



April 1, 2014

Senator Beall, Chair  
Senate Budget Subcommittee No. 2  
State Capitol, Room 112  
Sacramento, CA 95814

**Re: *Including Rural Sustainable Communities in Governor's Cap and Trade Expenditure Plan***

Dear Senator Beall:

The Rural Counties Task Force is a group of 26 rural county transportation planning agencies and we are writing in response to the Governor's proposed \$850 million Cap and Trade Expenditure Plan – specifically the \$100 million allocation to the Strategic Growth Council for the Sustainable Communities Implementation Program. The language in the Governor's proposal has a number of good points recognizing the need to link transportation, land use, infrastructure, and housing; however, we recommend allocating funding to the rural transportation planning agencies to maximize investment benefits and local innovation in transportation and land use. Rural agencies have numerous examples of sustainable community projects that need funding.

For example:

- Bike and pedestrian projects and programs
- Rail projects
- Complete Streets
- Transit capital, maintenance and operations
- Ride Share programs and facilities
- Develop programs to reduce fuel usage for transit and other systems
- Operational improvements

We urge the Senate Budget Subcommittee No. 2 to consider these critical factors to enhance the Cap and Trade Expenditure Plan:

- A Regional Allocation of Funds Best Achieves Sustainability
- Integration of Transportation and Land Use is the Most Effective Strategy
- Competitive Grants to Local Governments Maximizes GHG Reduction and Innovation
- Transportation "System" Approach Recognizes Implementation Realities
- Transportation Revenues Should Benefit the Transportation Sector

We believe funding should be directed to regions equitably to oversee a competitive grant program for local governments that encourage integrated land use and infrastructure projects. Most of the cap and trade funds over the next 6 years will come from motor vehicle fuels. In California, revenues from charges on gasoline have been invested in improvements in the

transportation system. We believe this principle should be applied to the Cap and Trade revenues – consistent with AB 32. It is critical that all communities see improvements in mobility from the fuel-related Cap and Trade funds by directing a significant share of these revenues to all areas of the state, this year and even more so in future years.

**We urge the Legislature to modify the Governor's Cap and Trade Expenditure Plan to achieve greater GHG emissions reductions, allow for more local innovation and flexibility to attain the economic and environmental benefits of the investment of the Cap and Trade funds for all of California.**

Sincerely,

A handwritten signature in blue ink that reads "Sharon Scherzinger". The signature is written in a cursive, flowing style.

Sharon Scherzinger, Chair  
Rural Counties Task Force