



Commercial Paper Program¹

The San Francisco Municipal Transportation Agency (SFMTA) Board of Directors (Board) proposes to authorize the continuation of the SFMTA's commercial paper program and the substitution of a letter of credit for Issuance and Sale of Commercial Paper Notes from time to time on a revolving basis in a principal amount not to exceed \$100 million in one or more tax-exempt or taxable series, approving the form of the amended Issuing and Paying Agent Agreement with US Bank, the amended Dealer Agreements with Loop Capital and Morgan Stanley and the new Letter of Credit and Reimbursement Agreement, together with the Fee Agreement, with Sumitomo Mitsui Bank, and authorizing the Director of Transportation to negotiate and execute the final forms of these agreements and take related actions to extend the Commercial Paper Notes program subject to Board of Supervisors concurrence. The Commercial Paper Notes program was initially approved by the SFMTA Board, with the concurrence of the Board of Supervisors, and implemented in 2013.

For projects which would be potentially funded by the proceeds from the Commercial Paper Notes program, SFMTA will not proceed with the project(s) until fully compliant with the California Environmental Quality Act (CEQA). If the project(s) are found to cause significant adverse impacts, the SFMTA retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the project, (3) require the implementation of specific measures to mitigate the significant adverse environmental impacts of the project, as identified upon environmental evaluation in compliance with CEQA and the Chapter 31, (4) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (5) approve the project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts.

Not a "project" pursuant to CEQA as defined in CEQA Guidelines Sections 15060(c) and 15378(b) because the action would not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

Handwritten signature of Melinda Hue in black ink.

Melinda Hue
San Francisco Municipal Transportation Agency

2/5/18

Date

¹ Commercial paper is a form of short-term (or interim) financing for capital projects that permits the SFMTA to fund early project costs on an interim basis. Commercial paper notes are issued and funding provided only when needed to pay project costs as they are incurred.