

[Loan Agreement - Metropolitan Transportation Commission - Public Transit Operating Purposes - \$200,000,000]

Resolution authorizing the Director of Transportation to enter into a loan agreement with the Metropolitan Transportation Commission as lender, for San Francisco Municipal Transportation Agency public transit operating purposes, up to a maximum principal amount of \$200,000,000, for a 12 year term from July 1, 2026, through June 3, 2038, pursuant to Assembly Bill No. 117.

WHEREAS, The San Francisco Municipal Transportation Agency (SFMTA) is a department of the City and County of San Francisco responsible for the management, operations, and planning of the City's transportation network; and

WHEREAS, Assembly Bill No. 117 (AB 117), signed by Governor Newsom on February 19, 2026, requires the California State Transportation Agency (CalSTA) to loan \$590 million of Transit and Intercity Rail Capital Program (TIRCP) to the Metropolitan Transportation Commission (MTC) for the purpose of providing emergency transit operating assistance to eligible Bay Area transit operators; and

WHEREAS, AB 117 identifies the SFMTA as an eligible transit operator and MTC will loan up to \$200,000,000 (MTC Loan) to the SFMTA pursuant to a loan agreement (MTC Loan Agreement) with terms consistent with the loan agreement between CalSTA and MTC for the TIRCP funds (CalSTA Loan Agreement); and

WHEREAS, In the absence of the loan, the SFMTA faces a projected operating deficit for Fiscal Year 2026-27 (beginning July 1, 2026) and the MTC Loan proceeds would provide critical near-term liquidity to maintain existing service levels for riders; and

WHEREAS, The proposed form of MTC Loan Agreement is on file with the Clerk of the Board of Supervisors in File No. 260624, is consistent with the form of AB 117 loan

1 agreement between MTC and CalSTA, and includes the following terms: a maximum principal
2 amount of up to \$200,000,000; a 12-year term maturing on June 3, 2038; a variable interest
3 rate based on the quarterly rate for the Surplus Money Investment Fund (SMIF) published by
4 the State Controller; an interest-only period through June 30, 2028; an approximate ten-year
5 amortization period (July 1, 2028, through June 3, 2038) with semiannual principal and
6 interest payments; repayment secured by the revenue-based portion of State Transit
7 Assistance Program funds allocable to the SFMTA; an absolute and unconditional repayment
8 obligation; and proceeds restricted to SFMTA public transit operating purposes; and

9 WHEREAS, The MTC Loan may not be used for capital expenditures or the retirement
10 or refinancing of existing indebtedness; and

11 WHEREAS, Charter, Section 8A.102(b)(13), authorizes the SFMTA to incur debt for its
12 purposes if the SFMTA Board of Directors recommends that action to the Board of
13 Supervisors and the Board of Supervisors concurs and authorizes the SFMTA to incur that
14 debt and other obligations on behalf of the City as long as the City Controller first certifies that
15 sufficient unencumbered balances are expected to be available in the proper fund to meet all
16 payments under those obligations as they become due, and any debt obligation, if secured, is
17 secured by revenues or assets under the jurisdiction of the SFMTA; and

18 WHEREAS, The MTC Loan will be a secured debt and create obligations for SFMTA
19 purposes; and

20 WHEREAS, The SFMTA Board of Directors recommended and requested the Board of
21 Supervisors to authorize the Director of Transportation to execute the MTC Loan Agreement
22 in a form approved by the Board of Supervisors and consistent with the CalSTA-MTC loan
23 agreement under AB 117 at its meeting of June 2, 2026, by Resolution No. 260602-045; and

24 WHEREAS, By a letter dated May 29, 2026, which is on file with the Clerk of the Board
25 of Supervisors in File No. 260624, the City Controller certified sufficient unencumbered

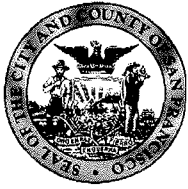
1 balances are expected to be available in the proper fund to meet all MTC Loan payments as
2 they become due, and the MTC Loan is secured by revenues under the jurisdiction of the
3 SFMTA; and

4 WHEREAS, The SFMTA, under authority delegated by the Planning Department, has
5 determined that requesting approval to execute the MTC Loan Agreement is not a "project"
6 under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California
7 Code of Regulations, Sections 15060(c) and 15378(b), with that determination (CEQA
8 Determination) on file with the Clerk of the Board of Supervisors in File No. 260624; now,
9 therefore, be it

10 RESOLVED, The Board of Supervisors hereby affirms and adopts the SFMTA's
11 determination under CEQA for the reasons set forth in the CEQA Determination; and, be it

12 FURTHER RESOLVED, The Board of Supervisors authorizes the Director of
13 Transportation to enter into the MTC Loan Agreement with the MTC in substantially the form
14 on file, to enter into any additions, amendments or other modifications to the MTC Loan
15 Agreement that the Director of Transportation, in consultation with the City Attorney,
16 determines are in the best interests of the SFMTA and that do not materially increase the
17 obligations or liabilities of the SFMTA or materially decrease the benefits to the SFMTA as
18 provided in the MTC Loan Agreement, and to take all actions necessary to implement the
19 MTC Loan Agreement; and, be it

20 FURTHER RESOLVED, That the SFMTA shall provide a copy of the executed MTC
21 Loan Agreement to the Clerk of the Board of Supervisors within 30 days of the full execution
22 for inclusion in the office file.



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 260624

Date Passed: June 16, 2026

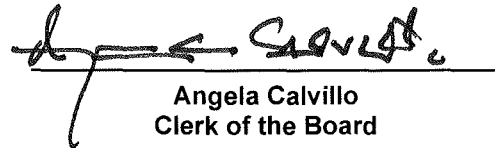
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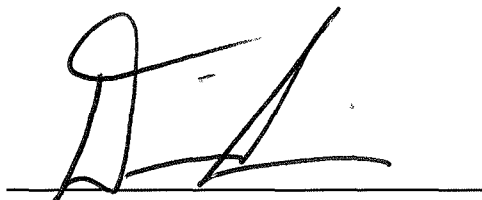
June 16, 2026 Board of Supervisors - ADOPTED

Ayes: 10 - Chan, Chen, Dorsey, Mahmood, Mandelman, Melgar, Sauter, Sherrill,
Walton and Wong
Excused: 1 - Fielder

File No. 260624

I hereby certify that the foregoing
Resolution was ADOPTED on 6/16/2026 by
the Board of Supervisors of the City and
County of San Francisco.


Angela Calvillo
Clerk of the Board


Daniel Lurie
Mayor

June 18th 2026
Date Approved