of zip codes in comparison to census tracts, this recommendation included approximately 20 percent of the state population in an impacted community. The Legislature was likely aware of the CalEnviroScreen results at the time SB 535 was adopted; however, it did not set a percentage threshold in SB 535. Instead, it directed CalEPA to make the designation of disadvantaged communities according to the criteria listed in the statute.

Setting a threshold in the range of 20 to 25 percent would be consistent with other legislation and studies regarding disadvantaged communities. For instance, in contrast to SB 535, the Legislature has determined in one other situation that CalEPA should identify 20 percent of the most impacted disadvantaged communities. SB 43 (Wolk, Chapter 413, Statutes of 2013) created the Green Tariff Shared Renewables Program to allow consumers to purchase voluntarily electricity from renewable energy facilities through major utility companies. This program is intended to allow low-income Californians, generally renters, to participate in the market for renewable energy. The pilot program is limited to 600 megawatts statewide, to be

⁵ Health and Safety Code section 116275(aa).

⁶ Public Resources Code sections 4799.09(a); 75005(g).

⁷ Health and Safety Code section 50700(b).

shared proportionally by the major utility companies that implement the program. One hundred megawatts of that maximum are reserved for smaller facilities (no larger than one megawatt generating capacity) that are located in areas “identified by the California Environmental Protection Agency as the most impacted and disadvantaged communities.”⁸ This provision encourages renewable energy facility development in disadvantaged communities to realize the socioeconomic and environmental benefits of that development and provide those communities access to renewable energy.

Similar to SB 535, SB 43 tacitly references CalEnviroScreen by requiring these communities to be identified using a screening methodology designed to identify areas (1) disproportionately affected by pollution and environmental hazards and (2) with socioeconomic vulnerability.

Unlike SB 535, however, SB 43 not only asserts that the communities shall be identified by census tract, but also states that the communities shall be the most impacted 20 percent. By setting aside program funds to benefit disadvantaged communities, SB 43 provides CalEPA with general guidance on where to establish a percentage threshold for identifying disadvantaged communities. It is not determinative, however, of the precise threshold for communities identified as disadvantaged for the purposes of SB 535. In addition to looking at legislative approaches, CalEPA has also considered the portion of the state’s population, families and households that represent traditional markers of being disadvantaged:

- In 2014, the California Poverty Measure developed by the Public Policy Institute of California and the Stanford Center on Poverty and Inequality identified about 20 percent of California residents were living in poor families.⁹
- In 2015, 18 percent of Californians ages 25 and over lacked a high school degree of equivalent.¹⁰
- In 2013, 21 percent of Californian households spent more than half their income on housing costs.¹¹
- In 2014, the food insecurity rate for California children was 22.9 percent.¹²

While these data points do not represent a complete list of comparative markers related to being disadvantaged, these figures provide CalEPA some instruction in determining a practical percentage threshold for disadvantaged communities. CalEPA also must balance the value of being inclusive of the many communities that face pollution burdens and vulnerabilities, with the

⁸ Public Utilities Code section 2833.

⁹ Sarah Bohn, Caroline Danielson, and Monica Bandy. (December 2015). Poverty in California. Public Policy Institute of California. Retrieved from http://www.ppic.org/main/publication_show.asp?i=261

¹⁰ 2011-2015 American Community Survey 5-Year Estimates. “Educational Attainment.” United States Census Bureau/ American Factfinder. Retrieved from

https://factfinder.census.gov/bkmk/cf/1.0/en/state/California/EDUCATION/HS_OR_HIGHER_PCT

¹¹ US Department of Housing and Urban Development. (2013). Comprehensive Housing Affordability Strategy 2009-2013 ACS – California [Data File]. Retrieved from

https://www.huduser.gov/portal/datasets/cp/CHAS/data_querytool_chas.html.

¹² Feeding America. (2016). Map the Meal Gap. Retrieved from <http://www.feedingamerica.org/hunger-in-america/our-research/map-the-meal-gap/2014/map-the-meal-gap-2014-exec-summm.pdf>

consideration that an overly broad threshold would dilute the impact of SB 535 by spreading the funding across too many communities.

In view of this legislative history and these comparative markers, OEHHA and CalEPA discussed several possible thresholds in *Identifying Disadvantaged Communities*.¹³

B. High Pollution Burden - No CalEnviroScreen Score

Certain census tracts throughout the state have Pollution Burden scores at or above the 95th percentile, but they are not assigned an overall CalEnviroScreen score due to unavailable or unreliable Population Characteristics indicator data and scores. In spite of not having assigned overall CalEnviroScreen scores, these high pollution areas warrant consideration for designation as disadvantaged communities because they are burdened by significant environmental concerns. Moreover, these areas are frequently adjacent to communities that have high cumulative CalEnviroScreen scores.

There are 22 high pollution census tracts with no CalEnviroScreen score in maps of the CalEnviroScreen 3.0 results. Eleven of these census tracts each have populations of less than 50 people. Of the remaining 11 census tracts, five have fewer than 50 people that reside outside of non-household group quarters, such as correctional facilities, nursing homes, or student housing. These census tracts are not scored because several of the Population Characteristics indicators rely on household level statistics. Nearly all of the 22 high pollution census tracts are not scored for the low birth weight indicator (meaning there were fewer than 50 births between 2006-2012) and all 22 census tracts have unreliable or unavailable scores for several of the socioeconomic variables (meaning they have high margins of error for these estimates).

Of the 22 high pollution census tracts, 20 tracts are industrial areas in greater Los Angeles. The remaining two census tracts represent a military base in San Diego and a large sparsely populated area just north of Bakersfield.

V. PUBLIC INPUT

In February 2017, CalEPA, OEHHA, and the California Air Resources Board hosted public workshops in Fresno, Los Angeles, and Oakland as well as a live webinar. A key component of these workshops was to gather input from the public on how CalEPA should identify disadvantaged communities. To facilitate comments from the public, CalEPA and OEHHA released a discussion document titled *Identifying Disadvantaged Communities*.¹⁴ This document included maps and charts that illustrated the use of three percentage thresholds covering approximately 20 percent, 25 percent, and 30 percent of the state population.

The workshops were held in the evening and were well attended, with participants representing local and regional governments, community-based organizations, businesses, and residents. The format of these workshops was designed to maximize public input through small group

¹³ *Identifying Disadvantaged Communities*. The California Environmental Protection Agency and Office of Environmental Health Hazard Assessment, Sacramento, CA.
https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/sb_535_identifying_disadvantaged_communities_1_31_17.pdf

¹⁴ *Ibid.*

discussions. Comments primarily focused on the percentage threshold used to identify disadvantaged communities, the inclusion of census tracts with high pollution burden but no population scores as disadvantaged, and the recent modifications to CalEnviroScreen that have been included in Version 3.0.

In general, Fresno workshop participants preferred the percentage threshold at 25 percent of the highest scoring census tracts. Comments related to the high pollution only areas were mixed; some participants stated that funding should focus on populated communities while others believed including environmental projects in those tracts would be beneficial to neighboring communities. Participants also shared concerns over the size of Central Valley census tracts not adequately representing rural communities.

Los Angeles participants' preferences were slightly more restrictive, with a considerable number of participants preferring 20-25 percent of the highest scoring census tracts. Several participants believed a 30 percent threshold would dilute funds from communities most in need of assistance. Many comments related to the high pollution only census tracts and suggested that they should be designated as disadvantaged because they are significant sources of pollution in the region.

At the Oakland workshop, comments on the threshold were generally more inclusive, promoting 25-30 percent of the highest scoring census tracts. In general, half of the attendees supported a 25 percent threshold as a good balance to target most impacted areas without leaving out some impacted communities that may have projects ready for investments. Advocates for the 30 percent threshold sought a more expansive approach that includes more communities eligible for funding.

In addition to comments at the workshops, CalEPA received over 20 formal written comments related to the identification of disadvantaged communities. Many of the written comments raised concerns similar to those identified in the public workshops.¹⁵ Others, however, called for additional indicators, including: veteran hospital visits in the border region, access to green space, housing stock quality, and food deserts.

Written comments from the Bay Area highlighted concerns with uniformly assigning weights to pollution burden indicators. Commenters suggest a weighting approach that would reflect relative health impacts. For instance, commenters noted that health impacts of fine particulate matter are much greater than for ozone. Other recommendations note that communities can be burdened by a few types of pollution and need not have high scores in all Pollution Burden indicators to suffer serious environmental health impacts.

Many written comments called for a cumulative scoring method that gives more emphasis or weight to poverty.

Finally, another large portion of comments focused on specific communities that did not receive high rankings or scores for certain indicators. In some cases, especially for census tracts along

¹⁵ Comments received on the identification of disadvantaged communities; available at: <https://www.arb.ca.gov/lispub/comm2/bccommlog.php?listname=ab1550meetings-ws>

the California border with Baja California, questions were raised about the accuracy or adequacy of the information used to derive a ranking or score.

VI. DESIGNATING DISADVANTAGED COMMUNITIES

A. The Percentage Threshold

The percentage thresholds associated with the approximately 8,000 census tracts identified in CalEnviroScreen generally correspond with the same percentages of the total California population of about 39 million. For example, a 20 percent threshold represents approximately 20 percent of the state's population. Similarly, a 25 percent threshold represents approximately 25 percent of the state's population.

During our public process, we received suggestions on what percentage of the highest scoring census tracts should be considered disadvantaged for purposes of SB 535 and AB 1550. CalEPA considered these recommendations and also relied on legislative direction, comparative markers of being disadvantaged, and principles of fairness, all discussed above, to determine that we should continue to use a percentage threshold of 25 percent to designate disadvantaged communities.

We considered the option of identifying only the top scoring 20 percent of census tracts as disadvantaged because this would concentrate funding from the Cap-and-Trade program on the areas of the state most in need. It appears, however, that this threshold would leave out several regions identified as disadvantaged in other studies. For example, a number of comments noted that a threshold of 20 percent might exclude communities commonly associated with environmental justice concerns, such as areas around the Port of Oakland, portions of East Los Angeles and regions along the border with Mexico.

CalEPA also received comments asserting that the percentage of the population targeted for funding should be equal to or less than the percentage of funds allocated to disadvantaged communities in SB 535. These commenters suggested that a threshold greater than 25 percent, such as 30 percent, would be regressive for disadvantaged communities because SB 535 requires that only 25 percent of Greenhouse Gas Reduction Fund monies must be located in those communities. This reasoning supports a designation of a threshold less than 30 percent.

A threshold of 25 percent is closer to the approach taken in earlier versions of CalEnviroScreen and in legislation regarding projects in disadvantaged communities. Additionally, traditional markers of disadvantaged communities have generally found that slightly over 20 percent of the population may be adversely affected by unemployment, poverty, or a lack of access to proper healthcare or nutrition.

Setting the threshold at 25 percent while we continue to refine the information and methodologies used to develop CalEnviroScreen will provide a margin of safety that ensures that communities close to the threshold are not inappropriately excluded. Moreover, with new investment requirements for low-income communities and households through AB 1550, we now see a much broader landscape of communities with priority for funding distributed

throughout the various regions of the state.¹⁶ This expansion of priority communities will increase the potential for project proposals that reduce greenhouse gases and maximizes benefits to both disadvantaged communities and low-income communities.

Therefore, after taking into consideration legislative direction, comparative markers of being disadvantaged and basic principles of fairness, CalEPA will use a 25 percent threshold to identify disadvantaged communities. Maps of the top 25 percent highest scoring census tracts and low-income communities pursuant AB 1550 are provided as an attachment to this document.

B. High Pollution Census Tracts

In addition to percentage thresholds, CalEPA also sought input on whether to include census tracts that score in the highest 5% of Pollution Burden, but do not receive an overall CalEnviroScreen score due to unreliable public health and socioeconomic data. These census tracts generally reside in areas that are sparsely populated and located adjacent to census tracts that score in the top 25%. In some cases, these census tracts represent some of the most significant pollution point sources in a region. Many of these high pollution census tracts are ports, airports, or heavy industrial areas. Including these areas would add 22 more census tracts as disadvantaged communities.

After reviewing public comments and taking into consideration the geographic significance of these census tracts, CalEPA will include these areas as disadvantaged communities for the purposes of SB 535.

VII. ONGOING PROCESS

CalEnviroScreen is the result of an iterative, public process that included input from a wide cross-section of interested groups across the state. We remain committed to further improve and refine this innovative tool.

We recognize that in assigning CalEnviroScreen scores for each of the approximately 8,000 census tracts in California, it is possible that data concerning individual tracts may have been missed or misinterpreted. We will continue to work with local and regional jurisdictions to review our data and verify results on an ongoing basis. If recalculation of a community's CalEnviroScreen 3.0 score shows that it should have been identified as a disadvantaged community, we will add that community to the list for this designation. We will not remove a community from the list for the current designation, however, if recalculation of their CalEnviroScreen 3.0 score shows that they were incorrectly identified as a disadvantaged community because we do not want to disrupt any funding decisions already in process.

Finally, this decision, while important, is one step in the process of ensuring that these investments yield significant benefits to California's disadvantaged communities. Much of the

¹⁶ AB 1550 includes two definitions for "low-income:" Income within a census tract or household is at or below 80% of the statewide median household income; or Income within a census tract or household is at or below the threshold designated as low-income by the Department of Housing and Community Development's list of State income limits. Together, both definitions include census tracts that comprise 47% of the State's population. An electronic version of this map is available at: <http://www.calepa.ca.gov/envjustice/ghqinvest/>

success depends on the implementation by administering State agencies. ARB has provided valuable guidance to these agencies for how they can maximize benefits to disadvantaged communities while meeting statutory requirements. It is critical that agencies make the most of this unique opportunity to have a transformative impact on California's most disadvantaged communities.

Attachments:*

SB 535 Disadvantaged Communities maps (CalEnviroScreen 3.0)

AB 1550 Low-income Communities maps

Both SB 535 Disadvantaged Communities and AB 1550 Low-Income Communities

*Please note these AB 1550 maps do not illustrate individual low-income households throughout the state or low-income households and communities within a ½ mile of a disadvantaged community. For more detail, interactive maps are available at: <http://www.calepa.ca.gov/envjustice/ghginvest/>