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July 2, 2025

The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

The Honorable Mike McGuire  
President Pro Tempore of the California State Senate  
1021 O Street, Suite 8518  
Sacramento, CA 95814

Larry Klein  
Mayor

Linda Sell  
Vice Mayor

Alysa Cisneros  
Councilmember

Richard Mehlinger  
Councilmember

Murali Srinivasan  
Councilmember

Charlsie Chang  
Councilmember

Eileen Le  
Councilmember

The Honorable Robert Rivas  
Speaker of the California State Assembly  
1021 O Street, Suite 8330  
Sacramento, CA 95814

**RE: Support for the Reauthorization of the Cap-and-Trade Program and  
Continued Investment in Climate-Resilient Infrastructure**

Dear Governor Newsom, Pro Tem McGuire, and Speaker Rivas,

On behalf of the City of Sunnyvale, I respectfully urge your support for the reauthorization of California's Cap-and-Trade program. As local governments confront the accelerating impacts of climate change, ranging from extreme heat and wildfire to sea level rise and aging transportation networks—Cap-and-Trade revenues serve as one of the most consequential tools available to implement mitigation and adaptation strategies on the ground.

Since its inception, the Cap-and-Trade program has provided over \$25 billion in cumulative revenue to the Greenhouse Gas Reduction Fund (GGRF), which in turn supports dozens of programs critical to local agencies, including the Affordable Housing and Sustainable Communities (AHSC) Program, the Transformative Climate Communities Program, Low Carbon Transit Operations Program (LCTOP), and active transportation and forest health investments. These funds have empowered cities and counties statewide to:



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- Accelerate deployment of zero-emission transit fleets and expand multi-modal networks;
- Reduce vehicle miles traveled through infill development and high-density housing near transit;
- Enhance wildfire resilience through vegetation management, fire equipment procurement, and emergency water infrastructure;
- Adapt to sea level rise and inland flooding through investments in levees, shoreline protection, and water system redundancy; and
- Support transit and rail projects through the Transit and Intercity Rail Capital Program (TIRCP) and Grade Separation programs.

These Cap-and-Trade programs represent a unique and irreplaceable funding source for long-term capital planning. As identified in General Plan Policies LT-1 – Coordinated Regional and Local Planning; LT-3 – An Effective Multimodal Transportation System; and LT-14 – Special and Unique Land Uses to Create Diverse and Complete Community. City policy supports the construction of more affordable units. The AHSC Program alone has supported 13,000 affordable housing units and over 150 miles of new bike and pedestrian infrastructure, directly benefiting dozens of local governments across California. Programs like the Sustainable Communities Program and Regional Early Action Planning Grants (REAP 2.0) have allowed localities to align housing, climate, and equity goals while reducing land use emissions.

We strongly support a reauthorization framework that preserves and strengthens continuous appropriations for local-serving infrastructure, with particular emphasis on:

- *State and regional clean transit infrastructure*, including major hubs such as Salesforce Transit Center, LA Union Station, and ACE and SMART corridors;
- *Local clean transportation deployment*, including charging infrastructure, VMT mitigation banks, and fleet transition funding for local agencies;
- *Wildfire resilience*, including capital and operational readiness, forest biomass, and evacuation route hardening;
- *High-density land use infrastructure*, including commercial-to-residential conversions and TOD-supportive investments; and
- *Climate adaptation for coastal and inland areas*, such as levee upgrades, road relocation, and waste infrastructure resilient to climate shocks.



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Failure to reauthorize this program in a timely manner risks destabilizing an ecosystem of climate investment that local governments have come to rely upon for shovel-ready and community-serving infrastructure projects. Moreover, it would undercut California's ability to achieve its statutory greenhouse gas targets under SB 32 and AB 1279.

The City of Sunnyvale stands ready to work with the Legislature, Administration, and coalition stakeholders to ensure Cap-and-Trade is reauthorized in a way that strengthens local implementation capacity, accelerates climate resilience, and preserves the integrity of the state's market-based emissions reduction strategy.

Thank you for your consideration of our position. Please do not hesitate to contact me or Chip Taylor, Director of Public Works at [ctaylor@sunnyvale.ca.gov](mailto:ctaylor@sunnyvale.ca.gov), if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Larry Klein".

Larry Klein  
Mayor

cc: The Honorable Dr. Aisha Wahab, State Senate  
The Honorable Patrick Ahrens, State Assembly  
City Council  
Tim Kirby, City Manager  
Sarah Johnson-Rios, Assistant City Manager  
Chip Taylor, Public Works Director