



August 25, 2025

The Honorable Gavin Newsom
Governor of California
1021 O Street, Ste. 9000
Sacramento, CA 95814

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

The Honorable Mike McGuire
Senate pro Tem
1021 O Street, Ste. 8518
Sacramento, CA 95814

The Honorable Monique Limón
Chair, Senate Climate Working Group
1021 O Street, Ste. 7610
Sacramento, CA 95814

The Honorable Jacqui Irwin
Chair, Assembly Cap & Trade Working Group
1021 O Street, Ste. 5630
Sacramento, CA 95814

RE: Cap-and-Invest Reauthorization Priorities

Dear Governor Newsom, Speaker Rivas, Senate pro Tem McGuire, Senator Limón and Assemblymember Irwin:

We jointly write to express our strong support for the reauthorization of the Cap-and-Invest program through 2045 and share our priorities for transportation and affordable housing expenditures from the Greenhouse Gas Reduction Fund (GGRF). Cap-and-Invest is one of California's most effective tools for reducing greenhouse gas (GHG) emissions and providing critical funding for sustainable transportation and transit-oriented affordable housing. A long-term extension will provide certainty for sustained emissions reductions, stabilize the market, and secure continued investments in projects that advance the state's climate and equity goals. In reauthorizing Cap-and-Invest, we urge the state to:

1. Honor the existing multiyear awards from continuous and discretionary programs through the end of FY 2030.

The state has committed more than \$1 billion annually through multiyear awards to public transit projects and programs through continuous appropriations of GGRF and approximately \$400 million per year through discretionary programs through FY2029-30. The five capital projects in the Bay Area that have received TIRCP funds are expected to leverage \$10 billion in federal funds and create 250,000 jobs across 40 states. In addition, discretionary programs such as the Zero Emission Transit Capital Program remain essential to avoid near-term service cuts and build support for new local and regional funding measures. We strongly urge the state to honor the

budgetary commitments made to provide \$1.1 billion in relief funding (SB125, 2023) and provide a \$750 million loan to BART, Muni, Caltrain, and AC Transit, authorized in this year's budget to help Bay Area transit systems avoid going over a fiscal cliff.

2. Maintain and expand continuous funding for public transit and affordable housing.

Preserve at least 60% continuous appropriations for transportation and transit-accessible affordable housing, including the Affordable Housing and Sustainable Communities (AHSC), Transit and Intercity Rail Capital Program (TIRCP) and Low Carbon Transit Operations Program (LCTOP) programs. These programs have enabled the Bay Area to deliver tens of thousands of new affordable homes and deliver projects that reduce emissions, improve mobility, reduce the cost of living, leverage federal funds, and support the Bay Area's \$1.4 trillion economy. Ongoing, predictable funding from the Cap-and-Invest program remains essential for the Bay Area's ability to build affordable housing and to ensure transit operators can continue supporting the state's mobility, affordability, climate and quality of life goals.

3. Fund rail projects that support, and provide connectivity to, the bookends of the completed high-speed rail system in the state's major metropolitan regions.

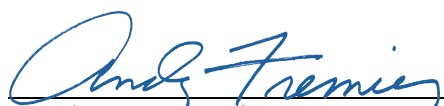
While California High-Speed Rail's (HSR) transformation potential hinges on having modern infrastructure and seamless connections into the population and job centers in the San Francisco Bay Area and the Los Angeles metropolitan region. Thanks to Cap-and-Trade, the Caltrain rail corridor - which will be shared by HSR - is now electrified, enabling more service and better travel times. We encourage the state to augment or set aside a portion of high-speed rail's continuous appropriation to additional bookend projects that create modern, integrated, and seamless connections with HSR in the Bay Area and Los Angeles region. Regional priorities in the Bay Area include San José's integrated Diridon Station Program (including BART facilities at Diridon Station); grade separations and safety improvements along the Caltrain Corridor (including the Broadway crossing in Burlingame); extending service to downtown San Francisco through The Portal; and project development activities to support electrification from Gilroy to San José. Advancing these projects in the Bay Area - and similar projects in Los Angeles - will ensure that the biggest cities are ready for HSR and deliver immediate value to taxpayers in the Bay Area and Southern California. See attached fact sheet highlighting the Bay Area priority bookend projects.

4. Increase the amount of flexible and predictable funding that can be spent on operations and maintenance to sustain existing public transit service.

Approximately one million trips are made on transit in the Bay Area every day. Taking public transit instead of driving reduces greenhouse gas emissions, decreases congestion - and the emissions generated from idling cars, and improves the cost of living by lowering household transportation costs. A new, dedicated source of funding for transit operations is essential to meeting the state's climate goals. As a near-term step in the right direction, the Cap-and-Invest program must recognize the significant climate benefits of serving existing riders and keeping existing riders on transit. To that end, we support updating TIRCP and LCTOP so that the programs can better support sustaining existing service.

Thank you for your continued commitment to curbing climate pollution and for ensuring that high-quality transit and affordable housing are part of the solution to our climate challenges. Thank you as well for honoring the existing multiyear awards from continuous and discretionary programs through the end of FY2030. We appreciate any further opportunities to engage the Legislature and Administration in Cap-and-Invest funding and policy discussions.

Sincerely,



Andrew B. Premier
Executive Director, MTC



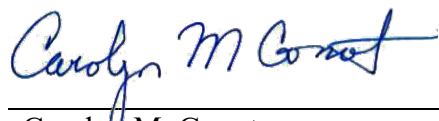
Michelle Bouchard
Executive Director, Caltrain



Matt Mahan
City of San Jose, Mayor



Daniel Lurie
City/County of SF, Mayor



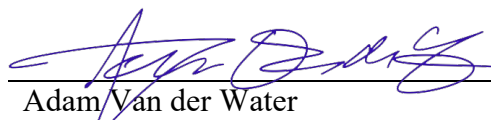
Carolyn M. Gonot
General Manager/CEO, Santa Clara VTA



Julie Kirschbaum
Director of Transportation, SFMTA



April Chan
General Manager/CEO, San Mateo
County Transportation Authority
/SamTrans



Adam Van der Water
Executive Director, Transbay Joint Powers
Authority

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CC: The Honorable Josh Becker, Chair, Bay Area Caucus
The Honorable Buffy Wicks, Vice-Chair, Bay Area Caucus
The Honorable Toks Omishakin, Secretary, California State Transportation Agency
The Honorable Gustavo Velasquez, Director, California Department of Housing and
Community Development
Lauren Sanchez, Senior Advisor for Climate, Office of Governor Gavin Newsom
Joe Stephanshaw, Director, Department of Finance
Steven Cliff, Executive Officer, California Air Resources Board