

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS
RESOLUTION No. 16-044

WHEREAS, Pursuant to Section 8A.102(b)(13) of the Charter (the Charter) and Chapter 43 of the Administrative Code of the City and County of San Francisco (the City), the San Francisco Municipal Transportation Agency (the SFMTA) may issue revenue bonds and other debt instruments, with the concurrence of the Board of Supervisors of the City (the Board) and without voter approval, such bonds to be issued in accordance with state law and any procedure provided for by ordinance; and,

WHEREAS, The SFMTA desires to finance the costs of certain transportation projects, including, but not limited to, the following SFMTA capital improvement programs: Muni Transit Safety and Spot Improvements, Street Capital Improvements, Facility Improvements, Transit Fixed Guideway, including the Van Ness Transit Improvement Project (Van Ness BRT), Pedestrian Safety and Traffic Signal Improvements, and Muni Light Rail Vehicle Procurement (LRV procurement) (collectively, the Project); and,

WHEREAS, To fund a portion of the Project related to the transportation capital improvements associated with the proposed Mixed Use Development at Mission Bay Blocks 29-32 at a cost estimated not to exceed \$45,000,000 (Mission Bay Component), the City, through its Mission Bay Transportation Improvement Fund or through other sources, has agreed to reimburse the SFMTA for debt service for the Bonds and any other costs that are related to financing these improvements; and,

WHEREAS, The City's obligation to reimburse the SFMTA for all financing-related costs associated with the Mission Bay Component long will be set forth in a memorandum of understanding or similar agreement between the Controller and the SFMTA prior to the issuance of any Bonds for this purpose; and,

WHEREAS, The SFMTA desires to issue its revenue bonds in an aggregate amount not to exceed \$207,000,000 (Bonds), composed of not to exceed \$162,000,000 for various SFMTA transportation capital improvements and various financing costs; and \$45,000,000 for the Mission Bay Component in one or more series on one or more dates to fund the Project; and,

WHEREAS, The SFMTA desires to enter into a Bond Purchase Contract in connection with the Bonds (Purchase Contract) with an underwriter or underwriters named therein, or alternatively, to issue an Official Notice of Sale in connection with the Bonds (Official Notice of Sale) and cause the publication of a Notice of Intention to Sell Bonds in The Bond Buyer or another financial publication generally circulated throughout the State of California (Notice of Intention to Sell Bonds); and,

WHEREAS, The SFMTA has been presented with the form of certain documents related to the revenue bonds, including the Fourth Supplement to Indenture of Trust, the Purchase Contract, the Preliminary Official Statement (defined below), and the Continuing Disclosure Certificate (defined below); and,

WHEREAS, The SFMTA intends to fund the Project with proceeds from the Bonds in an amount not to exceed \$207,000,000, the interest upon which is excluded from gross income for federal income tax purposes; and,

WHEREAS, The SFMTA has determined that the moneys advanced and to be advanced to pay certain expenditures of the Project (Expenditures) are or will be available only for a temporary period, and it is necessary to reimburse all such Expenditures made no earlier than 60 days prior to the date of this Resolution from proceeds of the Bonds; and,

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the SFMTA to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of the Bonds; and,

WHEREAS, The Department of City Planning of the City and County of San Francisco has determined that the replacement and expansion vehicle portions of the LRV procurement are statutorily exempt under Section 21080(b)(11) of the California Resources Code and Section 15275(a) of the implementing California Environmental Quality Act (CEQA) Guidelines because those portions of the LRV procurement involve an increase of service on rail lines already in use; and,

WHEREAS, The LRVs for the Central Subway Project were reviewed as part of the Central Subway Final Supplemental EIS/EIR, certified by the Planning Commission on August 7, 2008, and on August 19, 2008, the SFMTA Board of Directors, in Resolution No. 08-150, adopted the findings and conclusions with respect to Central Subway Final Supplemental EIS/EIR; and,

WHEREAS, On July 15, 2014, the SFMTA Board of Directors adopted Resolution No. 14-12 to approve the agreement to procure the LRVs; at that time, based on its review of the Final Supplemental EIS/EIR, the SFMTA Board found that no additional environmental review was required under Public Resources Code section 21166; and,

WHEREAS, On May 15, 2012, the SFMTA Board of Directors adopted Resolution No. 12-070, which identified and endorsed the Locally Approved Alternative (LPA) for the Van Ness BRT Project, "*The Center-running BRT with Right Side Boarding Platforms Single Median and Limited Left Turns,*" for further analysis in the Final Environmental Impact Statement/Environmental Impact Report (Van Ness BRT Final EIS/EIR); and,

WHEREAS, On September 10, 2013, the San Francisco County Transportation Authority (Authority) Board certified the Van Ness BRT Final EIS/EIR, including an amendment to include the Vallejo Northbound Station Variant as adequate, accurate and objective and reflecting the independent judgment of the Authority; and,

WHEREAS, On September 17, 2013, the SFMTA Board of Directors adopted Resolution No. 13-214, approving the Van Ness BRT Project, analyzed as the Locally Preferred Alternative in the Van Ness BRT Final EIS/EIR for the Project, including an amendment to include the Vallejo Northbound Station Variant in the approval of the LPA, and adopted the CEQA Findings and Statement of Overriding Considerations for the Van Ness BRT Final EIS/EIR; and,

WHEREAS, The Project files, including the Final EIS/EIR and SFMTA Resolution No. 13-214, have been made available for review by the SFMTA and the public, and those files are part of the record before this Board; and,

WHEREAS, Since the adoption of the CEQA Findings and the approval of the Van Ness BRT Project, the SFCTA has prepared a memo to file dated July 15, 2014, titled “*Van Ness Avenue Bus Rapid Transit Project – Environmental Compliance for the Proposed Parking Removal from Conceptual Engineering Report*” (Memo to File), which concludes that the removal of eleven parking spaces more than assumed in the Van Ness BRT Final EIS/EIR, as proposed by the SFMTA in its Conceptual Engineering Report, will not result in a new significant environmental impact due to parking loss; further, on March 4, 2016, the SFCTA issued an “*Addendum to Environmental Impact Report*” for the Van Ness BRT Project (the Addendum), which concludes that removal and replacement of various trees along the Van Ness corridor not previously identified in the Van Ness BRT Project Final EIS/EIR would not result in a new significant environmental impact; and,

WHEREAS, Based on its review and consideration of the information contained in the Van Ness BRT Final EIS/EIR, the SFMTA Board found, on July 7, 2015, under Resolution No. 15-108, that the proposed actions to remove parking spaces are within the scope of the Van Ness BRT Project Final EIS/EIR and that no additional environmental review is required under Public Resources Code section 21166; and,

WHEREAS, Based on its review of the Addendum, the SFMTA Board finds that proposed actions to remove and replace trees, as outlined in the Addendum, are within the scope of the Van Ness BRT Project Final EIS/EIR and that no additional environmental review is required under Public Resources Code section 21166; and

WHEREAS, Hereinafter, the Van Ness BRT Project Final EIS/EIR, including the memo to File and Addendum, shall be collectively referred to as the “Van Ness BRT Project Final EIS/EIR”; and

WHEREAS, On November 3, 2015, the San Francisco Commission on Community Investment and Infrastructure (CCII), the successor agency to the former Redevelopment Agency, reviewed and considered the Final Subsequent Environmental Impact Report (FSEIR) for the Golden State Warriors (GSW) Event Center and Mixed Use Development at Mission Bay Blocks 29-32 (GSW Project), a proposed multi-purpose event center and mixed-use project being proposed by GSW Arena, an affiliate of Golden State Warriors LLC, and, by CCII Resolution No. 69-2015, certified the FSEIR in compliance with CEQA; the CCII also approved the GSW Project by the adoption of Resolutions No. 70-2015 (adopting CEQA Findings), No. 71-2015 (approving amendments to the Mission Bay South Design for Development), and No.72-2015 (conditionally approving the Major Phase and Basic Concept/Schematic Design applications for the Project); and,

WHEREAS, On November 3, 2015, under Resolution No. 15-154, the SFMTA Board took various actions in regard to the Project, including, but not limited to, adopting the GSW Project’s CEQA findings for the Project as applicable to the SFMTA, and recommending legislation to the Board of Supervisors for the establishment of a fund to help pay for City services and the Mission Bay Component; and,

WHEREAS, On December 8, 2015, in response to an appeal of the FSEIR from the Mission Bay Alliance, the Board of Supervisors approved Motion M15-178, affirming the CCII's certification of the Project FSEIR (Board of Supervisors File No. 150991); and,

WHEREAS, In order to continue to plan, design, conduct additional outreach, and construct the capital improvements associated with the Mission Bay Component, including the center platform variant for the T-Line, as selected by the Director of Transportation, the Agency plans to use funds from the Bonds; now, therefore, be it

RESOLVED, That all of the recitals herein are true and correct and constitute findings of this Board; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors has reviewed and considered the Central Subway Project Final Supplemental EIS/EIR and record as a whole, finds that the Central Subway Project Final Supplemental EIS/EIR is adequate for the Board's use as the decision-making body for the actions taken herein relative to possible funding of the LRV procurement project by the Bonds, incorporates the CEQA findings contained in SFMTA Board Resolution No. 08-150, by this reference as though set forth in this Resolution; and be it

FURTHER RESOLVED, That the SFMTA Board further finds that since the Central Subway Project Final Supplemental EIS/EIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the Central Subway Project Final Supplemental EIS/EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Central Subway Project Final Supplemental EIS/EIR; and be it

FURTHER RESOLVED, That the SFMTA Board has reviewed and considered the Van Ness BRT FEIR and record as a whole, finds that the Van Ness BRT FEIR is adequate for the Board's use as the decision-making body for the actions taken herein relative to possible funding of the Van Ness BRT Project by the Bonds, and incorporates the CEQA findings contained in SFMTA Board Resolution No. 13-214 and No. 15-108 (with respect to deletion of parking spaces) by this reference as though set forth in this Resolution; and be it

FURTHER RESOLVED, That the SFMTA Board further finds that since the Van Ness BRT FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the Van Ness BRT FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Van Ness BRT FEIR; and be it further

FURTHER RESOLVED, That the SFMTA Board has reviewed and considered the Golden State Warriors Final Supplemental Environmental Impact Report (GSW FSEIR) and record as a whole, finds that the GSW FSEIR is adequate for its use as the decision-making body for the actions taken herein relative to the possible funding of the Mission Bay Component by the Bonds, and incorporates the CEQA findings contained in SFMTA Board

Resolution No. 15-154 by this reference as though set forth in this Resolution; and be it

FURTHER RESOLVED, That the SFMTA Board further finds that since the GSW FSEIR was certified, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the GSW FSEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the GSW FSEIR; and be it

FURTHER RESOLVED, That except as to the specific projects mentioned above, the issuance of the Bonds by the SFMTA is not subject to CEQA because the establishment of a government financing mechanism that does not identify individual specific projects to be constructed with the funds is not a project as defined by CEQA and the CEQA Guidelines; the SFMTA shall consult with the City Attorney as to necessary CEQA findings and determinations with respect to any project prior to the expenditure of Bond proceeds; and be it

FURTHER RESOLVED, As to other projects that may be funded with Bond funds, the SFMTA will not proceed with any project until it is fully compliant with the California Environmental Quality Act (CEQA); if any of the projects 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; and be it

FURTHER RESOLVED, That the SFMTA Board of Directors approves the issuance in one or more series of San Francisco Municipal Transportation Agency Revenue Bonds in an amount not to exceed \$207,000,000, which includes up to \$45,000,000 for the Mission Bay Component, and up to \$162,000,000 for other projects, such as the light rail vehicle procurement, the Van Ness Transit Improvement Project and for various financing costs, which shall be issued and delivered in accordance with the Indenture (defined below) and the form of Fourth Supplement (defined below), as the same is finally executed and delivered. The proceeds of the Bonds shall be used to (i) fund the Project; (ii) fund a reserve fund, if any; (iii) fund capitalized interest, if any; and (iv) pay costs of issuance of the Bonds. The Bonds may be issued in one or more series on one or more dates. The Trustee (defined below) is authorized to cause the registration and authentication of the Bonds in accordance with the Indenture. The Bonds shall be subject to prepayment as set forth in the Indenture and the Fourth Supplement. The Director of Transportation of the SFMTA is authorized and directed to determine the aggregate principal amount of Bonds to be issued from time to time (subject to the maximum amount and further limitations and conditions set forth herein) and to determine the various titles and series designations of the Bonds. The Bonds shall bear interest rates not to exceed 12 percent per annum, and shall mature no later than 30 years from their date of issuance. The form of the Bonds, in substantially the form set forth in the Fourth Supplement

presented to this meeting, is approved. The Director of Transportation is authorized and directed to approve and to execute the Bonds, by manual or facsimile signature, and the Secretary of the Board of Directors is authorized and directed to attest, by manual or facsimile signature, with such changes, additions, amendments or modifications thereto which they may approve, with the advice of the City Attorney, such approval to be conclusively evidenced by the issuance of the Bonds; and be it

FURTHER RESOLVED, That the form of a fourth supplement to indenture of trust (Fourth Supplement), supplementing that certain Indenture of Trust dated July 1, 2012 (the Indenture), by and between the SFMTA and U.S. Bank National Association, as successor trustee (Trustee), or such other trustee selected by the Director of Transportation, by and between the SFMTA and the Trustee, as presented to the Board of Directors, is approved. Subject to Board of Supervisors concurrence, the Director of Transportation shall return to this Board with final versions of the Fourth Supplement showing such final changes, additions and modifications as the Director of Transportation may make or approve in accordance with this Resolution prior to the sale of the Bonds; and be it

FURTHER RESOLVED, That, subject to the execution of a memorandum of understanding between the SFMTA and the City Controller (MOU) to ensure that the SFMTA receives timely and adequate payments from the City to cover debt service payments and any other financing-related expenditures for the Mission Bay Component, the Director of Transportation is authorized and directed to cause a sale of the bonds by means of a negotiated sale with an underwriter selected in accordance with City contracting procedures. The form of a bond purchase contract, as presented to the Board of Directors, a copy of which is on file with the Secretary of the Board of Directors, is approved. The Director of Transportation is authorized to make such changes, additions and modifications to the Purchase Contract as the Director of Transportation may make or approve in accordance with this Resolution; provided, however, that the Underwriters' discount under the Purchase Contract shall not exceed 0.50% of the principal amount of the Bonds and the Director of Transportation presents such Purchase Contract to this Board for approval showing final changes, additions or modifications prior to the sale of the Bonds; and be it

FURTHER RESOLVED, That as an alternative to conducting a negotiated sale, and subject to execution of the MOU referenced above, the Director of Transportation is authorized and directed to cause a sale of the bonds by means of a competitive sale, if the Director of Transportation deems a competitive sale to be necessary or advisable. The forms of an official notice of sale and a notice of intention to sell, each as presented to the Board of Directors, copies of which are each on file with the Secretary of the Board of Directors, are approved. The Director of Transportation is authorized to issue the official notice of sale and notice of intention to sell, with such changes, additions, and modifications as the Director of Transportation may make or approve in accordance with this Resolution, and the Director of Transportation is authorized to cause there to be published once in *The Bond Buyer* or another financial publication generally circulated throughout the State of California the notice of intention to sell; and be it

FURTHER RESOLVED, That the form of the continuing disclosure certificate of the City (Continuing Disclosure Certificate), as presented to the Board of Directors, a copy of which is on file with the Secretary of the Board of Directors, is approved. The Director of Transportation or his

designee is authorized to execute the Continuing Disclosure Certificate, with such changes, additions, and modifications as he may make or approve in accordance with this Resolution; and be it

FURTHER RESOLVED, That the Board of Directors authorizes the expenditure of a portion of the proceeds of the Bonds for the payment of Mission Bay Component and related financing costs incurred in connection with the issuance of the Bonds; and be it

FURTHER RESOLVED, That the form of an official statement relating to the Bonds (Official Statement), as presented to the Board of Directors, a preliminary copy of which is on file with the Secretary of the Board of Directors, is approved. The Director of Transportation is authorized to make changes, additions, modifications, or deletions to the Preliminary Official Statement as the Director of Transportation may approve upon consultation with the City Attorney, such approval to be conclusively evidenced by final approval of the Preliminary Official Statement by this Board prior to its distribution to potential purchasers of the Bonds; and be it

FURTHER RESOLVED, That the Controller of the City, the Treasurer of the City, the Director of Transportation, the City Attorney, and all other appropriate officers, employees, representatives, and agents of the City are authorized and directed to do everything necessary or desirable to provide for the issuance of the Bonds, including, but not limited to, executing and delivering such certificates and other documents as they may deem necessary or advisable, including, without limitation, any custody agreements required by the Trustee; provided, however, the Director of Transportation shall return to this Board for final approval of the Financing Documents (as defined below) prior to the issuance of the Bonds; and be it

FURTHER RESOLVED, That the Director of Transportation is authorized to approve and make such modifications, changes, or additions to the Fourth Supplement, the Purchase Contract, the Continuing Disclosure Certificate, or the Official Statement, upon consultation with the City Attorney, as may be necessary or desirable in the interests of the SFMTA, and which changes are within the parameters of this Resolution. The Director of Transportation's approval of such modifications, changes, additions, or deletions shall be conclusively evidenced by (i) final approval by this Board, and thereafter (ii) the execution and delivery by the Director of Transportation of the Fourth Supplement, the Purchase Contract (as applicable), the Official Statement, or the Continuing Disclosure Certificate (Financing Documents); and be it

FURTHER RESOLVED, That the Director of Transportation is authorized and directed to cause a resolution to be prepared and submitted to the Board of Supervisors seeking their concurrence with respect to the issuance of Bonds by the SFMTA in accordance with Charter Section 8A.102(b)(13); and be it

FURTHER RESOLVED, That the Board of Directors adopts this Resolution for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This Resolution does not bind the SFMTA to make any expenditure, incur any indebtedness, or proceed with the Project; and be it

FURTHER RESOLVED, That the SFMTA declares its official intent, pursuant to Section 1.150-2 of the Treasury Regulations, to use proceeds of the Bonds to reimburse the Expenditures incurred in connection with the Project; and be it

FURTHER RESOLVED, That the SFMTA reasonably expects that the maximum principal amount of the Bonds expected to be issued for the Project is \$207,000,000; and be it

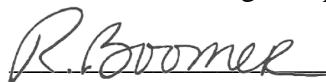
FURTHER RESOLVED, That this Resolution is being adopted no later than 60 days after the date SFMTA will expend moneys for the construction of a portion of the Project costs expected to be reimbursed with Bond proceeds. Each Expenditure will be either (a) of a type properly chargeable to a capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), (b) a cost of issuance with respect to the Bonds, (c) a nonrecurring item that is not customarily payable from current revenues, or (d) a grant to a party that is not related to or an agent of the SFMTA so long as such grant does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the SFMTA; and be it

FURTHER RESOLVED, That, notwithstanding anything to the contrary in this resolution, the Director of Transportation, with the advice of the financial advisors to the SFMTA, may modify the financial covenants set forth in the Financing Documents, to the extent such revisions are deemed necessary or desirable by the Director of Transportation for the issuance of the Bonds based on advice from the SFMTA's financial advisors; provided, however, that any such modifications or revisions shall not materially increase the financial or operational risks to the SFMTA and shall otherwise be subject to the terms hereof; and be it

FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or word of this resolution, or any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision shall not affect the remaining portions or applications of this resolution; the Board of Directors declares that it would have passed this resolution and each and every section, subsection, sentence, clause, phrase, or word of this resolution not declared invalid or unconstitutional without regard to whether any other portion of this resolution or application thereof without regard to whether any other portion of this resolution or application thereof would be subsequently declared invalid or unconstitutional; and be it

FURTHER RESOLVED, That the documents presented to the Board of Directors are on file with the Secretary of the Board of Directors.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 5, 2016.



Secretary to the Board of Directors
San Francisco Municipal Transportation Agency