

THIS PRINT COVERS CALENDAR ITEM NO.: 5

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Government Affairs

BRIEF DESCRIPTION:

Conditionally approving placement by the Peninsula Corridor Joint Powers Board (JPB) of a regional measure on the November 3, 2020 ballot in Santa Clara, San Mateo and San Francisco Counties to authorize the JPB to impose a one-eighth of one percent (0.125%) retail transactions and use tax for a period of thirty years, throughout the three Counties, to provide a steady stream of funding to support the annual operating, maintenance and capital needs of an electrified Caltrain service with increased frequency and capacity, which in turn will reduce traffic congestion and air pollution in the three Counties, and to support the implementation of the Caltrain Service Vision, contingent on approval by the San Francisco Board of Supervisors.

SUMMARY:


- The Peninsula Corridor Joint Powers Board (JPB) is a joint exercise of powers authority formed between the City and County of San Francisco (CCSF), the San Mateo County Transit District (SMCTD), and the Santa Clara Valley Transportation Authority (VTA), to operate the Caltrain passenger rail service between San Francisco and Gilroy.
- Since its inception, Caltrain has had no dedicated source of funding other than passenger fares and relies on contributions from its Member Agencies to fill minimum financial requirements in its operating and capital budgets.
- Caltrain is facing significant and ever-increasing structural funding shortfalls, which impact its ability to meet its operational needs, address its state of good repair and capital improvement requirements, and has embarked upon a project to electrify its right of way between San Francisco and San Jose that will bring new costs for operation and maintenance.

ENCLOSURES:

1. SFMTAB Resolution

APPROVALS:

DATE

DIRECTOR 

July 29, 2020

SECRETARY 

July 29, 2020

ASSIGNED SFMTAB CALENDAR DATE: July 31, 2020

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PURPOSE

The purpose of this calendar item is to approve placement by the Peninsula Corridor Joint Powers Board (JPB) of a resolution on the November 3, 2020 ballot in Santa Clara, San Mateo and San Francisco Counties to authorize the JPB to impose a one-eighth of one percent (0.125%) retail transactions and use tax for a period of thirty (30) years, throughout the three Counties, to use if certain conditions are met to provide a steady stream of funding to support the annual operating, maintenance and capital needs of an electrified Caltrain service with increased frequency and capacity, which in turn will reduce traffic congestion and air pollution in the three Counties, and to support the implementation of the Caltrain Service Vision.

STRATEGIC PLAN GOALS AND TRANSIT FIRST POLICY PRINCIPLES

Approval of this resolution supports the following SFMTA Strategic Plan Goals and Objectives:

Goal 2: Make transit and other sustainable modes of transportation the most attractive and preferred means of travel.

Objective 2.1: Improve transit service.

Objective 2.2: Enhance and expand use of the city's sustainable modes of transportation.

Goal 3: Improve the quality of life and environment in San Francisco and the region.

Objective 3.1 – Use agency programs and policies to advance San Francisco's commitment to equity.

Objective 3.2 – Advance policies and decisions in support of sustainable transportation and land use principles.

Objective 3.4 – Provide environmental stewardship to improve air quality, enhance resource efficiency, and address climate change.

Objective 3.5 – Achieve financial stability for the agency.

Approval of this resolution supports the following Transit First policy:

9. The ability of the City and County to reduce traffic congestion depends on the adequacy of regional public transportation. The City and County shall promote the use of regional mass transit and the continued development of an integrated, reliable, regional public transportation system.

DESCRIPTION

The Peninsula Corridor Joint Powers Board (JPB) is a joint exercise of powers authority formed under a 1996 agreement between the City and County of San Francisco (CCSF), the San Mateo County Transit District (SMCTD), and the Santa Clara Valley Transportation Authority (VTA) known as the "Member Agencies". The JPB operates the Caltrain passenger rail service, the seventh largest commuter rail service in the nation. The system operates between San Francisco and Gilroy,

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currently serving 32 stations along the 77-mile corridor. Caltrain operates the most efficient such service based on costs per passenger mile and has the highest farebox recovery rate of all the commuter rail services nationwide at 70 percent, which reflects the proportion of operating costs funded by passenger fares.

Since its inception, the JPB has had no dedicated source of funding other than passenger fares and, instead, relies on contributions from its Member Agencies to fill minimum financial requirements in its operating and capital budgets under two different funding formulas. For capital state of good repair costs, each of the Member Agencies contributes an equal amount of funding each year. For Caltrain operations, supplemental funding from each Member Agency is based on the percentage of system ridership originating in each county. However, each year, the actual levels of both capital and operating contributions are determined by the funding capacity of the Member Agency with the least ability to provide its share of funding in any given year. The amount that Member Agency can make available then becomes the standard against which the contributions of the other Member Agencies are calculated.

This approach fosters an uncertain financial and planning environment for the JPB, which is exacerbated by escalating operating, maintenance and repair costs, thereby keeping the JPB from operating at service levels that meet the rising passenger demands for Caltrain service. The JPB is facing significant and ever-increasing structural funding shortfalls, which impact its ability to meet its operational needs, address its state of good repair requirements, and undertake necessary capital improvements to sustain the Caltrain service. In addition, the unprecedented drop in transit ridership due to the COVID-19 crisis has had a significant impact on Caltrain due to its heavy reliance on fare revenue (70 percent of budget).

Looking to the future, the JPB has embarked upon a project to electrify its right of way between San Francisco and San Jose, to transform the Caltrain service into a more environmentally sustainable, quiet and nimble operation commencing in 2022. Although the electrified Caltrain service will eliminate the costs of diesel fuel, Caltrain will confront new system and technological costs for operation and maintenance of the electrified system, the electrical multiple unit rail cars, and the positive train control system.

To provide a means to address these financial challenges, in 2017 the Governor signed Senate Bill No. 797, introduced by Senator Jerry Hill, authorizing the JPB to implement a new retail transactions and use tax of up to 0.125 percent in the three Counties served by Caltrain if (1) the Board of Directors of the JPB adopts a resolution submitting the measure to the voters, (2) the measure is approved by the Boards of Supervisors in the Counties of Santa Clara, San Mateo and San Francisco, (3) the measure is approved by a majority vote of the governing boards of the San Francisco Municipal Transportation Agency, the SMCTD, and VTA, and (4) the tax is adopted by a two-thirds vote of the three Counties' voters.

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The revenues derived from the one-eighth cent sales tax will provide a dedicated fund source to support the operational and capital cost of the service. More specifically, the tax revenues from this measure will be prioritized:

- To support the operation of Caltrain service levels throughout the corridor from San Francisco to Gilroy, including, but not limited to, expanded service and increased capacity realized through the operation of an electrified system. The required support includes the maintenance of equipment, infrastructure and systems necessary to sustain and expand the service;
- To support the infrastructure, rolling stock, and capital projects necessary to advance the expansion of the Caltrain peak hour service from 6 trains per hour per direction to 8 trains per hour per direction, as well as the expansion of the Gilroy service to a minimum of five morning and five afternoon trains; and
- To develop and implement programs to expand access to the Caltrain service and facilitate use of the system by passengers of all income levels, including establishing an affordability program with consideration of discounted passes and/or additional means-based fare discounts informed by Caltrain's Means Based Fare Pilot Program.

Revenues from the sales tax will also be used to help leverage other local, regional, state and federal investments to advance the capital projects necessary to implement the Caltrain Business Plan's 2040 Service Vision, adopted by the JPB on October 3, 2019. These projects include, but are not limited to: the San Francisco Downtown Extension project including the Pennsylvania Avenue alignment, the extension of electrified train service to Gilroy, and grade separations throughout the corridor.

The SFTMA Board's approval of placement of the Caltrain tax measure on the November 3, 2020 ballot is subject to the following conditions:

- All of the approving entities approve placement of the measure on the ballot subject to the same set of conditions listed below and set forth in subsections a) through f) of the Resolution.
- Revenues will be held in a Special Escrow Account to be disbursed by the Joint Powers (Caltrain) Board, for eligible expenditures at any time with a two-thirds majority.
- Up to the first \$40 million collected shall off-set member operating contributions and replace COVID-related fare losses if no or limited additional Federal emergency relief funds are made available.
- If a governance solution is found, the Special Escrow Account is closed and funds transferred to JPB regular accounts/administration.

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- If no governance solution is found by September 30, 2021, another \$40 million shall be made available for operations.
- If no governance solution is found by December 31, 2022, all parties commit to working with state delegation on a legislative solution in 2023 legislative session.
- The JPB Board shall appoint an independent special counsel and auditor (separate from SamTrans) within 90 days of placement of this measure on the November 2020 ballot.

TRANSIT SERVICE IMPACT

If the sales tax were to be approved by the voters, the investments funded by the new revenues would result in improved Caltrain service.

STAKEHOLDER ENGAGEMENT

Over the past year, Caltrain staff have participated in numerous public outreach meetings on the Caltrain Service Vision and Business Plan in San Francisco, San Mateo, and Santa Clara counties.

On July 28, 2020 the San Francisco Board of Supervisors held a public hearing and granted approval to conditionally place a sales tax measure on the November 2020 ballot. Recent polling has shown that support for the measure is near the required two-thirds threshold.

ALTERNATIVES CONSIDERED

The alternative is to not approve the resolution which would prevent the JPB from taking action to place the sales tax measure on the ballot and, if approved by the electorate, reduce the contributions of the Member Agencies. The current COVID-19 crisis calls into question the prospects for any tax ballot measure. However, the economic disruption also highlights Caltrain's financial vulnerability in the absence of a dedicated revenue source, destabilizing the system and that in turn will place a burden on the Member Agencies to provide increased support at a time when they are similarly facing significant downturns. The first use of the proposed sales tax would go towards Caltrain operating and state of good repair (approximately \$90 million per year), replacing or reducing the annual contribution required from each Member Agency.

FUNDING IMPACT

Caltrain relies on contributions from its Member Agencies to fill minimum financial requirements in its operating and capital budgets (after applying fare and other revenues) under two different funding formulas. Each year, the levels of both capital and operating funding are determined by the funding capacity of the Member Agency with the least ability to provide its share of funding in any given year, and the amount that Member Agency can make available then becomes the standard against

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which the contributions of the other Member Agencies are calculated.

For capital costs, each of the Member Agencies contributes an equal amount of state of good repair capital funding each year based on Caltrain's state of good repair needs and the ability of each Member Agency to provide needed funds. In FY 2019-20 Member Agencies contributed \$7.5 million each. San Francisco's share is paid with Proposition K Transportation Sales Tax funds earmarked for Caltrain under the voter approved 2003 Prop K Expenditure Plan. However, beginning in FY 2020-21, Prop K funding for Caltrain capital projects will be exhausted. Additionally, capital enhancement projects, such as grade separations, are paid by the respective jurisdiction where the improvement is located.

Supplemental operating funding from each Member Agency is based on the percentage of system ridership originating in each County. In FY 2019-20, San Francisco's contribution was \$8 million, San Mateo's \$9 million, and Santa Clara's \$13 million. San Francisco's share is paid from SFMTA's operating budget.

The proposed sales tax would generate \$108 million per year, the first use would go towards Caltrain operating and state of good repair (approximately \$90 million per year), replacing the annual contribution required from each Member Agency. After funding operating and state of good repair capital, additional revenues (at least \$300 million or approximately \$10 million annually over 30 years) would be applied toward an estimated \$1 billion in new capital investment needed to implement the Service Vision of expanded electrified service (8 trains per hour at peak periods). Member agencies would contribute the \$700 million balance of funding needed to the expanded electrified service (\$233 million per Member Agency).

If the sales tax were not to move forward, San Francisco's share to deliver the operating, capital state of good repair, and new capital investment needed to implement the Service Vision would total \$1.14 billion over 30 years (an average of \$27 million operating and capital state of good repair annually plus \$11 million new capital investment annually) compared to \$233 million if the sales tax was implemented. Regardless of the sales tax, county specific capital enhancements, such as grade separations, will continue to be the financial responsibility for the respective jurisdiction where the improvement is located.

ENVIRONMENTAL REVIEW

On March 10, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the approval of the Peninsula Corridor Joint Powers Board's placement of a tax on the ballot 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).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors and is incorporated herein by reference.

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OTHER APPROVALS RECEIVED OR STILL REQUIRED

Approval to place the measure on the ballot is required by the Boards of Supervisors in the Counties of Santa Clara, San Mateo and San Francisco, by a majority vote of the governing boards of the San Francisco Municipal Transportation Agency, the SMCTD, and VTA, and the JPB. In order to meet the November 2020 ballot deadline, approval by all bodies must be completed by August 7. Final adoption of the sales tax requires an overall two-thirds vote across the three Counties' voters.

On July 28, 2020, the San Francisco Board of Supervisors granted its approval for the JPB (or its successor agency) to conditionally place a sales tax measure before the voters of the Counties. Under the terms of the Board of Supervisors and MTA Board Resolutions all seven bodies must approve resolutions with the same conditions provided in paragraphs a) through f) of the BOS and MTA Board's resolutions for those resolutions to be effective. SMCTD and the San Mateo County Board of Supervisors previously approved a resolution without conditions, on April 1 and May 5 respectively, therefore those bodies would have to take action to approve an amended resolution in addition to approvals by VTA, the Santa Clara County Board of Supervisors, and the JPB.

The City Attorney's Office has reviewed the calendar item.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors conditionally approve placement by the Peninsula Corridor Joint Powers Board (JPB) of a regional measure on the November 3, 2020 ballot in Santa Clara, San Mateo and San Francisco Counties to authorize the JPB to impose a one-eighth of one percent (0.125%) retail transactions and use tax for a period of thirty (30) years, throughout the three Counties, to provide a steady stream of funding to support the annual operating, maintenance and capital needs of an electrified Caltrain service with increased frequency and capacity, which in turn will reduce traffic congestion and air pollution in the three Counties, and to support the implementation of the Caltrain Service Vision.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, The Peninsula Corridor Joint Powers Board (JPB) is a joint exercise of powers authority duly formed pursuant to the October 3, 1996 joint powers agreement between the City and County of San Francisco (CCSF), the San Mateo County Transit District (SMCTD), and the Santa Clara Valley Transportation Authority (VTA) (together, the "Member Agencies"); and

WHEREAS, The JPB operates the Caltrain passenger rail service between San Francisco, California and Gilroy, California, currently serving 32 stations along the 77-mile corridor; and

WHEREAS, Since its inception, the JPB has had no dedicated source of funding other than passenger fares and, instead, relies on contributions from its Member Agencies to fill minimum financial requirements in its operating and capital budgets under two different funding formulas; and

WHEREAS, For capital costs, each of the Member Agencies (a) contributes an equal amount of capital funding each year and (b) supplements operating funding based on the percentage of system ridership originating in each County; and

WHEREAS, The levels of both capital and operating funding are determined by the funding capacity of the Member Agency with the least ability to provide its share of funding in any given year, and the amount that Member Agency can make available then becomes the standard against which the contributions of the other Member Agencies are calculated; and

WHEREAS, This approach fosters an uncertain financial and planning environment for the JPB, which is exacerbated by continually-escalating operating, maintenance and repair costs, thereby keeping the JPB from operating at service levels that meet the rising passenger demands for Caltrain service; and

WHEREAS, Caltrain, the seventh largest commuter rail service in the nation, operates the most efficient such service based on costs per passenger mile, and has the highest farebox recovery rate of all the commuter rail services nationwide at 70%, which reflects the proportion of operating costs funded by passenger fares; and

WHEREAS, The JPB is facing significant and ever-increasing structural funding shortfalls, which impact its ability to meet its operational needs, address its state of good repair requirements and undertake necessary capital improvements to sustain the Caltrain service; and

WHEREAS, The JPB has embarked upon a project to electrify its right of way between San Francisco and San Jose, which will transform the Caltrain service into a more environmentally sustainable, quiet and nimble operation commencing in 2022; and

WHEREAS, Although the electrified Caltrain service will eliminate the costs of diesel fuel, Caltrain will confront new system and technological costs for operation and maintenance of the electrified system, the electrical multiple unit rail cars, and the positive train control system; and

WHEREAS, To provide a means to address the JPB's financial challenges, in 2017 the Governor signed Senate Bill No. 797, introduced by Senator Jerry Hill, authorizing the JPB to implement a new retail transactions and use tax of up to 0.125 percent in the three Counties served by Caltrain if (i) the Board of Directors of the JPB adopts a resolution submitting the measure to the voters, (ii) the measure is approved by the Boards of Supervisors in the Counties of Santa Clara, San Mateo and San Francisco, (iii) the measure is approved by a majority vote of the governing boards of the San Francisco Municipal Transportation Agency, the SMCTD, and VTA, and (iv) the tax is adopted by a two-thirds vote of the three Counties' voters; and

WHEREAS, The revenues derived from the one-eighth cent sales tax will provide a dedicated fund source to support the operational and capital cost of the service; and

WHEREAS, More specifically, the tax revenues from this measure will be prioritized:

- To support the operation of Caltrain service levels throughout the corridor from San Francisco to Gilroy, including, but not limited to, expanded service and increased capacity realized through the operation of an electrified system. The required support includes the maintenance of equipment, infrastructure and systems necessary to sustain and expand the service;
- To support the infrastructure, rolling stock, and capital projects necessary to advance the expansion of the Caltrain peak hour service from 6 trains per hour per direction to 8 trains per hour per direction, as well as the expansion of the Gilroy service to a minimum of five morning and five afternoon trains;
- To develop and implement programs to expand access to the Caltrain service and facilitate use of the system by passengers of all income levels, including establishing an affordability program with consideration of discounted passes and/or additional means-based fare discounts informed by Caltrain's Means Based Fare Pilot Program; and

WHEREAS, Revenues will also be available to help leverage other local, regional, state and federal investments to advance capital projects necessary to implement the Caltrain Business Plan's 2040 Service Vision, adopted by the Peninsula Corridor Joint Powers Board on October 3, 2019. These projects include, but are not limited to: the San Francisco Downtown Extension project including the Pennsylvania Avenue alignment, the extension of electrified train service to Gilroy, and grade separations throughout the corridor; and

WHEREAS, As required by California Revenue and Taxation Code section 7286.65(b), this Resolution evidences the San Francisco Municipal Transportation Agency's approval for the JPB to place a sales tax measure before the voters of the three Counties to provide the JPB (or its successor agency) with a steady stream of funding to support the annual operating, maintenance and capital needs of an electrified Caltrain service with increased frequency and capacity, which in turn will reduce traffic congestion and air pollution in the three Counties, subject to the following conditions:

- a. That the SFMTA, SMCTD, VTA, the San Francisco Board of Supervisors, San Mateo

County Board of Supervisors, Santa Clara Board of Supervisors, and the JPB Board of Directors (“JPB Board”) approve placement of the Caltrain tax measure on the November 3, 2020 ballot in the Counties subject to the conditions set forth in paragraphs a) – f) of this resolution, and include these conditions in their resolutions approving the placement of the Caltrain tax measure on the November 3, 2020 ballot;

b. That all Caltrain tax revenue shall be held in a special escrow account under the sole and absolute control of the JPB Board, which may be disbursed by the JPB with the approval of a two-thirds majority of the JPB Board at any time, until such time as the JPB Board has amended the Joint Powers Agreement by a two-thirds vote to modify its governance structure or procedures, at which time the JPB Board may transfer all funds held in the special escrow account to any other accounts held by JPB, and may authorize the unrestricted use of these and all subsequent sales tax revenues for operating or capital expenditures as authorized by the Caltrain tax measure;

c. That notwithstanding subparagraph b), if Caltrain receives less than \$40 million in Federal or other emergency relief funds between the date of JPB approval of the Caltrain tax measure and the effective date of the Caltrain tax measure, the first \$40 million collected, minus an amount equal to any emergency relief funds received by Caltrain during that period, shall be used to offset member operating contributions and help replace COVID-related fare losses, maintain essential services, and fund operating budgets as approved by the JPB Board;

d. That if the JPB Board has not amended the Joint Powers Agreement by a two-thirds majority by September 30, 2021 to modify its governance structure or procedures, the JPB shall release up to \$40 million from the special escrow account to maintain essential services and fund operating budgets as approved by the JPB Board, with the remaining sales tax funds held in the special escrow account until completion of the Caltrain Electrification Project or December 31, 2022, whichever occurs later, at which point funds from the special escrow account may be used for any eligible purpose authorized by the JPB Board with a two-thirds majority, as provided by paragraph b);

e. That if the JPB Board has not amended the Joint Powers Agreement by a two-thirds majority by December 31, 2022 to modify its governance structure or procedures, the JPB shall work with the State Legislature to modify the JPB’s governance structure or procedures in the 2023 Legislative session; and

f. That the JPB Board shall appoint an independent special counsel and auditor (and shall not have the same counsel and auditor as SMCTD) within 90 days of placement of ~~this~~ the Caltrain tax measure on the November 3, 2020 ballot, to represent the JPB in all future matters; and

WHEREAS, On July 28, 2020, the San Francisco Board of Supervisors granted its approval for the JPB (or its successor agency) to conditionally place a sales tax measure before the voters of the Counties, and

WHEREAS, On March 10, 2020, the SFMTA, under authority delegated by the Planning Department, determined that the approval of the Peninsula Corridor Joint Powers Board's placement of a tax on the ballot is not a "project" under the California Environmental Quality Act (CEQA) pursuant 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 approves placement by the Peninsula Corridor Joint Powers Board of a regional measure on the November 3, 2020 ballot in Santa Clara, San Mateo and San Francisco Counties to impose a one-eighth of one percent (0.125%) retail transactions and use tax for a period of 30 years, throughout the three Counties, to enable Caltrain (or its successor agency) to fund operating and capital expenses of the Caltrain rail service, and support the operating and capital needs required to implement the Service Vision adopted by the Peninsula Corridor Joint Powers Board on October 3, 2019 as part of the Caltrain Business Plan; and, be it

FURTHER RESOLVED, That the San Francisco Municipal Transportation Agency Board of Directors' (SFMTA Board) approval of placement of the Caltrain tax measure on the November 3, 2020 ballot is subject to the following conditions:

- a. That the SFMTA, SMCTD, VTA, the San Francisco Board of Supervisors, San Mateo County Board of Supervisors, Santa Clara Board of Supervisors, and the JPB Board of Directors ("JPB Board") approve placement of the Caltrain tax measure on the November 3, 2020 ballot in the Counties subject to the conditions set forth in paragraphs a) – f) of this resolution, and include these conditions in their resolutions approving the placement of the Caltrain tax measure on the November 3, 2020 ballot;
- b. That all Caltrain tax revenue shall be held in a special escrow account under the sole and absolute control of the JPB Board, which may be disbursed by the JPB with the approval of a two-thirds majority of the JPB Board at any time, until such time as the JPB Board has amended the Joint Powers Agreement by a two-thirds vote to modify its governance structure or procedures, at which time the JPB Board may transfer all funds held in the special escrow account to any other accounts held by JPB, and may authorize the unrestricted use of these and all subsequent sales tax revenues for operating or capital expenditures as authorized by the Caltrain tax measure;
- c. That notwithstanding subparagraph b), if Caltrain receives less than \$40 million in Federal or other emergency relief funds between the date of JPB approval of the Caltrain tax measure and the effective date of the Caltrain tax measure, the first \$40 million collected, minus an amount equal to any emergency relief funds received by Caltrain during that period, shall be used to offset member operating contributions and help replace COVID-related fare losses, maintain essential services, and fund operating budgets as approved by the JPB Board;
- d. That if the JPB Board has not amended the Joint Powers Agreement by a two-thirds

majority by September 30, 2021 to modify its governance structure or procedures, the JPB shall release up to \$40 million from the special escrow account to maintain essential services and fund operating budgets as approved by the JPB Board, with the remaining sales tax funds held in the special escrow account until completion of the Caltrain Electrification Project or December 31, 2022, whichever occurs later, at which point funds from the special escrow account may be used for any eligible purpose authorized by the JPB Board with a two-thirds majority, as provided by paragraph b);

e. That if the JPB Board has not amended the Joint Powers Agreement by a two-thirds majority by December 31, 2022 to modify its governance structure or procedures, the JPB shall work with the State Legislature to modify the JPB's governance structure or procedures in the 2023 Legislative session; and

f. That the JPB Board shall appoint an independent special counsel and auditor (and shall not have the same counsel and auditor as SMCTD) within 90 days of placement of the Caltrain tax measure on the November 3, 2020 ballot, to represent the JPB in all future matters.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of July 31, 2020.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency