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May 28, 2026

Lauren Sanchez  
Chair, California Air Resources Control Board  
1001 I Street Sacramento, CA 95814

**RE: Public Comments - Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation – LETTER OF CONCERN**

Dear Chair Sanchez:

On behalf of the City of Sacramento (City) I write to voice our significant concerns with the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Proposed Amendments), released by the California Air Resources Board (CARB) on April 14, 2026. The Proposed Amendments are expected to be considered by CARB at its May 28-29, 2026, monthly meeting.

In 2025, the Newsom Administration and Legislature extended the Cap-and-Trade program to stabilize the market and continuing investment from in key climate programs. We were pleased to see that, consistent with our advocacy, the enacted legislation maintained continuous appropriations from the Greenhouse Gas Reduction Fund (GGRF) for the Affordable Housing and Sustainable Communities Program (AHSC), Transit and Intercity Rail Capital Program (TIRCP), and Low Carbon Transit Operations Program (LCTOP) while also committing - for the first time -ongoing funding for air quality initiatives in AB 617 communities.

Today, however, we voice our concerns with the Proposed Amendments' impact to the GGRF, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, and LCTOP. To date, these programs have invested a combined \$6.2 billion in projects and services that delivered generational projects, like affordable transit-oriented housing developments, major transit and rail capital projects and zero-emission transit vehicles as well as quality of life improvements, like transit service expansions and discounted transit passes. Most of this investment benefited California's priority populations, with 89% of total AHSC funding and 94% of total TIRCP and LCTOP funding being directed to disadvantaged and low-income communities.

As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply a broader definition of affordability. To our constituents, addressing affordability requires continued state investment that supports good paying, life-sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, and LCTOP.

We know that CARB is balancing numerous objectives with the Proposed Amendments and is working to enact a final regulation that furthers the state's climate and air quality goals while also confronting the challenges faced by regulated industries and everyday Californians. We ask that, as CARB advances the Proposed Amendments, that you consider the

importance of the GGRF-funded programs and their role in addressing affordability and incorporate this more expansive understanding in the final regulation.

Thank you for your consideration of these comments. If there are any questions about the City's position, please contact Consuelo Hernandez, Director of Governmental Affairs, at [cahernandez@cityofsacramento.org](mailto:cahernandez@cityofsacramento.org) or 916-808-7395.

Sincerely,

A handwritten signature in blue ink, appearing to be 'C. Hernandez', written in a cursive style.

Chair, Law and Legislation  
Committee