

June 10, 2026 (June 26 Update)

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable Monique Limón
Senate President Pro Tempore
1021 O Street, Suite 8518
Sacramento, CA 95814

The Honorable Robert Rivas
Speaker of the Assembly
1021 O Street, Suite 8330
Sacramento, CA 95814

RE: Honor SB 840 Commitments to AHSC, TIRCP, LCTOP, and AB 617

Governor Newsom, pro Tem Limón, and Speaker Rivas:

We, the undersigned organizations, write to you today, following the California Air Resources Board's vote to adopt the *Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms,* to urge you to honor the state's ongoing funding commitments to the Tier 3 programs established by SB 840 (Limon) [Chapter 121, Statutes of 2025].

Specifically, we voice our strong support for honoring the state's commitments to the Affordable Housing and Sustainable Communities Program (AHSC), Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and AB 617, which were reauthorized less than a year ago. As you know, the amendments will reduce GGRF revenues by $2 billion and eliminate GGRF funding for all Tier 3 programs, including but not limited to, the AHSC, TIRCP, LCTOP, and AB 617 communities. **We urge you to maintain the ongoing appropriation of $800 million for the AHSC, $400 million for the TIRCP, $200 million for the LCTOP, and $250 million for AB 617.**

In 2025, our organizations, representing affordable housing, local government, transportation / transit, environmental, disability rights, business, and labor interests from across the state, supported the efforts of the Newsom Administration and Legislature to extend the Cap-and-Trade program beyond 2030. We supported the proposed early action on the extension, as we understood the importance of the program to meeting California's long-term climate and air quality goals and believed state officials' public statements that such action was immediately necessary to stabilize the market and continue the state's investment from the GGRF in key climate programs. As the effort gained traction in the companion measures of AB 1207 (Irwin) [Chapter 117, Statutes of 2025] and SB 840 (Limon) [Chapter 121, Statutes of 2025], we supported the legislation and defended the bills against attacks from stakeholders, including the industry sectors subject to the program. We were pleased to see that the enacted legislation, consistent with our objectives, extended the program through 2045, renamed the program the "Cap-and-Invest" program, and maintained continuous appropriations from the GGRF for the AHSC, TIRCP, and LCTOP while also committing – for the first time – ongoing funding for air quality initiatives in AB 617 communities.

Our enthusiasm for the reauthorization and maintenance of these continuous appropriations was, unfortunately, short-lived.

Less than one year later, CARB released, and later adopted, amendments to implement AB 1207 that, in our view, violated legislative intent and invalidated the funding agreement reached between the Administration and Legislature in SB 840 (Limon). The amendments, as you know, increased allowances for polluting industries by nearly $2 billion annually to address "industry leakage" and "affordability" and reduced GGRF revenue by a commensurate amount annually, zeroing the hard-fought funding that was deliberately committed to the AHSC, TIRCP, and LCTOP. This funding has been a centerpiece of the state's climate strategy since 2015 and its maintenance was, in our view, essential to the reauthorization of the Cap-and-Invest program. This funding supports the buildout of affordable transit-oriented housing and major transit projects, deployment of zero-emission vehicles, transit service, fare free and discounted transit passes, and community air quality initiatives.

Over the last decade, as identified by CARB, implemented projects funded by these programs have delivered the following GHG emission reductions and benefits.

- AHSC:
    - 6,632,693 MTCO2e GHG emissions reduced
    - $4.85 billion invested, with $4.0 billion benefitting priority populations
    - 22,877 units of affordable housing funded

- TIRCP:
    - 23,369,888 MTCO2e GHG emissions reduced
    - $2.74 billion invested, with $1.58 billion benefitting priority populations
    - 263 transit projects implemented

- LCTOP:
    - 7,446,600 MTCO2e GHG emissions reduced
    - $1.23 billion invested, with $1.14 billion benefitting priority populations
    - 1,123 projects and services implemented

- AB 617:
    - 282,500 MTCO2e
    - $527 million invested, with $442.68 million benefitting priority populations
    - 9,004 projects implemented

What's more, implemented projects directly address the affordability crisis faced by Californians by expanding access to affordable housing and transit options; supporting good paying, life-sustaining jobs; and creating travel time savings that buys Californians more time with family and friends.

We estimate that, due to the adoption of the amendments, the constituencies we represent and/or serve will lose up to $1.65 billion in GGRF annually. Given the GHG reductions from these programs outlined above, reducing this funding will jeopardize the state's ability to meet its 2030 GHG reduction targets. **We, therefore, urge you to work with our organizations to develop and implement a plan to honor the state's ongoing funding commitments to the AHSC, TIRCP, LCTOP, and AB 617.** Such action is necessary to ensure that, despite CARB's action, the state can continue to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities.

We look forward to engaging with you in the weeks ahead to protect this critical funding.

Sincerely,

Michael Pimentel
Executive Director
California Transit Association

Chione Flegal
Executive Director
Housing California

Wesley Reutimann
Deputy Director
Active SGV

Holly Benson
President and CEO
Adobe Communities

Vivian Wan, MSW
Chief Executive Officer
Adobe Housing Development

Shane Gusman
Legislative Advocate
Amalgamated Transit Union

Tyler Munzing
Executive Director
American Council of Civil Engineers – California

Heng Lam Foong and Kyle Tsukahira
Co-Director
Asian Pacific Islander Forward Movement

Victoria J. Brady
Chief Executive Officer
Cabrillo Economic Development Corporation

Joshua Arce
Executive Director
California Alliance for Jobs

Jacklyn Cuddy
Executive Director
California Association for Coordinated Transportation

Bill Higgins
Executive Director
California Association of Councils of Governments

Silvia Solis Shaw
Executive Director
California Cities Transportation Initiative

Nate Schaffran
Executive Director
California Coalition for Community Investment

Alicia Sebastian
Executive Director
California Coalition for Rural Housing

Bob Zdenek
Interim Executive Director
California Community Economic Development Association

Maddie Ribble
Co-Director for Policy
California Community Land Trust Network

Guillermo Robles
President
California Council of the Blind

Ray Pearl
Executive Director
California Housing Consortium

Andrew Dawson
Senior Manager of Policy Advocacy
California Housing Partnership

James A. Thuerwachter
Legislative Advocate
California State Council of Laborers

Nolan Gray
Senior Director of Legislation and Research
California YIMBY

Gabriella Ruiz
Policy Manager
Chinatown Community Development Center

Colin Parent
CEO and General Counsel
Circulate Planning and Policy

Tara Barauskas, LEED AP
Executive Director
Community Corporation of Santa Monica

Elissa Dennis
Executive Director
Community Economics, Inc.

Sean Spear
President & CEO
Community HousingWorks

Seana O'Shaughnessy
President / CEO
Community Housing Improvement Program

Eric Harris
Associate Executive Director of External Affairs
Disability Rights California

Laura Hall
President & CEO
EAH Housing

Jeff Levin
Senior Director of Policy
East Bay Housing Organizations

Heather Hood
VP and Market Lead, Northern California
Enterprise Community Partners

Jimar Wilson
VP and Market Leader, Southern California
Enterprise Community Partners

Cristian Ahumada
Executive Director and CEO
Holos Communities

Alexander Russell, M.B.A.
Chief Executive Officer
Homes & Hope

Robert Estrada
National President
Inlandboatmen's Union of the Pacific Marine Division ILWU

Cesar Covarrubius
Executive Director
Kennedy Commission

Ian Gabriel
Director of Collective Impact
Lift to Rise

Los Angeles Area Chamber of Commerce

Kenny Rodgers
Deputy Market Director, Coachella Valley
Low-Income Investment Fund

Captain Sly Hunter
Regional Representative
Masters, Mates & Pilots AFL-CIO

Ariel Beliak
President & CEO
Merritt Community Capital Corporation

Renner Johnston
President / Partner
Mogavero Architects

Eli Lipmen
Executive Director
Move California

Eli Lipmen
Executive Director
Move LA

Craig Adelman
CEO
Mutual Housing California

Alex Visotzky
Senior Policy Fellow, California
National Alliance to End Homelessness

J.T. Harechmak
Policy Director
Non-Profit Housing Association of Northern California

Kenneth Triguiero
CEO & President
People's Self-Help Housing

Matthew Baker
Policy Director
Planning & Conservation League

Orange County Business Council

Jon Switalski
Executive Director
Rebuild SoCal Partnership

Courtney Pal
Policy Manager
Resources for Community Development

Jonathan Matz
California Senior Policy Manager
Safe Routes to School Partnership

Adina Levin
Executive Director
Seamless Bay Area

Keith Dunn
Executive Director
Self-Help Counties Coalition

Louie Costa
Safety and Legislative Director
SMART – Transportation Division

Jackson Loop
Policy Director
Southern California Association of Non-Profit Housing

Laura Tolkoff
Transportation Policy Director
SPUR

Marc T. Vukcevich
Director of State Policy
Streets for All

Shane Gusman
Legislative Director
Teamsters

Carter Lavin
Co-Founder
Transbay Coalition

Zack Deutsch-Gross
Executive Director
Transform

Stuart Waldman
President
Valley Industry & Commerce Association

cc: Members and Staff, California State Legislature
Members, California Air Resources Board
Jamie Callahan, Deputy Chief of Staff, Office of Governor Gavin Newsom
Trey Reffett, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Sarah Swig, Deputy Cabinet Secretary and Senior Advisor, Office of Governor Gavin Newsom
Steve Cliff, Executive Officer, California Air Resources Board
Rajinder Sahota, Deputy Executive Officer, California Air Resources Board
Toks Omishakin, Secretary, California State Transportation Agency
Erin Curtis, Executive Director, Strategic Growth Council