



August 28, 2025

Governor Gavin Newsom  
Office of the Governor  
1021 O Street, Suite 9000  
Sacramento, CA 95814

Speaker Robert Rivas  
CA State Assembly  
1021 O Street, Suite 8330  
Sacramento, CA 95814

Pro Tem Mike McGuire  
CA State Senate  
1021 O Street, Suite 8518  
Sacramento, CA 95814

Senator Monique Limón  
Chair, Senate Climate Working  
Group  
1021 I Street, Suite 7610  
Sacramento, CA 95814

Assembly Member Jacqui Irwin  
Chair, Assembly Working Group  
1021 O Street, Suite 6220  
Sacramento, CA 95814

## Re: Cap-and-Invest Expenditure Proposals for Public Transit and Affordable Housing

The undersigned organizations strongly support the reauthorization of the Cap-and-Trade program through 2045. **However, we are concerned that the Legislature's Cap-and-Invest proposals do not do enough to reduce emissions from the transportation sector and to build affordable homes in climate-friendly locations.**

**On average, Californians spend 67% of their household income on housing and transportation, due to the high costs of housing and car-ownership. Cap-and-Trade provides**

over \$1 billion annually for transportation and transit-accessible affordable housing, through continuous appropriations to the AHSC, TIRCP and LCTOP programs. AHSC is the single largest source of funding for affordable housing in the state, and is specifically aimed at increasing the supply of affordable transit-oriented homes. Additionally, AHSC supports investments in active transit and transportation to create complete communities around transit and support mode shift. Further, many families make ends meet by being able to rely on public transit for at least some of their daily needs, making ongoing funding for public transit essential. Together, these three programs have enabled the state to deliver tens of thousands of new affordable homes and to deliver transit projects that reduce emissions, improve mobility, create high-quality jobs, reduce the cost of living, and leverage billions of dollars in federal funding.

Without adequate and stable funding for affordable housing and high-quality public transit, California will not be able to tackle the affordability crisis in any real way. The Assembly proposal does not specify the amount of funding for public transit nor affordable housing and moves away from continuous appropriations to fund-specific, multiyear spending plans—introducing significant uncertainty and unpredictability. The Senate proposal commits to funding public transit and affordable housing and is a step in the right direction. However, the Senate proposal caps the amount of funding for affordable housing and public transit, which reduces the purchasing power of the funds over time.

**We urge the state to maintain the level of continuous funding for public transit and affordable housing in GGRF. We urge the state to maintain the 35% aggregate continuous appropriation for AHSC (20%), TIRCP (10%) and LCTOP (5%), and set a guaranteed minimum funding level set at FY22-FY23 levels—providing whichever amount is larger in any given year.** This addresses the downside risk of auction volatility and preserves the purchasing power of the funds.

**We urge the state to honor all existing one-time GGRF commitments to transit programs in this year's expenditure plan, consistent with the intent language in the Budget Act of 2025.** Without these ZETCP funds, the state's largest operators will be forced to cut service dramatically.

**We urge the state to make TIRCP funds more flexible so that the program can be used for preventative maintenance and transit operations. Further, we urge the state to allow LCTOP to be used to sustain existing transit service that would otherwise be cut, in addition to expanding service.** Sustaining service is good for the climate and affordability. If the 2 million daily transit trips in the state were taken by car because transit falls off a fiscal cliff, more Californians would be forced to drive more often and air quality and climate pollution would worsen.

**Finally, we urge the state to use remaining GGRF funds to address the environmental**

**justice priorities of frontline communities who bear a disproportionate burden from emissions.**

Predictable, ongoing funding from the Cap-and-Invest program remains essential in order to finance and build affordable housing and to ensure that public transit operators can continue supporting the state's climate and quality of life goals.

Sincerely,

Adina Levin  
Executive Director  
Seamless Bay Area

Laura Tolkoff  
Transportation Policy Director  
SPUR

Corey Smith  
Executive Director  
Housing Action Coalition

Colin Parent  
CEO and General Counsel  
Circulate SD

Meea Kang  
Executive Director  
Council of Infill Builders

Eli Lipmen  
Executive Director  
Move LA

Carter Rubin  
Director, State Transportation Advocacy  
NRDC

Heather Hood  
VP& Market Leader, Northern California  
Enterprise Community Partners

Zack Deutsch-Gross  
Policy Director  
Transform

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

Justin Hu-Nguyen  
Co-Executive Director of Mobility  
Justice  
Bike East Bay

Iman Sylvain  
Western Regional Director  
Rails to Trails Conservancy

Laurel Paget-Seekins  
Senior Policy Advocate  
Public Advocates

David Diaz, MPH  
Executive Director  
Active San Gabriel Valley

Carter Lavin  
Co-Founder  
Transbay Coalition

Chris Roberts  
Transportation Team Lead  
SanDiego350

Leora Tanjuatco Ross  
California Director  
YIMBY Action

Jesse Rawlins  
Policy Manager  
Tenderloin Neighborhood  
Development Corporation

Jeremy Levine  
Policy Manager  
Housing Leadership Council of San  
Mateo County

Regina Celestin Williams  
Executive Director  
SV@Home Action Fund

Marc Vukceovich  
Director of State Policy  
Streets For All

Chione Flegal  
Executive Director  
Housing California

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