Resolution authorizing the issuance of Measure RR sales tax revenue bonds in an amount not to exceed (NTE) $140,000,000 to fund Peninsula Corridor Electrification Project (PCEP) Fundings; the issuance of Measure RR sales tax revenue bonds in an amount not to exceed $75,000,000 to refund the Peninsula Corridor Joint Powers Board (PCJPB) Farebox Revenue Bonds, 2019 Series A; the replacement of the existing revolving credit facility for the PCEP with a new credit facility in an amount not to exceed $100,000,000 at any one time; and the replacement of the existing revolving credit facility for working capital purposes with a new credit facility in an amount not to exceed $100,000,000 at any one time.

WHEREAS, The Peninsula Corridor Joint Powers Board (the “JPB”), is a public entity duly established and organized under the laws of the State of California, which was created pursuant to a joint exercise of powers agreement (the “Joint Powers Agreement”) entered into by the Santa Clara Valley Transportation Authority (“VTA”), formerly known as the Santa Clara County Transit District, the City and County of San Francisco (the “City”), and the San Mateo County Transit District (“SamTrans”, and each a “Member Agency,” and, collectively, the “Member Agencies”); and

WHEREAS, Pursuant to the Joint Powers Agreement, the JPB operates the Caltrain commuter rail service (“Caltrain”) within the geographic boundaries of the Member Agencies; and
WHEREAS, Under the Joint Powers Agreement, each Member Agency is required to contribute to the operating costs of Caltrain and provide for the costs of capital projects in the manner set forth in the Joint Powers Agreement; and

WHEREAS, On, October 23, 2018, this Board of Supervisors (the “Board”) approved Resolution No. 363-18 which approved a plan of finance consisting of the following components: (i) the issuance of farebox revenue bonds, comprised of $47,635,000 aggregate principal amount of Peninsula Corridor Joint Powers Board Farebox Revenue Bonds, 2019 Series A (the “2019 Farebox Bonds”) in order to achieve debt service savings and certain other benefits; (ii) an increase in the amount of the JPB’s existing revolving credit facility with an affiliate of JP Morgan Chase Bank, N.A. for the Peninsula Corridor Electrification Project (“PCEP”) from $150,000,000 to $170,000,000 (the “Existing PCEP Credit Facility”); and (iii) an additional $30,000,000 revolving credit facility with the same affiliate of JP Morgan Chase Bank, N.A. for working capital (the “Existing Working Capital Credit Facility,” and, together with the Existing PCEP Credit Facility, the “Existing Credit Facilities”); and

WHEREAS, On November 3, 2020, the voters in the City and County of San Francisco, San Mateo County and Santa Clara County approved Measure RR, which will provide the JPB with a dedicated revenue source consisting of a 1/8th cent sales and use tax on taxable transactions in those counties (the “Measure RR Sales Tax”); and

WHEREAS, Collection of the Measure RR Sales Tax will commence on July 1, 2021, and expire in thirty (30) years on June 30, 2051; and

WHEREAS, To facilitate operations and completion of capital projects, the JPB intends to proceed with a financing plan (the “2021 Financing Plan”) that utilizes and leverages the Measure RR Sales Tax and consists of restructuring and replacing the Existing Credit Facilities, the issuance of sales tax revenue bonds for additional PCEP costs and the
refinancing of the 2019 Farebox Bonds with sales tax revenue refunding bonds, as further
described below; and

WHEREAS, Pursuant to the 2021 Financing Plan, the JPB intends to replace the
Existing PCEP Credit Facility with a new revolving credit facility for the same purposes as the
Existing PCEP Credit Facility in an amount not to exceed $100,000,000 at any one time (the
“Replacement PCEP Credit Facility”), and replace the Existing Working Capital Credit Facility
with a new revolving credit facility to finance working capital expenses and to make up for
potential revenue fundings (the “Fundings”) due to the timing of receipt of Measure RR Sales
Tax revenues in an amount not to exceed $100,000,000 at any one time (the “Replacement
Working Capital Credit Facility”, and together with the Replacement PCEP Credit Facility, the
“Replacement Credit Facilities”), each from Wells Fargo, National Association or an affiliate
thereof; and

WHEREAS, Any outstanding amounts, plus accrued interest, under the Existing Credit
Facilities shall be repaid from the Replacement Credit Facilities; and

WHEREAS, The indebtedness to be incurred by the JPB under the Replacement
Credit Facilities will be secured by a subordinate lien on the Measure RR Sales Tax revenues
and the Replacement PCEP Credit Facility will also payable from grant proceeds tied to the
PCEP as currently provided under the Existing PCEP Credit Facility; and

WHEREAS, Pursuant to the 2021 Financing Plan, the JPB also intends to issue certain
sales tax revenue bonds (hereinafter referred to as the “PCEP Funding Bonds”) in an
aggregate principal amount not to exceed $140,000,000, to fund (i) a portion of additional
capital costs associated with completing the PCEP, and (ii) capitalized interest through the
expected commencement of revenue service and transaction costs; and

WHEREAS, The JPB anticipates that completion of the PCEP will enable the JPB to (i)
meet current and future transportation demand between San José and San Francisco; (ii)
offset roadway congestion; (iii) address continuing regional air quality issues; (iv) reduce greenhouse gas emissions; and (v) provide electrical infrastructure compatible with contemplated future high-speed rail service; and

WHEREAS, Pursuant to the 2021 Financing Plan, the JPB also intends to issue sales tax revenue refunding bonds, in whole or in part, in an aggregate principal amount not to exceed $75,000,000 to refinance the 2019 Farebox Bonds at such time that such refunding produces debt service savings (the “Refunding Bonds”); and

WHEREAS, The PCEP Funding Bonds and Refunding Bonds will be secured by a senior lien pledge of the Measure RR Sales Tax revenues; and

WHEREAS, While Measure RR Sales Tax Revenues will be pledged to repay the PCEP Funding Bonds, the JPB also anticipates repaying the PCEP Funding Bonds from a portion of the proceeds from the sale of low carbon fuel standards credits that it expects to receive following the commencement of Caltrain electric revenue service; and

WHEREAS, On January 8, 2015, the Joint Powers Board (JPB) Board of Directors approved Resolution No. 2015-03, certifying the Peninsula Corridor Electrification Plan (PCEP) Final Environmental Impact Report (FEIR), and Resolution No. 2015-04, adopting and approving CEQA Findings, a Statement of Overriding Considerations to address Significant and Unavoidable Impacts identified in the FEIR, and a Mitigation Monitoring and Reporting Program (MMRP); subsequently, the JPB Board approved the PCEP under Resolution No. 2015-04; and

WHEREAS, on May 16, 2017, the San Francisco Municipal Transportation Agency Board of Directors also adopted CEQA findings in its Resolution No. 170516-065; and

WHEREAS, The PCEP FEIR may be found in the records of the Planning Department at https://sfplanning.org/ and 49 South Van Ness Avenue, Suite 1400 in San Francisco; and

WHEREAS, The resolution authorization falls within the scope of the PCEP FEIR; and
WHEREAS, There have been no substantial changes to the PCEP or the circumstances under which the PCEP is being undertaken, nor substantial new information that would require subsequent or supplemental environmental review, beyond the PCEP FEIR; and

WHEREAS, The PCEP FEIR is on file with the SFMTA Board of Directors, may be found in the records of the Planning Department at https://sfplanning.org/ and 49 South Van Ness Avenue, Suite 1400 in San Francisco, and is incorporated herein by reference; and

WHEREAS, Pursuant to Section 6586.5 of the Government Code of the State of California (the “Government Code”), each Member Agency within whose boundaries a public capital improvement to be financed is located is required: (i) to approve the 2021 Financing Plan and the financing transactions that comprise such Plan; and (ii) to make a finding of significant public benefit in accordance with the criteria specified in Section 6586 of the Government Code after holding a public hearing; and

WHEREAS, The Board is the appropriate entity to approve the proposed financing within the meaning of Section 6586.5 of the Government Code; and

WHEREAS, In order to satisfy the requirements set forth in Section 6586.5 of the Government Code, the JPB has requested that the Board hold the required public hearing and approve the 2021 Financing Plan described herein, comprised of (i) the replacement of the Existing Credit Facilities with the Replacement PCEP Credit Facility in an amount not to exceed $100,000,000 at any one time and with the Replacement Working Capital Credit Facility in an amount not to exceed $100,000,000 at any one time; (ii) the issuance of the PCEP Funding Bonds in an amount not to exceed $140,000,000; and (iii) the issuance of the Refunding Bonds in an aggregate principal amount not to exceed $75,000,000 provided that such issuance generates sufficient debt services savings; and
WHEREAS, Pursuant to Section 6586.5 of the Government Code, the Board caused a public hearing to be held regarding the 2021 Financing Plan described herein, notice of which public hearing was published in a newspaper of general circulation in the City and County of San Francisco at least five (5) days prior to such public hearing; and

WHEREAS, The Board now desires to approve the 2021 Financing Plan in order to satisfy the requirements of Section 6586.5 of the Government Code; and

RESOLVED, That the Board finds and declares that the above recitals are true and correct; and, be it

FURTHER RESOLVED, The CEQA findings contained in SFMTA Board of Directors Resolution 170516-065, including any mitigation measures within the jurisdiction of the City and as are applicable to this action, are hereby incorporated herein by reference; and, be it

FURTHER RESOLVED, This Board hereby approves the 2021 Financing Plan and hereby finds that: (i) the 2021 Financing Plan will result in significant public benefits by meeting current and future transportation demand, offsetting existing and future worsening roadway congestion, addressing continuing regional air quality issues, reducing greenhouse gas emissions, providing electrical infrastructure compatible with contemplated future high-speed rail service within the geographic boundaries of the Member Agencies, including within the geographic boundaries of the City, and realizing savings as a result of the Replacement PCEP Credit Facility and the refinancing of the 2019 Farebox Bonds; and (ii) such anticipated enhanced service and savings serves a public purpose. It is the purpose and intent of the Board that this Resolution constitute such approval of the 2021 Financing Plan as is required for the purposes of Section 6586.5 of the Government Code; and, be it

FURTHER RESOLVED, That notwithstanding anything in this Resolution to the contrary, the City shall not be obligated to levy any form of taxes other than the Measure RR Sales Tax, and no credit, funds or property of the City other than the Measure RR Sales Tax
revenues shall be pledged by the City to provide for payment of the indebtedness or any
security for the indebtedness to be incurred by the JPB in connection with the 2021 Financing
Plan; and, be it

FURTHER RESOLVED, That the Mayor, Controller, and the Director of the Controller’s
Office of Public Finance (and designees thereof), employees and agents of the City are
hereby authorized and directed, jointly and severally, subject to the terms of this Resolution,
to do any and all things and to execute and deliver any and all documents which they deem
necessary or advisable in order to carry out, give effect to and comply with the terms and
intent of this Resolution and the 2021 Financing Plan approved hereby..
Resolution authorizing the issuance of Measure RR sales tax revenue bonds in an amount not to exceed (NTE) $140,000,000 to fund the Peninsula Corridor Electrification Project (PCEP) Fundings; the issuance of Measure RR sales tax revenue bonds in an amount not to exceed $75,000,000 to refund the Peninsula Corridor Joint Powers Board (PCJPB) Farebox Revenue Bonds, 2019 Series A; the replacement of the existing revolving credit facility for the PCEP with a new credit facility in an amount not to exceed $100,000,000 at any one time; and the replacement of the existing revolving credit facility for working capital purposes with a new credit facility in an amount not to exceed $100,000,000 at any one time.

July 23, 2021 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

July 27, 2021 Board of Supervisors - ADOPTED
Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210727

I hereby certify that the foregoing Resolution was ADOPTED on 7/27/2021 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

7/30/2021
Date Approved

London N. Breed
Mayor