

1 [Revenue Bonds - Municipal Transportation Agency - Not to Exceed \$165,000,000]

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3 **Resolution authorizing the sale, issuance, and execution of not to exceed \$165,000,000**  
4 **aggregate principal amount of revenue bonds by the Municipal Transportation Agency**  
5 **to finance certain transportation related projects, approving the form of certain**  
6 **financing documents including the official statement, the bond purchase contract, the**  
7 **second supplement to indenture of trust, and continuing disclosure certificate;**  
8 **authorizing the taking of appropriate actions in connection therewith; and related**  
9 **matters approving the forms of documents relating thereto; approving the maximum**  
10 **interest thereon; finding that the authorization and issuance of revenue bonds by the**  
11 **agency is not a project under California Environmental Quality Act, CEQA Guidelines,**  
12 **and San Francisco Administrative Code, Chapter 31; and related matters.**

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14 WHEREAS, The San Francisco Municipal Transportation Agency (the "SFMTA")  
15 desires to finance the costs of certain transportation projects including, but not limited to the  
16 following SFMTA capital improvement programs: Muni Transit Safety and Spot Improvements,  
17 Complete Street Capital Improvements, Facility Improvements, Transit Fixed Guideway  
18 Improvements, Pedestrian Safety and Traffic Signal Improvements and Muni Light Rail  
19 Vehicle Procurement (collectively, the "Project"); and

20 WHEREAS, Pursuant to Section 8A.102(b)(13) of the Charter (the "Charter") of the City  
21 and County of San Francisco (the "City"), the Board of Supervisors of the City and County of  
22 San Francisco (the "Board") may authorize the issuance of revenue bonds by the Board of  
23 Directors (the "Board of Directors") of the SFMTA without voter approval for any SFMTA-  
24 related purpose and secured solely by SFMTA revenues, such revenue bonds to be issued

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1 and sold in accordance with state law, the Charter or any procedure provided for by  
2 ordinance; and

3 WHEREAS, Pursuant to the procedures outlined in Article XIII of Chapter 43 of the San  
4 Francisco Administrative Code (the "Code"), the Board of Directors may issue revenue bonds  
5 authorized in accordance with the Charter (the "SFMTA Revenue Bonds"); and

6 WHEREAS, The SFMTA desires to issue revenue bonds to fund the Project; and

7 WHEREAS, The SFMTA desires to enter into a Bond Purchase Contract (the  
8 "Purchase Contract") with J.P. Morgan Securities LLC, as representative of RBC Capital  
9 Markets, LLC, Morgan Stanley & Co. LLC and Siebert Brandford Shank & Co., LLC, as the  
10 underwriters, for the purpose of selling the revenue bonds; and

11 WHEREAS, The SFMTA has been presented with the form of certain documents  
12 related to the revenue bonds, including the Second Supplement, the Purchase Contract, the  
13 Preliminary Official Statement, and the Continuing Disclosure Certificate (all as defined below,  
14 and collectively, the "Financing Documents"), and the SFMTA has examined each document  
15 and desires to approve, authorize and direct the execution of such documents and the  
16 consummation of such financing; and

17 WHEREAS, The provisions of the Financing Documents do not conflict with the  
18 requirements of the Code; now, therefore, be it

19 RESOLVED, By the Board of Supervisors of the City and County of San Francisco, as  
20 follows:

21 Section 1. Recitals. All of the recitals herein are true and correct.

22 Section 2. Approval and Authorization of SFMTA Revenue Bonds. The issuance by  
23 the Board of Directors of the SFMTA Revenue Bonds for the purposes of acquiring,  
24 constructing, improving and developing facilities under the jurisdiction of the SFMTA funding a  
25 reserve fund, paying costs of issuance and other incidental costs, is hereby approved as

1 required by Section 43.13.4 of the Code. The total principal amount of the SFMTA Revenue  
2 Bonds shall not exceed \$165,000,000.

3 Section 3. No Conflicts with the Code. The SFMTA Revenue Bonds shall be issued  
4 pursuant to the terms of the Financing Documents as each shall be approved as to form by  
5 the City Attorney, which approval shall be conclusively evidenced by the signature of the City  
6 Attorney on each such agreement; provided, that the terms of the Financing Documents shall  
7 not conflict with the requirements of the Code.

8 Section 4. Maximum Interest Rate. Pursuant to Section 43.13.4(b) of the Code, the  
9 maximum interest rate for the SFMTA Revenue Bonds shall not exceed 12% per annum.

10 Section 5. Approval of the Second Supplement and Authorization of the Trustee. The  
11 form of a second supplement to indenture of trust (the "Second Supplement") between the  
12 SFMTA and The Bank of New York Mellon Trust Company, N.A., as trustee or such other  
13 trustee selected by the Director of Transportation of the SFMTA or her/his designee  
14 (collectively, the "Director"), copies of which are on file with the Clerk of the Board under File  
15 No. 130866, is hereby approved, with such changes, additions, and modifications as the  
16 Director may make or approve in accordance with Section 9 hereof.

17 Section 6. Approval of Bond Purchase Contract relating to the SFMTA Revenue  
18 Bonds. The form of a bond purchase contract relating to the SFMTA Revenue Bonds (the  
19 "Bond Purchase Contract"), a copy of which is on file with the Clerk of the Board under File  
20 No. 130866, is hereby approved, with such changes, additions, and modifications as the  
21 Director may make or approve in accordance with Section 9 hereof.

22 Section 7. Approval of the Official Statement in Preliminary and Final Form. The form  
23 of an official statement relating to the SFMTA Revenue Bonds (the "Official Statement"), a  
24 copy of which is on file in preliminary form with the Clerk of the Board under File No. 130866,  
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1 is hereby approved, with such changes, additions and modifications as the Director may make  
2 or approve in accordance with Section 9 hereof.

3 Section 8. Approval of the Continuing Disclosure Certificate. The form of a continuing  
4 disclosure certificate of the City (the “Continuing Disclosure Certificate”), a copy of which is on  
5 file with the Clerk of the Board under File No. 130866, is hereby approved, with such changes,  
6 additions, and modifications as the Director may make or approve in accordance with Section  
7 9 hereof.

8 Section 9. Modifications, Changes and Additions; Additional Agreements. The  
9 approvals contained herein shall extend to any amendments to the Second Supplement, the  
10 Bond Purchase Contract, the Official Statement, the Continuing Disclosure Certificate and all  
11 agreements of the Board of Directors supplemental thereto, as well as to such additional  
12 agreements as the Board of Directors may adopt or the SFMTA may execute for the purpose  
13 of implementing the issuance, sale and delivery of the SFMTA Revenue Bonds. The  
14 Director’s approval of such modifications, changes or additions, made upon consultation with  
15 the City Attorney, shall be conclusively evidenced by the execution and delivery by the  
16 Director of the Financing Documents.

17 Section 10. Modification of Financial Covenants. Notwithstanding anything to the  
18 contrary in this resolution, the Director, with the advice of the financial advisors to the SFMTA,  
19 may modify the financial covenants set forth in the Financial Documents, including but not  
20 limited to budget and revenue covenants, additional debt covenants and the definition of  
21 “Pledged Revenues” to the extent such revisions are deemed necessary or desirable by the  
22 Director for the issuance of the SFMTA Revenue Bonds based on advice from the SFMTA’s  
23 financial advisors.

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1           Section 11. CEQA. This Board makes the following finding in compliance with the  
2 California Environmental Quality Act (CEQA), California Public Resources Code Sections  
3 21000 et seq., the CEQA Guidelines, 15 Cal. Administrative Code Sections 15000 et seq.,  
4 (CEQA Guidelines), and San Francisco Administrative Code Chapter 31 (Chapter 31); that the  
5 issuance of the SFMTA Revenue Bonds by the SFMTA is not subject to CEQA because as  
6 the establishment of a government financing mechanism that does not identify individual  
7 specific projects to be constructed with the funds, it is not a project as defined by CEQA and  
8 the CEQA Guidelines and that the SFMTA shall consult with the City Attorney as to necessary  
9 CEQA findings and determinations with respect to any project prior to the expenditure of bond  
10 proceeds.

11           Section 12. General Authority. The Director, Controller of the City, the City Attorney,  
12 and all other appropriate officers, employees, representatives and agents of the City are  
13 hereby authorized and directed to do everything necessary or desirable to provide for the  
14 issuance of the SFMTA Revenue Bonds.

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16 APPROVED AS TO FORM:  
17 DENNIS J. HERRERA, City Attorney

18 By: \_\_\_\_\_  
19       MARK D. BLAKE  
20       Deputy City Attorney

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