PRELIMINARY 2026 DESIGNATION OF DISADVANTAGED COMMUNITIES PURSUANT TO SENATE BILL 535
July 2026

I. INTRODUCTION

With the increasing frequency and severity of wildfires, extreme heat, drought, and other climate impacts, California is committed to continuing its efforts to address climate change. California is achieving this through various programs and policies to reduce greenhouse gas pollution and safeguard our communities from the mounting risks related to that pollution. At the same time, many of our communities experience unacceptable levels of pollution and poverty.

Senate Bill (SB) 535 (De León, Chapter 830, Statutes of 2012) mandates that certain Cap-and-Invest auction proceeds fund investments in "disadvantaged communities" (DACs). It charges the California Environmental Protection Agency (CalEPA) with the responsibility to designate DACs. CalEPA must base designations on "geographic, socioeconomic, public health, and environmental hazard criteria,"[1] but has broad discretion for developing specific criteria and methods for applying those criteria.

In issuing previous designations, CalEPA relied upon the California Communities Environmental Health Screening Tool (CalEnviroScreen), a mapping tool developed by the Office of Environmental Health Hazard Assessment (OEHHA). On July 1, 2026, OEHHA released a final version of the updated tool, CalEnviroScreen Version 5.0. CalEPA determined that the improvements and updates in Version 5.0 were sufficiently material to warrant new designations of disadvantaged communities, pursuant to SB 535.

In this designation, CalEPA generally defines communities in terms of census tracts and identifies four types of geographic areas as disadvantaged:

1. Census tracts with the highest 25 percent of CalEnviroScreen 5.0 overall scores.

2. Census tracts with the highest 5 percent of CalEnviroScreen 5.0 pollution burden scores.

3. Census tracts that overlap at least 25 percent with a 2022 DAC-designated census tract based on CalEnviroScreen 4.0.

[1] Health and Safety Code § 39711(a).

4. Lands under the control of federally recognized tribes, with updated tribal boundaries data.[2]

II. LEGAL BACKGROUND

California administers a suite of measures intended to reduce greenhouse gas emissions and air pollution. One of these is the California Air Resources Board's (CARB) Cap-and-Invest Program.

The Cap-and-Invest Program is a market-based system that establishes an annual declining limit – or cap – on about 80 percent of statewide greenhouse gas emissions from the largest polluters ("covered entities") in the state. Covered entities must obtain allowances equal to their emissions. Allowances are purchased at quarterly auctions, which generate proceeds. The state's share of the auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF), which the Legislature appropriates. The Legislature has established a set of requirements for the use of GGRF funds, including that the funds must be used to facilitate greenhouse gas emission reductions, benefit disadvantaged communities and low-income communities and households, and maximize other environmental, public health, and economic benefits, where applicable and to the extent feasible.

Through SB 535 and related legislation, the Legislature has mandated that certain percentages of GGRF funds be invested in DACs. CalEPA is charged with designating such communities.[3]

I.Funding Allocations

In 2012, the Legislature passed SB 535, which established initial requirements for minimum funding levels to DACs. In 2016, the Legislature passed Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016), which established the currently applicable minimum funding levels. Under AB 1550, at least 25 percent of available GGRF funds must be allocated toward DACs.[4] At least 5 percent of available GGRF funds must be allocated toward projects within low-income communities or benefiting low-income households.[5] And at least 5 percent must be allocated toward projects within and benefiting low-income communities, or low-income households, that are outside of a

---

[2] Some of these tracts of land are not visible in the maps in this document due to the limited granularity of the maps. An interactive map showing all designated disadvantaged lands can be found at https://calepa.ca.gov/envjustice/ghginvest/.
[3] California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund, Health and Safety Code § 39711, 39713, 39715, 39721, and 39723 (2011).
[4] Health and Safety Code § 39713(a).
[5] *Id*., § 39713(b).

CalEPA-defined DAC but within ½ mile of a disadvantaged community.[6,7]

Together, SB 535 and AB 1550 help guide the California Climate Investments program in prioritizing investments to disadvantaged communities and low-income communities and households. CARB assists with the implementation of both bills by, among other things, developing resources and guidance for targeting investments towards DACs, low-income communities, and low-income households. These resources include CARB's "Funding Guidelines for Agencies Administering California Climate Investments," a mapping tool, and benefit criteria tables to guide demonstration of direct, meaningful, and assured benefits that meet community needs.[8]

II. Designation Requirement

Neither AB 1550 nor SB 535 provide a definition for "disadvantaged communities."[9] Instead, SB 535 directs CalEPA to "identify disadvantaged communities … based on geographic, socioeconomic, public health, and environmental hazard criteria."[10] It recognizes that these criteria "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."[11]

- "Areas with concentrations of people that are of low income, high unemployment, low levels of home ownership, high rent burden, or low levels of educational attainment."[12]

SB 862 (Leno, Chapter 836, Statutes of 2014) requires CalEPA to hold at least one public workshop prior to the identification of disadvantaged communities.[13] It expressly

---

[6] *Id.*, § 39713(c).
[7] The three set-asides for DACs and low-income communities and households are collectively referred to in California Climate Investment programming as "priority population" funding. The map of priority population areas will be updated by CARB upon finalization of the 2022 DAC designations and will be available here: https://webmaps.arb.ca.gov/PriorityPopulations/
[8] More information on these resources can be found here: https://www.caclimateinvestments.ca.gov/resource-portal-funding-guidelines
[9] By contrast, AB 1550 defines "low-income communities" to mean "census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development's list of state income limits adopted pursuant to Section 50093." Health and Safety Code § 39713(d)(2).
[10] *Id.*, § 39711(a).
[11] *Id.*, § 39711(a)(1).
[12] *Id.*, § 39711(a)(2).
[13] *Id.*, § 39711(b).

exempts CalEPA's designations of disadvantaged communities from ordinarily applicable Administrative Procedure Act rulemaking requirements.[14]

III. CalEnviroScreen

CalEnviroScreen is a mapping tool developed by OEHHA that brings together environmental, public health, and socioeconomic data to describe cumulative pollution burdens and vulnerabilities in communities throughout the state. CalEnviroScreen compares individual communities, or census tracts, by their pollution levels and community factors that may make residents more vulnerable to pollution. CalEnviroScreen and its underlying model remains a standard for other cumulative impacts mapping tools nationwide.[15]

CalEPA selected CalEnviroScreen as a methodology to determine the first DAC designation in 2014. It continues to be used because it most clearly addresses the requirements in SB 535 that disadvantaged communities be identified based on geographic, socioeconomic, public health, and environmental hazard criteria. These criteria are captured in CalEnviroScreen's growing list of 23 pollution burden and population characteristics indicators.

Additionally, CalEnviroScreen offers the advantage of having been subject to extensive public review by community groups, businesses, academic experts, and government agencies across California. To further prioritize community input in government decision-making, CalEnviroScreen 5.0 was developed in partnership with community-based organizations (CBOs) from across the state through a new co-design approach.[16] CalEnviroScreen continues to evolve as a science-based method for identifying impacted communities by considering pollution exposure and its effects, as well as health and socioeconomic status, at the census-tract level.

While CalEnviroScreen was developed through a process separate from that of the DAC designation, it is integral to the DAC designation process. The framework for what later became known as CalEnviroScreen existed at the time the Legislature enacted SB 535. CalEPA relied upon versions of the tool in its three previous designation processes – in 2014, 2017, and 2022 – and continues to take it into account for the present designation.

---

[14] *Id.*, § 39711(c).
[15] National Academies of Science, Engineering, and Medicine. 2024. Constructing Valid Geospatial Tools for Environmental Justice. National Academies Press: Washington, D.C
[16] OEHHA and its eight partner CBOs co-developed proposed updates to CalEnviroScreen 5.0, including two new indicators. For more information on the co-design approach, please refer to OEHHA's co-design report: https://oehha.ca.gov/sites/default/files/media/2026-01/calenviroscreen50codesignreportd12226.pdf.

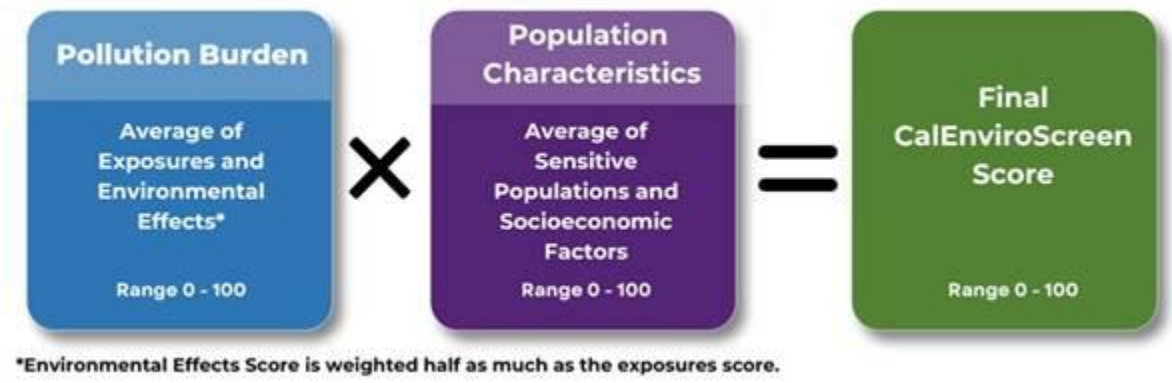
III. CalEnviroScreen Version 5.0

OEHHA released the current version of CalEnviroScreen – Version 5.0 – on July 1, 2026. Version 5.0 materially improves upon Version 4.0 and reflects years of iterative improvement across all versions of the tool.[17] It incorporates the most recent data produced by CalEPA's boards, departments, and offices, the California Health and Human Services Agency, and federal entities. It refines the way certain indicators are calculated and introduces new ones to more precisely account for environmental conditions and a population's vulnerability to environmental pollutants. The most significant updates to CalEnviroScreen 5.0 include:

- Co-design process: For the first time, OEHHA partnered with CBOs to update CalEnviroScreen. Through this co-design process, OEHHA partnered with eight CBOs across the state between 2024 and 2025 to ensure that proposed updates in CalEnviroScreen 5.0 reflected community needs and priorities.
- Two new indicators: (1) diabetes prevalence in adults, and (2) small air toxic sites (e.g., gas stations, oil and gas wells, and other sites reporting air toxic releases).
- Improvements to existing indicators: For example, the drinking water contaminants indicator now includes concentration data for six additional PFAS ("forever") chemicals. OEHHA also introduced an expanded buffer around large facilities within the hazardous waste indicator.

Updated census tract data: CalEnviroScreen 5.0 uses the most current data, released by the United States Census Bureau in 2020, which adds over 1,000 census tracts to the state.

Figure 1. CalEnviroScreen 5.0 Model and Component Scoring



Throughout the public comment period for the draft Version 5.0, which included six statewide and regional workshops, OEHHA received more than 100 public comments

[17] Link to 5.0 page: https://oehha.ca.gov/calenviroscreen/report/draft-calenviroscreen-50.

from a wide range of stakeholders. Many commenters expressed enthusiasm for the two new indicators (Small Air Toxic Sites and Diabetes), while requesting the addition of climate-related and other environmental and socioeconomic indicators. Some commenters particularly in San Francisco and the greater Bay Area, expressed concern about decreased or lower-than-expected scores for their census tracts between CalEnviroScreen versions 4.0 and 5.0. These commenters argued that updated scores do not match community conditions and may impact DAC-related funding eligibility.

In response to Bay Area comments about score changes, OEHHA conducted a thorough evaluation of indicator data to address any underlying discrepancies. Through this review, OEHHA made corrections to the Diesel Particular Matter, Hazardous Waste, PM2.5, and Cleanup Sites indicator data for the entire state, such as accounting for more emissions sources and making scoring method corrections. OEHHA is also committed to developing a strategy for evaluating climate-related data for potential inclusion in version 6.0, which will involve a careful reevaluation of CalEnviroScreen's overall scoring model and assessment of cumulative impacts.

A detailed explanation of all updates to CalEnviroScreen 5.0, including those described above, and descriptions for all 23 indicators are available in the Draft CalEnviroScreen 5.0 Technical Report.

IV. DAC DESIGNATION PROCESS

The present designation marks the fourth that CalEPA has issued under SB 535. This section reviews the previous designations. It also identifies the communities that CalEPA is designating as DACs in the current process. This preliminary designation will ultimately inform the 2026 Final DAC Designation.

IV. Previous DAC Designations

CalEPA issued previous DAC designations in 2014, 2017, and 2022. In the 2014 designation, CalEPA recognized as disadvantaged the census tracts that received overall scores in the highest 25 percent in what was then the operative version of CalEnviroScreen.[18] In the 2017 designation, CalEPA designated census tracts as disadvantaged on the basis of this same metric. In addition, it designated census tracts that lacked overall CalEnviroScreen scores due to data gaps but scored in the top five percent on the composite Pollution Burden indicator. These thresholds were chosen through a review of related statutes and proxy indicators of disadvantage. They considered extensive public comments.

In the 2022 designation, CalEPA formally designated as DACs the following four categories:

[18] https://calepa.ca.gov/2014/10/31/press-release-2014-calepa-identifies-communities-targeted-for-cap-and-trade-investments/

1. Census tracts with highest 25 percent overall scores in CES.
2. Census tracts with highest 5 percent pollution burden indicator scores.
3. Census tracts designated in 2017.
4. Lands under the control of federally recognized tribes.

V. 2026 Preliminary Designation

CalEPA is proposing four categories to include in the 2026 DAC Designation:

1. Census tracts with the highest 25 percent of CalEnviroScreen 5.0 overall scores (2,259 tracts).

2. Census tracts with the highest 5 percent of CalEnviroScreen 5.0 pollution burden scores (9 tracts).

3. Census tracts that overlap at least 25 percent with a 2022 DAC-designated census tract based on CalEnviroScreen 4.0 (436 tracts).

4. Lands under the control of federally recognized tribes, with updated tribal boundaries data.

CalEPA's reasoning for designating each of the four categories is described below.

1. Census tracts with the highest 25 percent of CalEnviroScreen 5.0 overall scores

SB 535 directs CalEPA to identify disadvantaged communities based on geographic, socioeconomic, public health, and environmental hazard criteria, but it does not specify how many communities or what percentage of the population should be included in designations.[19]

In selecting the 25 percent threshold for the 2014, 2017, and 2022 designations, CalEPA looked toward the circumstances surrounding the enactment of SB 535, other legislation, and studies regarding disadvantaged communities.[20] The reasoning used to select a 25 percent threshold applies as readily in 2026 as it did in 2014, 2017 and 2022. Data points supporting this determination include:

[19] California-2011-SB535-Chaptered

[20] For a complete accounting of the various factors used to establish the 25 percent threshold, see the Final 2022 Designation of Disadvantaged Communities available here: https://calepa.ca.gov/wp-content/uploads/2022/05/Updated-Disadvantaged-Communities-Designation-DAC-May-2022-Eng.a.hp_-1.pdf

- In 2023, the California Poverty Measure by the Public Policy Institute of California and the Stanford Center on Poverty and Inequality identified 34.8 percent of Californians were poor or near poor, and 16.9 percent were living at or near poverty.[21]

- From 2020 to 2024, 15.3 percent of Californians aged 25 and over lacked a high school diploma or equivalent.[22]

- From 2021 to 2022, 21 percent of households in California were severely housing cost burdened, spending more than 50 percent of their income on housing.[23]

- As of September 2024, 22 percent of households in California experienced food insecurity.[24]

While these data points do not represent a complete list of comparative markers, they provide CalEPA with 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 consideration that an overly broad threshold would dilute the impact of SB 535 and AB 1550 by spreading the designated funding too thinly to provide the needed benefits.

Once again using 25 percent as a CalEnviroScreen threshold would provide policy continuity and would ensure that approximately a quarter of California census tracts – which, collectively, are home to 9.7 million residents, or 24.8 percent of the state's population – receive DAC designations.

2. Census tracts with the highest 5 percent of CalEnviroScreen 5.0 pollution burden scores

For a relatively small number of census tracts (less than 100 out of 9,106), CalEnviroScreen 5.0 does not offer overall CalEnviroScreen scores due to unavailable or unreliable population data. These census tracts generally reside in areas that are sparsely populated, but some are located adjacent to census tracts that score in the top 25 percent of CalEnviroScreen scores. 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 include ports, airports, or heavy industrial areas. For example,

---

[21] Poverty in California, Sarah Bohn, Caroline Danielson, and Sara Kimberlin, August 2025, available at https://www.ppic.org/wp-content/uploads/JTF_PovertyJTF.pdf
[22] Quick Facts, United States Census, available at https://www.census.gov/quickfacts/fact/table/CA/EDU635219#EDU635219
[23] California Data Dashboard – Housing, Stanford Center on Poverty and Inequality, available at https://inequality.stanford.edu/dashboard-housing
[24] Food Insecurity in California, California Association of Food Banks, available at https://www.cafoodbanks.org/food-insecurity-data/

some census tracts in heavily industrialized areas might have extremely high pollution burden scores, but because their population is so low, they have no overall CalEnviroScreen 5.0 score. Consistent with previous designations, CalEPA is proposing that the 2026 DAC Designation includes census tracts with no overall CalEnviroScreen score if they are in the highest 5 percent on CES's Pollution Burden composite score. In CalEnviroScreen 5.0, there are 9 census tracts meeting these criteria out of 73 census tracts without a CalEnviroScreen score. This approach was also taken for the 2017 and 2022 DAC Designations, so choosing to repeat it would align with the precedent and include communities that experience high pollution.

3. Census tracts that overlap at least 25 percent with a 2022 DAC-designated census tract based on CalEnviroScreen 4.0.

CalEPA is proposing to designate as disadvantaged census tracts that were identified in 2022 based on CalEnviroScreen 4.0, regardless of the current CalEnviroScreen 5.0 score. This includes census tracts that were in the highest 25% of overall scores and in the highest 5% of pollution burden scores based on CalEnviroScreen 4.0. Although about 80 percent of the highest scoring 25 percent census tracts remain the same between versions 4.0 and 5.0, CalEPA sees value in ensuring that the communities previously identified as highly burdened continue to be considered disadvantaged and remain eligible for disadvantaged community-related funding opportunities.

New census geography used in CalEnviroScreen 5.0 requires additional geographic analysis to inform the carrying over of prior designated census tracts. Because the census tracts used in CalEnviroScreen 4.0 (2010 census geography) and CalEnviroScreen 5.0 (2020 census geography) differ, CalEPA conducted a geographic overlap analysis to understand how the updated tracts relate to each other. Most 2010 census tracts were split into two 2020 tracts, however some 2010 tracts were absorbed into other tracts. There was only a two-census tract difference in number of 2022 DACs at a 15 to 50 percent overlap. CalEPA determined that a 25 percent overlap threshold is an appropriate threshold that enables the inclusion of census tracts that have a meaningful overlap with 2022 DAC-designated census tracts based on CalEnviroScreen 4.0.

This threshold would carry over an additional 436 tracts that were considered DACs in the 2022 designation. This approach is similar to the approach taken in 2022 to carry over the census tracts that were designated DACs in 2017. In summary, if a 2022 DAC-designated census tract was in CalEnviroScreen 4.0's highest 25% overall scores or highest 5% pollution burden scores and has at least a 25 percent overlap with a current census tract, that current census tract will be considered a DAC for the new 2026 Designation.

4. Lands under the control of federally recognized tribes, with updated tribal boundaries data

a. Lands under the control of federally recognized tribes

In the 2022 designation, CalEPA included lands under the control of federally recognized tribes,[25] including but not necessarily limited to Federal American Indian Reservations and lands held in trust by the United States for the benefit of American Indian tribes in California (collectively, tribal lands).[26] Data gaps related to Tribal nations frequently make it difficult to fully and accurately assess pollution burden and population characteristics of these areas in CalEnviroScreen. Specifically, because of their status as sovereign governments, federally recognized tribes in California are not required to report or make publicly available to the state the types of data used in CalEnviroScreen. The data used in developing the drinking water quality, pesticide use, solid waste, asthma or cardiovascular disease indicators, for example, are not required to be reported to the state by federally recognized tribes in California. Therefore, these data are often not available to the state.

In the 2022 designation, CalEPA accounted for such gaps by looking for information outside of CalEnviroScreen. In stakeholder meetings, tribal representatives raised concerns that these data gaps have meant that federally recognized tribes in California have been effectively excluded from California Climate Investments-related funding despite frequently high levels of poverty, health and environmental burden, and increased suicide rates,[27] oftentimes related to the historical violence and deprivation federally recognized tribes in California have endured. For example, recent census data show that the poverty rate on tribal lands in California is nearly double the state average.[28] The justification for inclusion of lands under the control of federally

[25] Federal Recognition refers to acknowledgement by the federal government that a tribal government and tribal members constitute a tribe with a government-to-government relationship with the United States, and eligibility for the programs, services, and other relationships established for the United States for Indians, because of their status as Indians. (Title 25 Code of Federal Regulations § 83.2)
[26] U.S. Census Bureau, TIGER/Line Geodatabases, available at https://www.census.gov/geographies/mapping-files/time-series/geo/tiger-geodatabase-file.html.
[27] National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention (CDC) 2019. Suicide Rates for Females and Males by Race and Ethnicity: United States, 1999 and 2017. https://www.cdc.gov/nchs/data/hestat/suicide/rates_1999_2017.htm
[28] American Community Survey 2015-2019, showing residents of federally recognized tribal lands in California with a 22 percent poverty rate, with 43 percent of residents at 200 percent of the federal poverty level, versus state averages of 13 percent poverty rate and 30 percent of the state below 200 percent of the federal poverty level.

recognized tribes was outlined in the 2022 DAC designation.[29]

CalEPA concluded that the most reasonable way to approach data gaps for specific CalEnviroScreen indicators for tribal lands is to designate lands under the control of federally recognized tribes as DACs. As discussed, these lands and the tribal communities that are located on them reflect "geographic, socioeconomic, public health, and environmental hazard[s]" that would support a DAC designation.[30] CalEPA recognizes the value of accurate and comprehensive data as well as the burden associated with collecting data. Therefore, CalEPA is proposing to continue including federally recognized tribal lands in the 2026 designation.

In addition to inclusion of lands under the control of federally recognized tribes in the current DAC designation framework, CalEPA is redoubling efforts to provide technical assistance and offer consultation to any tribe that believes their lands should be included in future DAC designation evaluations. Through the consultation process, CalEPA will work with interested tribes to identify and better understand lands under tribal control that may not be reflected in existing datasets.

As part of this process, tribes may submit information demonstrating that a particular area of land is under its control. Such information may include documentation or other evidence that provides a reasonable basis for CalEPA to determine, in its discretion, that the tribe has control, stewardship, governance, and/or authority over the land. Information gathered through the consultation process will help CalEPA develop a more comprehensive inventory of lands under tribal control, improve statewide environmental justice screening efforts, and inform consideration of future DAC designations.

Tribes interested in participating in the consultation process should contact the CalEPA Deputy Secretary for Intergovernmental Relations at TribalAffairs@calepa.ca.gov.

b. Tribal boundary data

The 2022 DAC designation uses Census data to establish tribal boundaries. Since then, the BIA has released a dataset of tribal boundaries that is more comprehensive than the Census data. For the 2026 designation, CalEPA is proposing to include both the BIA (2024)[31] and Census (2025)[32] tribal boundary data, which would expand the tribal lands boundaries that are currently in the DAC designation. BIA has requested that their boundaries be presented separately in the DAC map from the Census boundaries as

[29] https://calepa.ca.gov/wp-content/uploads/2022/05/Updated-Disadvantaged-Communities-Designation-DAC-May-2022-Eng.a.hp_-1.pdf
[30] Health and Safety Code § 39711(a).
[31] Data source: https://biamaps.geoplatform.gov/biatracts/.
[32] Data source: https://www.census.gov/geographies/mapping-files/time-series/geo/tiger-geodatabase-file.html

"Tribal Boundaries – Bureau of Indian Affairs" and "Tribal Boundaries – US Census," respectively. OEHHA presented this approach to a California interagency tribal lands workgroup and received feedback from tribal stakeholders in support of using both BIA and Census Tribal boundary data. This would mean any current designees of multi-year grants that rely on the DAC designation would not be impacted by incorporating the BIA data.

CalEPA consulted with five federally recognized tribes who requested to add additional lands under their control to the 2022 DAC designation maps. Tribal lands added as a result of consultation under previous designations remain in the proposed map and are identified as 'Tribal Boundaries – Consultations.'

V. MAPS

An interactive online map showing the preliminary 2026 disadvantaged communities designated by CalEPA is available here.

VI. CONCLUSION AND NEXT STEPS

CalEPA is pleased to publish this updated Preliminary Designation, pursuant to SB535, which takes into account the latest and best available data and considers factors related to data unavailability. Following the release of this Preliminary Designation, there will be opportunities for public input, including a public comment period through August 14, 2026, two virtual public workshops, and one tribal workshop. Information about public workshops is available here.

To submit public comment on the 2026 Preliminary DAC Designation, email written comments to DACInquiries@calepa.ca.gov by 5:00 p.m. on August 14, 2026.

Once the public comment period and workshops have concluded, CalEPA will respond to public input and issue the Final 2026 DAC Designation.