

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS**

RESOLUTION No. 260602-045

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 117 (AB 117), signed by Governor Newsom on February 19, 2026, authorizes the California State Transportation Agency (CalSTA) to make a loan of up to \$590 million to the Metropolitan Transportation Commission (MTC) from the Transit and Intercity Rail Capital Program (TIRCP), for MTC to loan to the SFMTA and other eligible Bay Area transit operators pursuant to individual loan agreements consistent with the CalSTA-MTC loan agreement under AB 117; and,

WHEREAS, AB 117 requires the TIRCP funds to be transferred to MTC no later than July 1, 2026; and,

WHEREAS, The SFMTA faces a projected operating deficit for FY 26-27 (beginning July 1, 2026) and the AB 117 loan proceeds would provide critical near-term liquidity to maintain existing service levels for riders; and,

WHEREAS, To receive the funds, the Director of Transportation would need to execute a loan agreement with the following proposed loan terms: a maximum principal amount of \$200 million; a 12-year term maturing June 3, 2038; a variable interest rate based on the quarterly rate of the Surplus Money Investment Fund (SMIF) published by the State Controller; an interest-only period up to July 1, 2028; a ten-year amortization period (July 1, 2028 through June 3, 2038) with quarterly principal and interest payments; an amortization schedule to be determined by March 1, 2028; repayment secured by the revenue-based portion of STA funds allocable to SFMTA; an absolute and unconditional repayment obligation; and proceeds restricted to SFMTA public transit operating purposes; and,

WHEREAS, The SFMTA, under authority delegated by the Planning Department, determined that recommending and requesting authorization to enter into a loan agreement under AB 117 is not a "project" under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors, and is incorporated herein by reference; and, now, therefore, be it

RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors recommend and request the Board of Supervisors to authorize the Director of Transportation

to enter into a loan agreement with the Metropolitan Transportation Commission (MTC) as lender for a maximum principal amount of \$200 million for SFMTA public transit operating purposes in a form approved by the Board of Supervisors and consistent with the CalSTA-MTC loan agreement under Assembly Bill 117 (AB 117); and, be it further

RESOLVED, That if approved by the Board of Supervisors, the Director of Transportation is authorized to take all steps and execute the loan agreement and all documents necessary to give effect to this resolution.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of June 2, 2026.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency