




OFFICE OF THE CONTROLLER
CITY AND COUNTY OF SAN FRANCISCO

Greg Wagner
Controller
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Deputy Controller

MEMORANDUM

TO: Julie Kirschbaum, Director, Municipal Transportation Agency

FROM: Greg Wagner, Controller 

DATE: May 29, 2026

SUBJECT: **Certification of Funds for State Loan Repayment**

Charter Section 8A.102 (b) 13 provides the SFMTA with authority to incur debt for Agency purposes. Upon recommendation from the SFMTA Board of Directors, the Board of Supervisors may authorize the Agency to incur debt on behalf of the City, provided the Controller first certifies that sufficient unencumbered balances are expected to be available to meet payments as they become due.

The FY 2026-27 budget approved by the SFMTA Board includes proceeds from a \$200 million state loan made to the Agency pursuant to AB 117. The loan matures on June 3, 2038, with quarterly two-year interest only payments commencing August 28, 2026, and amortized principal and interest payments beginning September 5, 2028. Assuming recent historic average interest rates of 4 percent, staff estimate loan payments of approximately \$8 million per year during the interest only period and \$30 million per year thereafter.

Given Charter-required General Fund contributions to the MTA are projected to exceed \$650 million annually through FY 2029-30, as noted in the [March 2026 Update to the Five Year Financial Plan](#), and growing with the rate of General Fund aggregate discretionary revenue thereafter, this letter certifies availability of funds for the purposes of Charter Section 8A.102 (b) 13.