

# California Transit Association Michael Pimentel (Michael Pimentel)

Submitted by the California Transit Association on behalf of the 67 organizations identified with logos and in the signature block. This letter updates the previous letter we submitted on 4/30.



April 30, 2026 (Resubmitted on 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 – Significant Concerns**

Chair Sanchez:

We, the undersigned organizations, write to you today 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, our organizations, representing affordable housing, local government, transportation / transit, environmental, environmental justice, 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 Greenhouse Gas Reduction Fund (GGRF) in key climate programs. As the effort gained traction in AB 1207 (Irwin) and SB 840 (Limon), 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 Affordable Housing and Sustainable Communities Strategies 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 are gravely concerned with the program's proposed direction, as identified by CARB in the Proposed Amendments. Specifically, we are concerned with, and object to, the Proposed Amendments' proposal to increase allowances, including to the state's electricity and gas utility companies, by nearly \$2 billion annually to support, among other things, an enhanced Climate Credit. This proposal, while well-intentioned, would reduce the GGRF revenue by a commensurate amount annually, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, LCTOP, and AB 617 communities. This funding, which has been a centerpiece of the state's climate strategy since 2015, 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 MTCO<sub>2</sub>e 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 MTCO<sub>2</sub>e GHG emissions reduced
  - \$2.74 billion invested, with \$1.58 billion benefitting priority populations
  - 263 transit projects implemented
  
- LCTOP:
  - 7,446,600 MTCO<sub>2</sub>e GHG emissions reduced

- \$1.23 billion invested, with \$1.14 billion benefitting priority populations
- 1,123 projects and services implemented
  
- AB 617:
  - 282,500 MTCO<sub>2</sub>e
  - \$527 million invested, with \$442.68 million benefitting priority populations
  - 9,004 projects implemented

We estimate that the constituencies we represent and/or serve will lose up to \$1.65 billion in GGRF annually – funding they have relied on for over a decade, without any plan from the state to backfill these losses. Given the GHG reductions from these programs outlined above, reducing their funding will jeopardize the state’s ability to meet its 2030 GHG reduction targets.

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 an understanding of affordability that extends beyond utility bills. To the constituencies we represent and/or serve, 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 – not just lower utility bills. 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 in favor of slightly lower utility bills. **We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, LCTOP, and AB 617 communities.**

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 into the final regulation.

As we continue to review the Proposed Amendments, we look forward to engaging with you on the provisions noted in this letter and potentially others impacting GGRF-funded programs.

Sincerely,

Michael Pimentel  
Executive Director  
**California Transit Association**

Chione Flegal  
Executive Director  
**Housing California**

Scott Epstein  
Director of Policy and Research  
**Abundant Housing LA**

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**

Matthew Cremins  
Director  
**CA-NV Conference of Operating Engineers**

Victoria J. Brady  
Chief Executive Officer  
**Cabrillo Economic Development Corporation**

Michael Quigley  
Executive Director  
**California Alliance for Jobs**

Jacklyn Cuddy  
Executive Director  
**California Association for Coordinated Transportation**

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**

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**

Gabriella Ruiz  
Policy Manager  
**Chinatown Community Development Center**

Colin Parent  
CEO and General Counsel  
**Circulate Planning and Policy**

Lesly Beatty  
Director  
**Climate Plan**

Elissa Dennis  
Executive Director  
**Community Economics, Inc.**

Sean Spear  
President & CEO  
**Community HousingWorks**

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

Seana O'Shaughnessy  
President / CEO  
**Community Housing Improvement Program**

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**

Victoria Senna  
Chief Executive Officer  
**Hollywood Community Housing Corporation**

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**

Mahdi Manji  
Director of Public Policy  
**Inner City Law Center**

Cesar Covarrubius  
Executive Director  
**Kennedy Commission**

Ian Gabriel  
Director of Collective Impact  
**Lift to Rise**

Takao Suzuki  
Executive Director  
**Little Tokyo Service Center**

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 Triguero  
CEO & President  
**People's Self-Help Housing**

Matthew Baker  
Policy Director  
**Planning & Conservation League**

Laurel Paget-Seekins  
Senior Transportation Policy Advocate  
**Public Advocates**

Jon Switalski  
Executive Director  
**Rebuild SoCal Partnership**

Courtney Pal  
Policy Manager  
**Resources for Community Development**

Ari Neumann  
Chief Impact & Policy Officer  
**Rural Community Assistance Corporation**

Julio Lamas  
Executive Director  
**Sacramento Housing Alliance**

Jonathan Matz  
California Senior Policy Manager  
**Safe Routes to School Partnership**

**San Diego Housing Federation**

Adina Levin  
Executive Director  
**Seamless Bay Area**

Tom Collishaw  
President & CEO  
**Self-Help Enterprises**

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. Vukceovich  
Director of State Policy  
**Streets for All**

Shane Gusman  
Legislative Director  
**Teamsters**

Carter Lavin  
Co-Founder  
**Transbay Coalition**

Zack Deutsch-Gross  
Executive Director  
**Transform**

Erika Lee and Allisson Riley  
Co-Executive Directors  
**Venice Community Housing**

Ian Evans  
Executive Director  
**Yolo County Housing and New Hope Community Development Corporation**

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