

Date: May 27, 2026
Referred by: Commission

ABSTRACT

Resolution No. 4782

This resolution authorizes the incurrence of a loan in an aggregate principal amount not to exceed \$590,000,000 and, from the proceeds of such loan, the making of loans to certain Bay Area transit entities, all pursuant to AB 117 (2026). It further delegates authority to the Executive Director to negotiate, execute and deliver loan and sub-loan agreements and authorizes senior MTC staff to take those actions necessary to implement the mandates of AB 117 and Commission direction.

Further discussion of this action is contained in the Summary Sheet dated May 27, 2026.

Date: May 27, 2026
Referred by: Commission

Re: AB 117 Loan and Sub-Loan Agreements; Implementation of Transit Loans

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4782

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, AB 117 (2026), codified at Section 75227 of the Public Resources Code of the State of California (Statute), provides a mechanism for a loan from the California State Transportation Agency (CalSTA) to the Bay Area's major transit operators to address their immediate financial shortfalls; and

WHEREAS, under the Statute, MTC is charged with receiving the funds from CalSTA and loaning them in turn to the designated operators; and

WHEREAS, MTC worked with the CalSTA and the State Department of Finance, to draft a form of agreement for the AB 117 loan to MTC, which is attached to this resolution (CalSTA Loan Agreement); and

WHEREAS, MTC worked with the designated transit operators to draft a form of agreement for the AB 117 subloans from MTC to the operators (Operator Loan Agreements); and

WHEREAS, the CalSTA Loan Agreement and the Operator Loan Agreements describe the obligations of the parties as to distribution and repayment of the CalSTA funds to the transit operators in accordance with the Statute, including the interest rates specified therein; and

WHEREAS, the CalSTA Loan Agreement and the Operator Loan Agreements must be in place in order to meet the Statute's funding deadline of July 1, 2026, and MTC staff needs to be empowered to enter into these agreements and take necessary actions to further the directives contained in the statute; therefore be it

RESOLVED, that the Commission hereby authorizes the incurrence of a loan from CalSTA in an aggregate principal amount not to exceed five hundred ninety million dollars (\$590,000,000)

and, from the proceeds of such loan, the making of loans to each of Alameda-Contra Costa Transit District (AC Transit), San Francisco Bay Area Rapid Transit District (BART), Peninsula Corridors Joint Powers Board (Caltrain), and San Francisco Municipal Transportation Agency (SFMTA): and be it further

RESOLVED, that the Executive Director is authorized to further negotiate, execute and deliver the CalSTA Loan Agreement with CalSTA and the Operator Loan Agreements with each of AC Transit, BART, Caltrain, and SFMTA, in substantially the forms attached, with such changes as may be necessary or desirable to finalize the agreements in accordance with the Statute as such officer shall, with the advice of General Counsel to MTC, approve (such approval to be conclusively evidenced by the execution and delivery of such each such loan agreement); and be it further

RESOLVED, that the Executive Director, Chief Financial Officer, General Counsel and their designees are authorized to take such actions and to execute and deliver any and all certificates, documents, amendments, instructions, orders, representations and requests as are necessary or advisable to effectuate the CalSTA Loan Agreement and the Operator Loan Agreements and administer such agreements in accordance with the Statute and Commission direction.

METROPOLITAN TRANSPORTATION COMMISSION

Sue Noack, Chair

The above resolution was approved by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California, and at other remote locations, on May 27, 2026.