



May 4, 2026

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

RE: Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms – Ensuring Continuous Funding for the Sustainable Agricultural Lands Conservation (SALC) program

Dear Chair Sanchez:

On behalf of American Farmland Trust (AFT), California Farmland Trust (CFT), and California Farm Bureau (CAFB), we write regarding the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms, released by the California Air Resources Board (CARB) on April 14, 2026. We understand the Proposed Amendments will be considered at CARB's May 28–29, 2026 meeting, and we have concerns with how they are currently drafted.

We respectfully urge CARB to revise the Proposed Amendments and pause further action on changes of this scale. Any revisions to the Proposed Amendments should remain consistent with the legislative intent and parameters established in SB 840, including preserving stable, reliable funding for the Sustainable Agricultural Lands Conservation (SALC) Program, which has historically been supported through the Strategic Growth Council's Affordable Housing and Sustainable Communities (AHSC) Program.

Together, these programs represent a coordinated approach to managing smart growth, strengthening local economies, and supporting both rural and urban communities.

The SALC program is the third most cost-effective greenhouse gas reduction program in the state, out of 115 programs funded through GGRF. SALC is responsible for 15% of the GGRF's total emission reductions despite historically receiving only 2% of its funding. SALC is a cornerstone investment in rural economic stability. By funding agricultural conservation easements, fee acquisitions, local planning, and land protection strategies, SALC helps keep farmers and ranchers on the land and supports the long-term viability of California agriculture. These investments:

- Sustain agricultural production and the jobs that depend on it
- Provide landowners with financial tools to remain in business
- Support land trusts and local governments working to protect working lands
- Reduce pressure for scattered development that increases infrastructure costs for counties

Since 2015, the SALC Program has received 10% of funding from the AHSC account to help meet one of AHSC's statutory goals of protecting agricultural lands in support of infill and compact development. In 2025, California enacted SB 840, which allocated \$800 million to the AHSC account at the Strategic Growth Council; under the prior agreement, this would have allocated \$80 million to SALC. However, SALC funding remains subject to annual uncertainty, which limits participation and long-term planning. The success of AHSC is directly connected to SALC's ability to prevent farmland and ranchland

conversion at the urban edge, ensuring that housing growth occurs in a more coordinated and cost-effective manner.

The SALC Program continues to be oversubscribed: in 2025 alone, the program invested more than \$130 million to support 47 projects statewide. With more than \$212 million in applications submitted, demand continues to far outpace available funding. The amount of SALC funding needed to meet demand will continue to increase as farm real estate prices around many of the state's urban and peri-urban centers experience rapid appreciation, outpacing the ability of farmers and conservation programs to compete.

We are concerned that elements of the Proposed Amendments—particularly provisions that may rapidly reduce available revenues, including the proposed Manufacturing Decarbonization Credit (MDI)—will erode the long-term stability of funding for essential GGRF programs that support agriculture and working lands, such as the SALC Program. Without a clear commitment to ongoing investment, the state risks constraining affordable housing projects and limiting long-term planning for agriculture in California's rural communities.

For rural communities, inconsistent SALC funding creates real challenges: landowners are less likely to pursue conservation projects, local governments face uncertainty in planning, and land trusts are unable to build long-term pipelines of projects.

On behalf of AFT, CFT, and CAFB, we urge CARB to revise the Proposed Amendments and respectfully request that the Board consider changes aligned with the legislative scope outlined in SB 840, including actions to:

- Ensure stable, continuous funding for SALC
- Recognize the role of working lands conservation as a key component of the state's overall land-use and economic strategy
- Avoid changes that would diminish the reliability of funding for this proven program

Thank you for your consideration and for your leadership in ensuring that the SALC program and the agricultural sector receive stable, reliable GGRF funding so that farmers and ranchers can remain in agricultural production.

If you have any questions about these comments or agricultural land conservation more broadly, please feel free to contact Chelsea Gazillo, American Farmland Trust, Senior California Policy Manager at cgazillo@farmland.org or via cell at (707) 495-8223.

With sincerity,



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