

AGENDA AND NOTICE OF THE MEETING OF THE
SAN GABRIEL VALLEY REGIONAL HOUSING TRUST FUND BOARD OF DIRECTORS
WEDNESDAY, AUGUST 5, 2020 - 10 A.M.

Teleconference Meeting

Livestream Available at: sgvrht.org

Thank you for participating in today's meeting. The Board of Directors encourages public participation and invites you to share your views on agenda items.

MEETINGS: The Board of Directors agenda packet is available at the San Gabriel Valley Regional Housing Trust (SGVRHT) Office, 1000 South Fremont Avenue, Suite 10210, Alhambra, CA, and on the website, www.sgvrht.org. Copies are available via email upon request (bacevedo@sgvrht.org). Documents distributed to a majority of the Board after the posting will be available for review in the SGVCOG office and on the SGVRHT website. Your attendance at this public meeting may result in the recording of your voice.

PUBLIC PARTICIPATION: Your participation is welcomed and invited at all Board of Directors meetings. Time is reserved at each regular meeting for those who wish to address the Board. SGVRHT requests that persons addressing the meeting refrain from making personal, slanderous, profane or disruptive remarks.

TO ADDRESS THE GOVERNING BOARD: At a regular meeting, the public may comment on any matter within the jurisdiction of the Board of Directors during the public comment period and may also comment on any agenda item at the time it is discussed. At a special meeting, the public may only comment on items that are on the agenda. Members of the public wishing to speak are asked to complete a comment card or simply rise to be recognized when the Chair asks for public comments to speak. We ask that members of the public state their name for the record and keep their remarks brief. There is a three-minute limit on all public comments. Proxies are not permitted, and individuals may not cede their comment time to other members of the public. **The Board of Directors may not discuss or vote on items not on the agenda.**

AGENDA ITEMS: The Agenda contains the regular order of business of the Board of Directors. Items on the Agenda have generally been reviewed and investigated by the staff in advance of the meeting so that the Board of Directors can be fully informed about a matter before making its decision.

CONSENT CALENDAR: Items listed on the Consent Calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion on these items unless a Board member or citizen so requests. In this event, the item will be removed from the Consent Calendar and considered after the Consent Calendar. If you would like an item on the Consent Calendar discussed, simply tell Staff or a member of the Board of Directors.

SGVRHT Officers

Chair
Jed Leano

Vice-Chair
Becky Shevlin

Jurisdictional Representatives

Northeast Representative
Gary Boyer, Glendora

Northwest Representative
Becky Shevlin, Monrovia

Central Representative
Jerry Velasco, El Monte

Southeast Representative
Patty Cortez, Covina

At-Large Representatives

Adele Andrade-Stadler,
Alhambra
Margaret Finlay, Duarte

Housing/Homeless Experts

Jed Leano (Delegate)
Carol Averell (Alternate)

Benita DeFrank (Delegate)
Alma Martinez (Alternate)

Members

Alhambra
Arcadia
Azusa
Baldwin Park
Claremont
Covina
Diamond Bar
Duarte
El Monte
Glendora
Irwindale
La Verne
Monrovia
Pomona
South El Monte
South Pasadena
West Covina



In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the SGVCOG office at (626) 457-1800. Notification 48 hours prior to the meeting will enable the SGVCOG to make reasonable arrangement to ensure accessibility to this meeting.



MEETING MODIFICATIONS DUE TO THE STATE AND LOCAL STATE OF EMERGENCY RESULTING FROM THE THREAT OF COVID-19: On March 17, 2020, Governor Gavin Newsom issued Executive Order N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and allows for members of the public to observe and address the meeting telephonically or electronically to promote social distancing due to the state and local State of Emergency resulting from the threat of the Novel Coronavirus (COVID-19).

To follow the new Order issued by the Governor and ensure the safety of Board Members and staff for the purpose of limiting the risk of COVID-19, in-person public participation at the San Gabriel Valley Regional Housing Trust Fund Board of Directors meeting scheduled for August 5, 2020 at 10 AM will not be allowed. Members of the public may view the meeting live on the SGVCOG's website. To access the meeting video, please see the link on the front page of the agenda.

Submission of Public Comments: For those wishing to make public comments on agenda and non-agenda items you may submit comments via email or by phone.

- Email: Please submit via email your public comment to Brielle Acevedo at bacevedo@sgvrht.org at least 1 hour prior to the scheduled meeting time. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." Emailed public comments will be part of the recorded meeting minutes but will not be read aloud. A copy of all public comments will be forwarded to the Committee.
- Phone: Please email your name and phone number to Brielle Acevedo at bacevedo@sgvrht.org at least 1 hour prior to the scheduled meeting time for the specific agenda item you wish to provide public comment on. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT." You will be called on the phone number provided at the appropriate time, either during general public comment or specific agenda item. Wait to be called upon by staff, and then you may provide verbal comments for up to 3 minutes.

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact Brielle Acevedo at least 48 hours prior to the meeting at (626) 209-9238 or at bacevedo@sgvrht.org.

PRELIMINARY BUSINESS

5 MINUTES

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Public Comment (*If necessary, the President may place reasonable time limits on all comments*)
5. Changes to Agenda Order: Identify emergency items arising after agenda posting and requiring action prior to next regular meeting

CONSENT CALENDAR

6. Board of Directors Minutes – July 22, 2020 Meeting- Page 1
Recommended Action: Adopt Board of Directors minutes for the July 22, 2020 meeting.
7. SGVRHT Purchasing and Procurement Policy- Page 4
Recommended Action: Adopt Resolution 20-12 approving the SGVRHT purchasing and procurement policy.
8. San Gabriel Valley Project Pipeline- Page 23
Recommended Action: Adopt Resolution 20-13 updating the SGVRHT project pipeline
9. SGVRHT Logo- Page 26
Recommended Action: Adopt Resolution 20-14 approving SGVRHT logo.
10. San Gabriel Valley Council of Governments Contract Credit- Page 29
Recommended Action: Receive and file.
11. E-signature policy- Page 31
Recommended Action: Adopt Resolution 20-15 approving e-signature policy
12. SGVRHT Insurance- Page 36
Recommended Action: Adopt Resolution 20-16 approving form and authorizing the Execution of the Sixth Amended Joint Powers Agreement and agreeing to membership in the Special District Risk Management Authority (SDRMA) Property/Liability Package Program for an initial 3-year commitment effective September 2020 and authorizing Executive Director to pay annual membership fees and insurance premiums.
13. Memorandum of Agreement (MOA) with the City of Baldwin Park- Page 60
Recommended: Authorize Executive Director to execute a memorandum of agreement (MOA) with the City of Baldwin Park for an amount not-to-exceed \$376,420 for activities to support establishment of the SGVRHT.
14. SGVRHT Investment Policy-Page 62
Recommended Action: Adopt Resolution 20-17 approving the SGVRHT Investment Policy.
15. Assignment of Housing Funds- Page 86
Recommended Action: Authorize Executive Director to execute Assignment of Housing Funds with the San Gabriel Valley Council of Governments.

PRESENTATIONS

ACTION ITEMS

DISCUSSION ITEMS

40 MINUTES

16. SGVRHT Outreach Strategy & Marketing Materials- Page 90
Recommended Action: For information only.

UPDATE ITEMS

5 MINUTES

GENERAL COUNSEL'S REPORT

EXECUTIVE DIRECTOR'S REPORT

CHAIR'S REPORT

ADJOURN

SGVRHT Board of Directors Unapproved Minutes

Date: July 22, 2020
Time: 10:30 AM
Location: Zoom Virtual Meeting

PRELIMINARY BUSINESS

1. Call to Order
Chair Leano called the meeting to order at 10:35 AM.
2. Pledge of Allegiance
The Board of Directors recited the Pledge of Allegiance.
3. Roll Call

A quorum was in attendance.

Members Present

Adele Andrade-Stadler, City of Alhambra
Gary Boyer, City of Glendora
Patty Cortez, City of Covina
Benita DeFrank, Housing/Homeless Expert
Jed Leano, Housing/Homeless Expert
Becky Shevlin, City of Monrovia
Jerry Velasco, City of El Monte

Members Absent

Margaret Finlay, City of Duarte

Staff

M. Creter, Executive Director, SGVRHT
C. Sims, SGVCOG
D. DeBerry, General Counsel, SGVRHT
B. Acevedo, SGVRHT

4. Public Comment
There was no public comment.
5. Changes to Agenda Order
There were no changes to the agenda order.

CONSENT CALENDAR

6. Board of Directors Minutes – July 22, 2020 Meeting
Recommended Action: Adopt Board of Directors minutes for the July 1, 2020 meeting.
7. Loan Guidelines
Recommended Action: Adopt Resolution 20-06 approving the SGVRHT loan guidelines.
8. Underwriting Standards and Procedures
Recommended Action: Adopt Resolution 20-07 approving underwriting standards and procedures.
9. Matching Fund Agreements
Recommended Action: Authorize Executive Director to execute agreements with local governments for the purpose of receiving match funds.
10. SGVRHT Bylaws
Recommended Action: Adopt Resolution 20-08 approving SGVRHT Bylaws.

There was a motion to approve Items 6, 7, 8, 9, and 10 on the consent calendar (M/S: Shevlin/Boyer).

[Motion Passed]

AYES:	Andrade-Stadler, Boyer, Cortez, DeFrank, Leano, Shevlin
NOES:	
ABSTAIN:	
ABSENT:	Finlay, Velasco

11. San Gabriel Valley Project Pipeline

There was a brief discussion on how projects were added to the pipeline and how to add additional projects moving forward.

There was a motion to approve item 11 on the consent calendar. (M/S: Shevlin/Andrade-Stadler).

[Motion Passed]

AYES:	Andrade-Stadler, Boyer, Cortez, DeFrank, Leano, Shevlin
NOES:	
ABSTAIN:	
ABSENT:	Finlay, Velasco

PRESENTATIONS

ACTION ITEMS

12. Local Housing Trust Fund (LHTF) Application

Staff provided discussion on the LHTF application including the funding request amount and projects recommended for funding. Staff then introduced Hitta Mosesman, SGVRHT’s consultant from Harris & Associates. Hitta further explained the methodology for selecting projects based on LHTF Notice of Funding Availability (NOFA) guidelines, the potential for the NOFA to be competitive, and how the SGVRHT application would score in a competitive process.

There was a motion to (1) Adopt Resolution 20-10, including the minor modifications note by General Counsel, authorizing submittal of the SGVRHT and (2) Adopt Resolution 20-11 authorizing the Executive Director to issue Letters of Intent pending award of State Funds. (M/S: Shevlin/Boyer)

[Motion Passed]

AYES:	Andrade-Stadler, Boyer, Cortez, DeFrank, Leano, Shevlin, Velasco
NOES:	
ABSTAIN:	
ABSENT:	Finlay

UPDATE ITEMS

There were no update items.

GENERAL COUNSEL'S REPORT

There was no General Counsel report.

EXECUTIVE DIRECTOR'S REPORT

M. Creter reported that the next SGVRHT meeting would be held August 5, 2020 at 10AM and the following meetings would be quarterly. M. Creter mentioned the State Homekey NOFA which might be of interest to cities to increase housing stock through motel conversions.

ADJOURN

Chair Leano adjourned the meeting at 11:29 AM.

REPORT

DATE: August 5, 2020
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: **SGVRHT PURCHASING AND PROCUREMENT POLICY**

RECOMMENDED ACTION

Adopt Resolution 20-12 approving the SGVRHT Purchasing and Procurement Policy.


BACKGROUND

Purchasing and procurement procedures provide a process for the purchase of goods and services. These procedures enable the effective management and coordination of purchasing and procurement, ensure the entity abides by sound business practices and legal requirements, establish a system of financial controls for the efficient use and expenditure of public funds, and ensure that the process is conducted in a manner that serves the best interest of the agency and the public that provides fair competition.

At its June 3, 2020, meeting, the SGVRHT Board of Directors approved an Agreement with the San Gabriel Valley Council of Governments (SGVCOG) for core staffing services and appointed Marisa Creter Executive Director of the SGVRHT. The Agreement was subsequently approved by the SGVCOG Governing Board at its June meeting. As part of this Agreement, the SGVCOG will provide administrative support, which includes financial management and contract support.

The SGVCOG has an existing Purchasing and Procurement Policy, which was approved by the SGVCOG Governing Board in September 2014. Given that through the existing Agreement, the SGVCOG will be managing the purchasing and procurement for the SGVRHT, staff recommends that the Board of Directors adopt the SGVCOG Purchasing and Procurement Policy (Attachment A) and subsequent amendments as the SGVRHT Purchasing and Procurement Policy. If the SGVCOG Governing Board amends its Purchasing and Procurement Policy, staff will bring the revised purchasing and procurement policy to the next Board of Directors. At any time, the SGVRHT Board could rescind its action to have the policy mirror that of the COG.

Those authorities designated to the SGVCOG Executive Director would be designated to the SGVRHT Executive Director and those authorities designated to the SGVCOG Governing Board would be designated to the SGVRHT Board of Directors.

Prepared by: 
Caitlin Sims
Principal Management Analyst

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-12

RESOLUTION NO. 20-12

**RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST
APPROVING THE SGVRHT PURCHASING AND PROCUREMENT POLICY**

WHEREAS, the San Gabriel Valley Regional Housing Trust requires various goods and services to carry out the mission of the organization and effectively serve its member agencies; and

WHEREAS, purchasing and procurement procedures provide a process designed to enable the organization to effectively manage and coordinate purchases, implement projects and programs, and to ensure sound business principles and legal requirements are followed; and

WHEREAS, effective procedures enable the organization to establish a system of financial controls where the efficient use and expenditure of public funds, to ensure the process is conducted in a manner that serves the best interests of the SGVRHT and the public, and to ensure fair competition; and

WHEREAS, the SGVRHT Board of Directors entered into a contract with the San Gabriel Valley Council of Governments (SGVCOG) to provide core staffing support, including financial and contractual services;

WHEREAS, the SGVCOG Governing Board adopted Resolution 14-25 adopting a revised Purchasing and Procurement Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the SGVCOG Purchasing and Procurement Policy, attached hereto and incorporated herein as Exhibit A.

BE IT FURTHER RESOLVED that where the term “SGVCOG” is used in the Policy, it shall read “SGVRHT.”

BE IT FURTHER RESOLVED that where the term “Executive Director” is used, it shall read as the SGVRHT Executive Director.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 5th day of August 2020.

San Gabriel Valley Regional Housing Trust

Jed Leano, Chair

2.02 Purchasing and Procurement Policy

2.02.01 General Provisions

Purchasing and procurement procedures provide a process for the purchase of goods and services used for the operation of San Gabriel Valley Council of Governments (SGVCOG) programs and projects. These procedures enable the SGVCOG to effectively manage and coordinate the purchasing and procurement process, to ensure the process subscribes to sound business practices and legal requirements, including the requirements of grants and/or otherwise restricted funds, to establish a system of financial controls for the efficient use and expenditure of public funds, to ensure the process is conducted in a manner that serves the best interests of the SGVCOG and the public, and to ensure fair competition.

SGVCOG employees, or designees of the Executive Director, may purchase or contract for any materials, supplies, equipment or services in accordance with the provisions of this purchasing and procurement policy. No purchase order or contract shall be issued unless the Executive Director, or his or her designee, Assistant to the Executive Director, or Accountant/Treasurer has first certified that there exists an adequate unencumbered balance of the appropriation(s) available to be charged with the cost of order or contract.

A. Fundamental Principles

The SGVCOG strives to ensure that supplies, equipment, and services are obtained at the most competitive cost, consistent with the quality and quantity required to maintain the efficient operation of the SGVCOG and its programs and projects. Employees utilizing the purchasing and procurement process shall observe the following principles:

- Monitor and anticipate product and service requirements in advance of need.
- Obtain purchases within budgetary limitations or secure additional budgetary resources through established procedures.
- Ensure purchases comply with all requirements, conditions, and limitations imposed by grants or other sources of funding.
- Treat all suppliers and contractors in a fair and equitable manner.
- Encourage open competition and solicitation of a sufficient number of vendors.
- Adhere to the purchasing and procurement established by the SGVCOG and support the safeguards for maintaining a system of quality and integrity.
- Avoid bid-shopping, order-splitting and vendor favoritism.
- Avoid contracts that exceed a total term of three years with two one-year options.

- Review the performance of contractors annually and make recommendations regarding changes to service providers as needed.

B. Ethical Conduct in Purchasing, Procurement and Related Activities

Transactions related to the expenditure of public funds require the highest degree of public trust to protect the interests of the SGVCOG, its member agencies, and the taxpayers. To secure and maintain the highest level of public trust and confidence, the SGVCOG is committed to upholding the highest standards of ethical conduct. Therefore, every employee shall conduct their business dealings in a manner that is above reproach and adhere to the following:

- Conduct themselves with the highest degree of integrity in all interactions with vendors.
- Refrain from gaining any personal profit or advantage through vendor relationships.
- Not participate in any situation where a conflict of interest may be involved.
- Not accept gifts, gratuities, or other items of value from vendors or suppliers which might influence or appear to influence decisions.
- Handle each issue related to a purchase or procurement that arises objectively and without discrimination.
- Not obligate the SGVCOG by any means, financial or otherwise, when the employee has a personal, material, financial or other interest in the obligation.
- Not purchase items for personal use while representing, or appearing to represent, the SGVCOG without first advising the supplier that the item is for personal use.
- Not accept discounts, sales, reduced prices, or other benefits offered by suppliers solely because of the employee's employment status.
- Not borrow, loan or take home SGVCOG equipment or supplies for personal use unless authorized by the Executive Director.
- Report possible violation of these standards to the Executive Director, or in the event, the Executive Director is alleged to have possibly violated the standards, to the Governing Board President.

All personnel engaged in the purchasing and procurement process are bound by this standard of conduct and disciplinary action may be taken against employees who violate the policies and procedures.

C. Conflict of Interest

SGVCOG employees will not solicit, accept, or receive, nor shall a vendor or potential vendor offer, directly or indirectly, any gift, favor, service, entertainment, food or drink, under circumstances where it could be inferred that the thing of value would influence the employee to give the vendor or supplier special consideration.

No SGVCOG employee shall participate in the selection, award, or administration of a contract if the employee, or member of the employee's immediate family, has a financial or potential financial interest in the outcome. Immediate family includes an employee's spouse or domestic partner,

son, daughter, brother, sister, father, mother, grandchild, or grandparent, either by blood or present marriage.

D. Gifts and Gratuities

SGVCOG employees are prohibited from soliciting or accepting any gift or gratuity, except those of nominal value from any person, company, firm or corporation to which any purchase order or contract has been, or might be, awarded. “Nominal value” shall be consistent with the aggregate amount below which a gift or gifts from a single source does not need to be reported under the Political Reform Act, as may be amended from time to time (currently, this amount is any value less than \$50 during a reporting period). The SGVCOG may terminate, at no cost to the SGVCOG, any purchase order or contract if it is found that prohibited gifts or gratuities were offered to any employee.

E. Contemporaneous Employment Prohibited

SGVCOG employees who are involved in the purchasing, procurement and related processes are prohibited from being an employee from any party who is providing, or attempting to provide, goods or services to the SGVCOG.

F. Prohibited Transactions

- The SGVCOG will not purchase goods or services from an employee, or the close relative of a SGVCOG employee, until a determination is made that the purchase would not represent a conflict of interest or interfere with applicable laws. Any such situation shall be referred to the Executive Director who shall determine if a conflict exists.
- SGVCOG employees may not purchase from the SGVCOG any goods or materials used by the SGVCOG.

G. Free Trials and Sample Products

Vendors and suppliers often offer agencies the opportunity to evaluate sample products. Samples that exceed \$25 in value or that the vendor reasonably expects to be returned after evaluation should either be paid for or documented with a “no cost – evaluation” purchase order.

H. Standard Procedures

The following shall be adhered to as the SGVCOG’s standard practice:

- Contracts are required for construction projects, roadwork, purchase or lease of real property and employment, except as otherwise provided pursuant to the SGVCOG’s administrative code and employment policies.

- All contracts shall be reviewed by legal counsel prior to presentation to the Board for approval, or to the Executive Director for approval pursuant to the authority granted by the Board.
- All contracts shall specify a period of performance, description of the function and/or services to be performed, total contract amount, and appropriate performance standards.
- All contracts shall contain a standard non-discrimination clause.
- When utilizing state and federal funds requiring more rigorous or different standards than those contained in these policies, such standards will prevail. The SGVCOG is responsible for ensuring that such standards are met and/or are included in appropriate contracts.
- The maximum term for SGVCOG procurement contracts, unless otherwise authorized by the Board of Directors, shall be for three years. Procurement contracts are agreements with third parties for acquisition of goods, services and construction work.
- Special consideration is required in the instances of a formal competitive process resulting in only one response. In those instances, the SGVCOG staff shall evaluate factors relative to the competitive process, including adequacy of notification to qualified competitors, requirements of the RFQ/RFP, the amount of time provided to respond to the RFQ/RFP, adequacy of the one proposal received, and urgency. After such an analysis, the Executive Director shall make a recommendation to either accept or reject the proposal. Each circumstance will require consideration of facts relevant to the specific solicitation and work to be performed.
- The Executive Director, or his or her designee, is authorized to approve and execute: 1. Purchase orders and contracts up to \$10,000 for Board approved expenditures; and 2. Contract amendments that exercise the option term(s) set out in contracts approved by the Board of Directors or that cumulatively do not exceed 25% of the original contract value or \$10,000 individually, whichever is less.
- The Executive Director, or his or her designee, is authorized to approve and execute purchase orders and contracts up to \$5,000 for any non-budgeted expenditure in an urgent/emergency situation. Notification and ratification shall be made at the next regularly scheduled meeting of the Board of Directors following such approval.
- All contracts, contract amendments, and memoranda of understanding in excess of \$10,000 require approval by the Board of Directors. In order to prevent delays that would result in negative impacts to SGVCOG projects and/or programs, SGVCOG staff will provide sufficient time for SGVCOG Policy and Technical Advisory Committees, as appropriate, and the Board of Directors to review and consider staff recommendations for approval of contracts and contract amendments.
- In the event of significant time constraints, extenuating circumstances, or emergencies when approval is required, the Executive Committee is authorized to approve contracts in excess of \$10,000, with notification to the Board of Directors. Notification shall be made at the next regularly scheduled meeting of the Board of Directors following such approval.
- The SGVCOG President is the officer designated to sign contracts on behalf of the organization, unless otherwise authorized by the Board of Directors. In the absence of the SGVCOG President, the SGVCOG's First Vice President is authorized to sign contracts on behalf of the organization.

- An Independent Cost Estimate (ICE) shall be developed for procurement actions, including but not limited to all contract amendments and contract change orders, whenever practical given the particular circumstances. When used, the ICE should be prepared by staff who are knowledgeable about the services being procured and is the best estimate as to what the services being procured should cost. The method and degree of analysis is dependent on the complexity of the services being procured and should be prepared in advance of the receipt of any bids or proposals, amendments or change orders. The ICE is particularly critical whenever there is no price competition (e.g., for architectural and engineering procurements or where only one proposal is received), or when firms submit unusually high price proposals. The United States Department of Transportation, Federal Highways Administration and Federal Transit Administration require recipients of federal dollars to “perform a cost or price analysis in connection with every procurement action, including contract modifications...” The SGVCOG is responsible for ensuring that the United States Department of Transportation, Federal Highways Administration and Federal Transit Administration standards related to ICE are met.

2.02.02 Purchasing Procedures

Purchases are classified into seven (7) purchasing categories. These categories are based on the dollar amount and type of purchase. Each category establishes a separate purchasing limit, authorization level and administrative procedure including Governing Board authorization.

	Category	Limitation
A.	Petty Cash Purchase	\$100 or less
B.	Minor Purchases	\$5,000 or less
C.	Intermediate Purchases	\$5,001 to \$10,000
D.	Major Purchases	\$10,001 or more
E.	Minor Construction Contracts	\$25,001 to \$100,000
F.	Major Construction Contracts	\$100,001 or more
G.	Professional Services	\$0 or more

A. Petty Cash Purchases (\$100.00 or less)

The petty cash fund may be used to provide advances or to pay reimbursement to employees for the direct and immediate purchase of goods and services needed for SGVCOG operations. Such would include the following:

- Freight and postal charges due upon delivery
- Purchase of goods or services needed for immediate use
- Reimbursement of employee travel/meeting expenses

Petty cash purchases or advances are generally limited to \$100.00 per transaction. A “Petty Cash Voucher” must be completed by the person requesting petty cash and approved by the Executive Director or the Assistant to the Executive Director. Purchases or advances in excess of \$100.00 shall be submitted to Executive Director for approval. The Executive Director, with the concurrence via signature of the Accountant/Treasurer, shall be authorized to approve an individual petty cash transaction up to \$400.00, provided that such authorization is budgeted and necessary to facilitate an exceptional need.

Advances from petty cash must be reconciled and returned to the petty cash drawer within two business days from the date of issuance.

A receipt must support all expenditures. Receipts for food and/or beverages must include the names and affiliation of participants, purpose of the purchase, and date, time and location of the meeting or event. If no receipt is provided, a statement listing the expenditure(s) signed by the employee is required.

B. Minor Purchases (\$5,000 or less)

SGVCOG employees may initiate purchases for goods or services costing \$5,000 or less. All invoices for such purchases must be authorized by the Executive Director, or his or her designee, documented, and processed with a request for payment.

Purchases under \$5,000 do not require a purchase requisition. Vendors who provide goods and services on a regular basis (monthly, quarterly, etc.) may require a requisition even though they do not meet the minimum \$5,000 purchase level in a given billing cycle. The SGVCOG shall reserve the right to require the submission of a requisition to specific providers whose multiple invoices exceed \$5,000 annually.

SGVCOG employees shall solicit bids from more than one vendor and select the vendor offering the lowest price whenever practical.

Employees are required to ensure the availability of budgeted funds prior to making any approved minor purchases.

C. Intermediate Purchases (\$5,001 to \$10,000)

Each employee shall initiate intermediate purchases of goods, services, or construction services by preparing a purchase requisition.

- For intermediate purchases of goods, services or construction services over \$5,000 and up to \$10,000, employees shall solicit and document price quotes in writing (via mail, email, or fax) from a minimum of three (3) vendors. The solicited price quotes shall be attached to the purchase requisition as back up support. Purchases shall be made at the lowest responsible quoted price whenever practical. If a purchase is made at a price that is higher

than the lowest quoted price, the reason for making the purchase at the higher price will be documented in writing and attached to the requisition. The Executive Director will submit written justification as to why the transaction should be exempt from these requirements.

- Construction contracts less than \$10,000 will be performed by a negotiated contract followed with a requisition.

After selecting the vendor, the employee shall submit a completed requisition displaying the vendor selected and describing the goods or services to be provided to the Executive Director, or the Assistant to the Executive Director in the Director's absence, for approval. Once approved, the Accountant/Treasurer will review the submitted requisition to verify the use of proper account numbers, availability of budgeted funds and compliance with proper purchasing procedures; approve the requisition; and issue a purchase order.

- The employee shall not order goods or services from a vendor before a purchase order is distributed by the Accountant/Treasurer.

D. Major Purchases (\$10,001 or more)

Purchases of goods or services over \$10,001 shall be awarded by formal bidding or negotiation, and require approval by the Governing Board.

E. Minor Construction Contracts (10,001 to \$100,000)

As an administrative entity of the SGVCOG, which was established pursuant to the California Government Code to administer construction and construction-related activity, minor construction is generally delegated to the Alameda Corridor East (ACE) Construction Authority pursuant to the direction of the Governing Board.

Minor construction contracts are procured and administered according to the guidelines identified in the ACE Procurement Policy that was adopted by the ACE Board of Directors and is incorporated and adopted herein as Attachment A. This includes, but is not limited to, all projects funded by State and/or Federal transportation funding.

Construction contracts *less than \$10,000* will be performed by a negotiated contract followed with a requisition.

F. Major Construction Contracts (\$100,001 or more)

As an administrative entity of the SGVCOG, which was established pursuant to the California Government Code to administer construction and construction-related activity, major construction is generally delegated to the Alameda Corridor East (ACE) Construction Authority pursuant to the direction of the Governing Board.

All major construction contracts are procured and administered according to the guidelines identified in the ACE Procurement Policy that was adopted by the ACE Board of Directors and is incorporated and adopted herein as Attachment A. This includes, but is not limited to, all projects funded by State and/or Federal transportation funding.

G. Professional Services

The SGVCOG relies heavily on outside consultants and professional and technical services to accomplish the overall mission and objectives of the organization. Contracts for professional services are generally issued on a fixed cost basis with the consultant receiving payment for a predefined scope of work. Other forms of contract may be used as appropriate. Contracts that extend beyond a fiscal year are multi-year contracts, and the scope of work shall be established in phases in accordance with the available budget.

The selection of professional services is to be based on demonstrated competence and on professional qualifications for satisfactory performance. After a qualified individual or firm is selected, the Executive Director or the Assistant to the Executive Director will negotiate a satisfactory contract with a price determined to be fair and reasonable. The emphasis for selection is therefore based upon qualifications rather than the lowest price.

Contracts for professional services less than \$10,000 may be approved by the Executive Director, or his or her designee. Contracts for professional services \$10,001 or more require the approval of the Governing Board.

In the event that any contracts for professional services will be funded, in whole or part, by State and/or Federal Transportation funds, those contracts will be procured and administered according to the ACE Procurement Policy adopted ACE Board of Directors and incorporated and adopted herein as Attachment A.

2.02.03 Procurement Methods

This section sets forth the generally accepted methods of procurement. These methods may be adjusted from time to time to reflect current business practices. Further, the Governing Board and the Executive Director shall have the authority to use the alternate process as set forth in this section as the preferred procurement for any purchase category listed above if it is determined to be in the best interest of the organization. Below are the approved procurement methods for goods and services.

A. Informal Competitive Procurement

Informal competitive procurement procedures will generally be used for purchases in excess of \$10,000, but not exceeding \$25,000 and involves an invitation for selected providers of a product or service to bid on the right to supply that product or service to the SGVCOG. A minimum of three (3) proposals shall be sought on each occasion that this option is used. The purchase will

generally be made from the lowest bidder whose bid conforms to the requirements. If the purchase is not made from the lowest bidder, the reason the purchase was made from a higher bidder will be documented in writing.

The SGVCOG may contract with the vendor or supplier of any federal, state or local governmental department or agency (Public Agency) that has selected the vendor or supplier after complying with the Public Agency's competitive procurement requirements, and it is in the best interest of the SGVCOG to do so. The SGVCOG's Executive Director will determine whether the purchase of goods and services directly from the vendor or supplier of a Public Agency is in the best interest of the SGVCOG based upon price, quality and whether the terms and conditions of the cooperative procurement contract meet the SGVCOG's requirements.

B. Negotiation

Negotiation is the process by which the SGVCOG or its agents communicate with providers of products or services to reach a mutually acceptable agreement through discussion and compromise. Negotiation is generally used for the purchase of unique goods and/or services. Use of this procedure requires the approval of the Governing Board.

C. Formal Competitive Procurements – Request for Proposal (RFP) and Request for Qualifications (RFQ)

The formal Request for Proposal (RFP)/Request for Qualifications (RFQ) process is generally used to solicit proposals for services in excess of \$25,000 and for solicitation of proposals less than \$25,000 in instances where this process is deemed appropriate.

- The RFP/RFQ process is a competitive procurement process that requires evaluation of offeror's proposal and qualifications. This competitive procurement process does not require award to the lowest bidder.
- This process applies to professional services contracts and product specific professional and technical consulting contracts, including engineering, environmental, surveying, construction management, and architectural services. These contracts shall be awarded based upon demonstrated competence and on the professional qualifications and capabilities necessary for the performance of services required at a fair and reasonable price to the SGVCOG.
- The SGVCOG will provide RFP packages to vendors identified as providing the specific services being requested in the RFP/RFQ either by mail or other methods.
- If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such vendors or contractors.
- The SGVCOG will maintain a control record as RFP packets are distributed indicating the date and time of distribution. The record shall contain the names and addresses of those receiving the proposal invitations and attendance at pre-proposal conferences, if held. The

control record shall be used as a mailing list for the issuance of addendums and as a verification record in the case of vendor protests.

- Pre-proposal conferences will be held, when appropriate, to discuss the basic requirements such as instructions, funding, contract type, evaluation criteria, and specific points that should be addressed in each proposal.
- The question “Has the firm was ever been terminated from a contract?” will be included in the RFP/RFQ. If the answer is “Yes”, the firm will be required to describe the facts and circumstances in detail.

D. Selection Process – RFP/RFQ

1. Authorization to Circulate Request for Proposals (RFP) / Request for Qualifications (RFQ). The Executive Director, or his or her designee, is authorized to release and advertise Requests for Proposals, Requests for Quotes, and Invitations for Bids, for proposed contracts for which funding has been approved in SGVCOG’s Annual Budget. Staff will obtain Board of Directors approval prior to circulation of any RFP/RFQ/IFB where funding is not in the SGVCOG’s Annual Budget or the anticipated value of the RFP/RFQ/IFB exceeds \$100,000.
2. Preparation and distribution of RFP/RFQ. The SGVCOG staff and/or contract staff will prepare the scopes of work and the RFP/RFQ.
3. Appointment of Selection Team. The Board of Directors, Policy Committees and/or SGVCOG staff shall appoint a selection team. A representative of the SGVCOG member agencies or representatives of SGVCOG counterpart agencies shall be invited to participate in the selection of contractors and consultants, when appropriate. Members of the selection team shall be appointed with reference to the discipline involved and the location of the project. When possible, SGVCOG staff shall participate in the entire selection process.
4. SGVCOG Staff. As used in this policy, the term “SGVCOG staff” refers to full-time employees of the SGVCOG.
5. Responses to Queries. Numerous inquiries are typically received during the circulation period for any RFP/RFQ. Relevant information will be provided, and pre-proposal conferences will be held, when appropriate, to discuss the basic requirements such as instructions to, funding, contract type, evaluation criteria, terms, scope, and the selection process. The names of the selection team are often requested. Relevant technical information will be provided, but names of the selection team shall not be made available prior to formal interviews.
6. Short-listing. Short-listing is the most important part of the process. Narrowing the list to a small set of qualified firms greatly reduces the likelihood of making a poor

selection. Ensuring an adequate short-list is therefore very important. Members of the selection team shall review and evaluate all responses to establish a short-list of the most highly qualified firms in preparation for formal interviews.

For SGVCOG Major Projects contracts, SGVCOG staff and/or contract staff shall review all the statements of qualifications and prepare a single qualitative evaluation for each firm's response to the RFP/RFQ that includes evaluative comments and rationale. Besides the normal criteria, the evaluative comments will focus especially on the following points:

- Understanding of the project.
- Management structure of the project team.
- Approach.

This summary evaluation will then be forwarded to the actual selection team for their reference and use. The summary evaluations will be advisory only, and will not provide a ranking or numeric scoring of submittals. Each member of the team must then perform an independent review of the responses. The selection team will then be convened to prepare the short-list.

7. Interviews. The selection team shall convene to interview the short-listed firms. For SGVCOG Major Project contracts, one contract staff member shall be designated as ex officio member to participate during the interview process in questioning and discussion, but shall have no vote, and will not attempt to influence the decision. This will ensure adequate technical expertise and perspective from the SGVCOG's program interests.
8. Debriefing. An essential part of the selection process is the debriefing of firms that were either not short-listed or not selected. Members of the selection team shall designate one member to meet with unsuccessful proposers to explain the selections that have been made and to offer recommendations for improving future proposals. Contract staff will not participate in the debriefing.

These procedures are intended to ensure that only highly qualified firms matching the SGVCOG's needs will be selected.

E. Formal Competitive Procurements – Request for Bids (RFB)

The competitive sealed bid method of procurement is used for purchases in excess of \$25,000 when the following circumstances are met:

- When a complete, adequate and realistic specification or purchase description is available;
- Two or more responsible suppliers are willing and able to compete effectively; and

- The procurement lends itself to a firm-fixed price contract and the election of the successful bidder can be made on the basis of price.

A control record will be maintained as invitations for bids are distributed indicating the date, time, and/or place of distribution or notice. The record shall contain the names and addresses of those receiving the proposal invitations or posting of the notice. The control record shall be used as a mailing list for the issuance of notices relative to the request for bids and as a verification record in the case of vendor protests.

A recommendation for an award of a contract by the Governing Board shall be made to the responsive, responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is lowest in price.

After the Governing Board has awarded a contract or purchase resulting from a formal bid, request for proposal, or negotiation, staff should prepare a requisition. The requisition should be accompanied by a copy of the Governing Board approved staff report, insurance certificate, and a professional services agreement or other appropriate agreement, if required.

F. Sole Source

Sole source procurements are authorized when requirements are so critical, or call for such specialized expertise, that only one source is capable of satisfying those requirements.

Sole source refers to the source, not the product or service. Justification for a sole source purchase depends on a needed item being available from only a single supplier. Sole source purchases may arise from a number of circumstances, such as the purchase of equipment for which there is no comparable, competitive equivalent; the replacement of parts available from the manufacturer only; and the purchase of equipment and supplies that will be used in the design of a custom product.

Detailed documentation justifying the sole source purchase and ensuring that the cost charged by the vendor is reasonable and customary is required. Documentation shall include the following:

- Is this a sole source (available from only one vendor; one-of-a-kind and is not sold through distributors)? Or is this a sole brand (various vendors are able to supply the specified model and brand name) and competitive bids (informal or formal) will be solicited for the requested brand only?
- Detailed description of the unique performance features of the product or brand requested that are not available in another product or brand
- Unique qualifications that this vendor possesses
- Analysis as to the reason the unique features and qualifications are required
- Description (brand names, model numbers, vendor names and contact information) of the other items and brands that were evaluated and rejected and reasons for the rejection

A proprietary product is manufactured by only one company but may be sold through distributors and competition between them may be able to be obtained.

Sole source justification based solely on a vendor's capability to deliver in the least amount of time is not sufficient.

Sole source justification based on personal preference or an established relationship with a supplier is not a valid basis for a sole source selection.

G. Authorized Purchasing Alternatives

- Acquisition of brand name or compatible products and furnishings to assure compatibility with other SGVCOG products, equipment, or offices or because the brand name or compatible product has superior performance results as determined through either SGVCOG or other reliable testing.
 - Purchases totaling less than \$10,000 require the Executive Director to determine the procedure to be used.
 - Purchases greater than \$10,000 require the Governing Board direction on the purchasing procedures to be used.
- Use of professional services procedures to obtain a contractor as a consultant and then the use of bid procedures or other purchasing procedures as approved by the Executive Director to select subcontractors, but only upon a finding by the Governing Board prior to or concurrent with the award of contract that this procedure is in the best interests of the organization for the particular contract.
- The Executive Director or designee may require a pre-qualification process for bidders, suppliers, or professionals (hereinafter collectively referred to as "bidder(s)"). The SGVCOG may, at its discretion, select bidders for pre-qualification. The pre-qualification questionnaire may include questions pertaining to the following criteria:
 - The familiarity and experience of the prospective bidder with the particular type of purchase or contract designated.
 - The sufficiency and availability of personnel, equipment, materials, and other facilities or resources of the prospective bidder to accomplish the designated work or provide the construction or contract supplies, materials, or reports and opinions.
 - The ability of the prospective bidder to provide required bonds and insurance, including indemnity.

- The financial ability/condition of the prospective bidder to accomplish the work designated.
- The experience of the prospective bidder to perform the designated work as well as the experience in performing similar work.
- The safety record of the prospective bidder.
- The record of the prospective bidder within the preceding 5 years regarding performance, claims, arbitration, mediation, or litigation filed by or against the prospective bidder regarding public or private construction contracts or other contracts where the prospective bidder provided services, supplies, materials, opinions or reports.
- Such other information as is deemed appropriate for the particular purchase or contract.
- The Executive Director or designee shall apply a uniform rating system to the prospective bidders for each purchase or contract. Bidders that are deemed qualified shall be provided the opportunity to submit bids or proposals; no other bids are required to be sought, although the SGVCOG may solicit additional bids if in the exercise of its discretion, it determines it to be in the organization's best interest.

H. Change Orders

When a change of condition or additional work is required to continue the progression of an authorized purchase or service, a change order shall be prepared by the employee.

Change orders shall require the following authorizations:

- Change Orders for less than \$10,000, and within the appropriated budget, may be authorized by the Executive Director.
- Change Orders in excess of \$10,000 must be authorized by the Governing Board.
- Change Orders which cause the original authorized purchase order or contract to exceed \$10,000 must be authorized by the Governing Board.
- Multiple change orders which cumulatively exceed \$10,000 must be authorized by the Governing Board.
- Change Orders in excess of \$10,000 may be approved by the Executive Director and submitted to the Governing Board for final authorization in the following circumstances:

- The failure to immediately issue a change order may result in significant project cost increases or an unacceptable project delay due to work stoppage or other inefficiencies; and
- The Governing Board will not hold its regularly scheduled meeting within a reasonable period of time to sufficiently remedy the problem, and a special meeting will not be able to be scheduled within a reasonable period of time to sufficiently remedy the problem.
- Funding for the change order is currently available within the appropriated budget; or
- If funding for the change order is not currently available, the change order shall be accompanied with a supplemental appropriation and submitted to the Governing Board for final authorization.

I. Purchase Order Exemptions

The following disbursements are exempt from Purchase Order requirements:

- Disbursements for refundable deposits
- Disbursements to public agencies for which the SGVCOG collects fees on behalf the agency
- Disbursements for payroll, payroll liabilities, and employee benefits
- Disbursements for refunds of fees collected

J. Emergency Purchases

In certain situations, it may be necessary to make emergency purchases, which shortcut the pre-approvals required for intermediate or major purchases, as outlined above. An emergency purchase may be made when there is an immediate, urgent need to acquire particular goods or services not already available to staff.

For purchasing purposes, an emergency situation is one in which there is an immediate threat to life or property or a substantial disruption of public service.

An emergency purchase of \$10,000 or less for budgeted items may be approved by the Executive Director, with the concurrence via signature of the Accountant/Treasurer. The expenditure shall subsequently be reported to the Governing Board and highlighted in the warrant register. The Executive Director, with the concurrence via signature of the Accountant/Treasurer, may authorize non-budgeted expenditures of up to \$5,000 for an emergency situation. Such emergency action

shall be reported in full to the Governing Board and ratifying approval shall be obtained at the next regular or specially called Board meeting. These procedures for emergency purchases shall be followed in accordance with any applicable state law.

REPORT

DATE: August 5, 2020

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY PROJECT PIPELINE**

RECOMMENDED ACTION

Adopt Resolution 20-13 approving the San Gabriel Valley Project Pipeline

BACKGROUND

At its June 3, 2020 meeting the SGVRHT Board of Directors approved an initial project pipeline. At that time, staff acknowledged that the document was an evolving document that would continue to be updated as new projects were presented to the SGVRHT. The pipeline was updated by resolution 20-09 at the July 22, 2020 meeting.

DISCUSSION

Since the July 22nd meeting, staff has received an additional application. The pipeline has been updated to include the following project:

City	Project Description	Funding Gap/Request
Alhambra	50 units of low and extremely low-income housing including special needs set aside	\$3,000,000

The project pipeline will continue to be updated as additional applications are received. This Project Pipeline allows the SGVRHT to establish an initial list of projects to be used in funding applications and to support fundraising and marketing efforts.

Prepared by: 
Brielle Acevedo
Principal Management Analyst

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-13 San Gabriel Valley Project Pipeline

RESOLUTION NO. 20-13

**RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST
ADOPTING SAN GABRIEL VALLEY PROJECT PIPELINE**

WHEREAS, on June 3, 2020, the San Gabriel Valley Regional Housing Trust Board of Directors adopted an initial San Gabriel Valley Project Pipeline; and

WHEREAS, it is understood that the pipeline will continue to evolve as additional funding requests are received; and

WHEREAS, the Board adopted resolution 20-09 to update the pipeline on July 22, 2020,

WHEREAS, additional projects have since submitted applications for funding to the SGVRHT;

WHEREAS, the additional projects have been added to the San Gabriel Valley Project Pipeline; and

WHEREAS, Resolution 20-13 supersedes resolution 20-09 in its entirety.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Trust adopts the San Gabriel Valley Project Pipeline, attached hereto and incorporated herein as Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 5th day of August 2020.

San Gabriel Valley Regional Housing Trust

Jed Leano, Chair

Exhibit A

San Gabriel Valley Project Pipeline		
City	Project Description	Funding Gap/Request
Alhambra	50 units of low and extremely low-income housing including special needs set aside	\$3,000,000
Arcadia	9 units of affordable housing	\$1,800,000
Baldwin Park	120 units of affordable housing for low income families and homeless veterans	\$7,500,000
Baldwin Park	Metro Central Place: 55 units of affordable housing	\$1,500,000
Baldwin Park	14404-14412 Ramona: 13 units of affordable housing and additional units of workforce housing	\$6,000,000
Claremont	15 units of affordable housing for low-income and homeless seniors	\$500,000
Duarte	60-70 units of affordable housing adjacent to the Duarte Gold Line station	\$7,000,000
El Monte	Up to 100 units of transitional housing units for homeless families	\$37,000,000
El Monte	54 units of affordable housing for families; potential special needs set-aside	\$500,000
Pomona	56 units of affordable housing, including housing for families, homeless veterans, and homeless households. Shovel-ready project.	\$1,375,000
Pomona	125 units of affordable housing for low and very low-income families	\$2,000,000
South El Monte	Rehabilitation project to provide transitional housing units for homeless families	\$4,000,000
South Pasadena	Purchase and rehabilitation of excess Caltrans properties to preserve for affordable housing	\$14,000,000

REPORT

DATE: August 5, 2020

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY REGIONAL HOUSING TRUST LOGO**

RECOMMENDED ACTION

Adopt Resolution 20-14 approving SGVRHT logo.

BACKGROUND

Resolution 20-14 adopts an official logo for the SGVRHT. The logo will be used to represent the SGVRHT on correspondence, marketing materials, and other forms of communication as appropriate.

Prepared by: 
Brielle Acevedo
Principal Management Analyst

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-14 SGVRHT Logo

RESOLUTION NO. 20-14

**RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING APPROVING
THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST LOGO**

WHEREAS, the San Gabriel Valley Regional Housing Trust was formed to fund the planning and construction of housing projects for the homeless and extremely low, very low- and low-income populations; and

WHEREAS, the San Gabriel Valley Regional Housing Trust requires a logo to establish a brand and to use on Agency materials; and

WHEREAS, the logo will be used on correspondence, marketing materials, and other forms of communication as appropriate;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the San Gabriel Valley Regional Housing Trust logo, attached hereto and incorporated herein as Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 5th day of August 2020.

San Gabriel Valley Regional Housing Trust

Jed Leano, Chair

Exhibit A



REPORT

DATE: August 5, 2020

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS CONTRACT CREDIT**

RECOMMENDED ACTION

Receive and file.

BACKGROUND

In February 2019, the tri-city cohort of Claremont, Pomona, and La Verne was awarded \$50,000 in funding through the County of Los Angeles Measure H Program to explore the feasibility of creating a sub-regional housing trust. Following award of this funding, SB 751 (Rubio) was signed, allowing the cities of the San Gabriel Valley to form a San Gabriel Valley Regional Housing Trust (SGVRHT) joint powers authority. During the fall of 2019, the cities of the San Gabriel Valley convened to negotiate the joint powers agreement that would govern the SGVRHT. Rather than allocate the awarded funds to the feasibility of creating a sub-regional housing, the tri-city cohort elected to allocate its awarded funds to the SGVRHT.

In October 2019, the City of Pomona, the lead for the tri-city cohort, authorized the City Manager to execute an agreement with the San Gabriel Valley Council of Governments (SGVCOG) for the housing trust feasibility study, for an amount not-to-exceed \$50,000. The SGVRHT had not yet been formed, so the SGVCOG executed an Agreement with the City of Pomona to complete a scope of work associated with the establishment of the SGVRHT. These included completion of the SGVRHT FY 2020-21 Workplan, SGVRHT Bylaws, and holding several meetings of the SGVRHT Board of Directors.

At its June 3, 2020, meeting, the SGVRHT Board of Directors approved an Agreement with the San Gabriel Valley Council of Governments (SGVCOG) for core staffing services for an amount not-to-exceed \$318,000 for FY 2020-21. These core staffing services include 1.0 FTE whose responsibilities would include developing the Annual SGVRHT Workplan, holding meetings of the SGVRHT Board of Directors, and completing other start-up activities, such as the development of SGVRHT Bylaws.

Since the SGVCOG's Agreement with the City of Pomona provides funding to complete tasks included in the SGVRHT's scope of work, the SGVCOG will credit the SGVRHT an amount not-to-exceed \$50,000 for the completion of these tasks. With this credit, the total not-to-exceed amount that the SGVRHT will be invoiced for FY 2020-21 will be \$268,000.

Prepared by: CS
Caitlin Sims
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

DATE: August 5, 2020
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: **ELECTRONIC SIGNATURE POLICY**

RECOMMENDED ACTION

Adopt Resolution 20-15 establishing an electronic signature policy.

BACKGROUND

The use of electronic signatures on documents has become increasingly prevalent. The benefits of electronic signatures cut down on the paper, time and cost associated with transmitting and approving physical documents and can offer an easily accessible audit trail of the modification, editing, and approval of documents. The proposed Electronic Signature Policy (Policy) is based on the San Gabriel Valley Council of Governments Signature Policy and establishes when electronic signatures may replace a hand-written signature whenever appropriate and allowed by law. The Policy applies to all signatures used in processing various SGVRHT documents and assumes the agency signer has been given the authority to sign as determined by Agency/Department business practices.

The use of electronic signatures provides a secure method of signing and transferring documents electronically. A document cannot be altered after the signer has completed the E-signature. Additionally, a history of any changes made to the document prior to the signature is kept with the document and cannot be changed or deleted. When electronic signatures are used, hash values are attached to the document to verify the authenticity of a document during any transfer for added security.

Examples of common types of documents in which electronic signature is recommended are listed in Table 1.

Document Type Examples	Is an E-Signature Acceptable?	Notes
Memos, Forms, Board Letters, Resolutions, and Other Correspondence	Yes	E-signature is recommended.
Contracts	Yes	E-signature is recommended.
Certificates, Permits	Yes, if allowed by law	Departments should work with General Counsel to determine where applicable laws permit an E-signature to be used.
Documents Requiring Notarization	No	

Table 1.
Common Types of Documents Recommended for E-Signature.

Prepared by: Brielle Acevedo
Brielle Acevedo
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-15

RESOLUTION NO. 20-15

A RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST APPROVING E-SIGNATURE POLICY

WHEREAS, the use of electronic signatures on documents has become increasingly prevalent; and

WHEREAS, the current San Gabriel Valley Regional Housing Trust internal process of routing signatures can be streamlined through implementation of electronic signatures; and

WHEREAS, the use of electronic signatures will offer an easily accessible audit trail of the modification, editing, and approval of documents; and

WHEREAS, the adoption of an Electronic Signature Policy would authorize the SGVRHT to accept approved types of electronic signatures that have the same force and effect as a manual signature, in lieu of a written signature, on a document in which a signature is required or used.

NOW, THEREFORE, the Board of Directors of the San Gabriel Valley Regional Housing Trust hereby adopts the Electronic Signature Policy attached as Exhibit A.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 5th day of August 2020.

San Gabriel Valley Regional Housing
Trust

Jed Leano, Chair

Exhibit A

Use of Electronic Signatures Policy

1.0 Introduction

The San Gabriel Valley Regional Housing Trust (SGVRHT) Use of Electronic Signatures Policy shall be used to conduct business in order to increase productivity and ensure convenient, timely and appropriate access to agency information by using electronic signature technology to collect and preserve signatures on documents quickly, securely, and efficiently.

This Policy establishes when electronic signatures may replace a hand-written signature whenever appropriate and allowed by law. This Policy applies to all signatures used in processing various SGVRHT documents and assumes the agency signer has been given the authority to sign as determined by Agency/Department business practices.

While the use of E-signatures is suggested and encouraged, this Policy does not require any Agency/Department to use electronic signatures, nor can the SGVRHT mandate that any third party signing a document use electronic signature.

1.1 Purpose of Electronic Signatures

Security and Legal Compliance

The use of E-forms and E-signature provides a secure method of signing and transferring documents electronically. A document cannot be altered after the signer has completed the E-signature. Additionally, a history of any changes made to the document prior to the signature is kept with the document and cannot be changed or deleted. When electronic signatures are used, hash values are attached to the document to verify the authenticity of a document during any transfer for added security.

Simplified Workflow

E-signatures eliminate resource-intensive processes that require agencies, the public, and staff to manually sign documents. Features of the E-signature process include automation of simple forms, ability to track and review changes, vary the recipient roles, tag signatures, etc.

1.2 Policy

This Policy applies to documents requiring a signature of any person where the signature is intended to show authorship, approval, authorization, or certification, as allowed by law. It is the Policy of the SGVRHT to encourage the use of E-signatures in all internal and external activities, documents, and transactions where it is operationally feasible to do so, where existing technology permits, and where it is otherwise appropriate based on the agency needs. In such situations, affixing an E-signature to the document in a manner consistent with this Policy shall satisfy the SGVRHT requirements for signing a document. As used in this Policy, the term "signature" includes using initials on a document instead of a signature.

1.3 Requirements of Electronic Signatures

In accordance with California Government Code section 16.5 and Civil Code section 1633.7, the use of electronic signatures is permitted and shall have the same force and effect as the use of a "wet" or manual signature if all the following criteria are met:

- a. It is unique to the person using it.
- b. It is capable of verification.
- c. It is under the sole control of the person using it.
- d. It is linked to data in such a manner that if the data are changed, the digital signature is invalidated.
- e. It conforms to regulations adopted by the Secretary of State.

The use or acceptance of a digital signature shall be at the option of the parties. Nothing in this section shall require a public entity to use or permit the use of a digital signature. Digital signatures employed pursuant to Section 71066 of the Public Resources Code are exempted from this section. "Digital signature" means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature.

1.4 Common Types of Documents

This Policy is intended to broadly permit the use of electronic signatures. Examples of common types of documents are listed in the following table.

Document Type Examples	Is an E-Signature Acceptable?	Notes
Memos, Forms, Board Letters, Resolutions, and Other Correspondence	Yes	E-signature is recommended.
Contracts	Yes	E-signature is recommended.
Certificates, Permits	Yes, if allowed by law	Departments should work with General Counsel to determine where applicable laws permit an E-signature to be used.
Documents Requiring Notarization	No	

REPORT

DATE: August 5, 2020

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **SAN GABRIEL VALLEY REGIONAL HOUSING TRUST INSURANCE**

RECOMMENDED ACTION

Adopt Resolution 20-16 approving form and authorizing the Execution of the Sixth Amended Joint Powers Agreement and agreeing to membership in the Special District Risk Management Authority (SDRMA) Property/Liability Package Program for an initial 3-year commitment effective September 2020 and authorizing Executive Director to pay annual membership fees and insurance premiums.

BACKGROUND

Staff performed research on liability insurance options for the SGVRHT. As a newly formed entity that is quasi-governmental, many companies were unable to offer liability insurance or presented very costly quotes. Alliant presented the below Special District Risk Management Authority (SDRMA) quote for \$2,500,000 in liability insurance. This quote provides sufficient coverage for SGVRHT activities by pooling risk with other special districts and public agencies that are members of California Special Districts Association (CSDA). In order to join the SDRMA liability coverage program, the board must approve resolution 20-13 (Attachment A) and sign the 6th Amended Joint Powers Authority (Exhibit A) to admit the SGVRHT; staff will submit an application to CSDA. Insurance coverage will be effective September 1, 2020 for a three-year period. The annual membership fee for CSDA is \$1,466 and the annual insurance premium is \$8,325.69, for a total of \$9,791.69 per year in insurance related expenses. These expenses were included in the adopted SGVRHT Budget.



San Gabriel Valley Regional Housing Trust
2020/2021 SDRMA Premium Breakdown

Property/Liability Package Premium Option 1		
Limits	Coverage	Annual Premium
	Property, Boiler/Machinery, Pollution, Cyber	\$ -
	Mobile/Contractors Equipment	\$ -
\$2.5M Limits	General Liability, Errors & Omissions, Employee & Public Officials Dishonesty	\$ -
\$2.5M Limits	Auto Liability (includes \$50 charge for non-owned auto coverages)	\$ -
	Auto Comp/Collision	\$ -
	Trailers	\$ -
	Gross Package Premium	\$ 7,708.97
	Earned CIP Credits (0)	\$ -
	MemberPlus Online RQ Bonus	\$ -
	Other Discounts	
	Subtotal	\$ 7,708.97
	5% Multi-Program Discount	\$ -
	Total Premium	\$ 7,708.97
	Alliant Broker Fee	\$ 616.72
	Total Premium and Fees	\$ 8,325.69

REPORT

Prepared by: Brielle Acevedo
Brielle Acevedo
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-16 SGVRHT Insurance

RESOLUTION NO. 20-16

A RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A SIXTH AMENDED JOINT POWERS AGREEMENT AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S PROPERTY/LIABILITY PROGRAM

WHEREAS, San Gabriel Valley Regional Housing Trust (SGVRHT), a joint power agency duly organized and existing under and by virtue of the laws of the State of California, has determined that it is in the best interest and to the advantage of the SGVRHT to participate for at least three full years in the Property/Liability Program offered by the Special District Risk Management Authority (the "Authority"); and

WHEREAS, California Government Code Section 6500 et seq., provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, Special District Risk Management Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 et seq., for the purpose of providing its members with risk financing and risk management programs; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, participation in Special District Risk Management Authority programs requires the SGVRHT to execute and enter into a Sixth Amended Joint Powers Agreement (the "Amended JPA Agreement"); which states the purpose and powers of the Authority; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the SGVRHT is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, the Board of Directors of the San Gabriel Valley Regional Housing Trust hereby resolves the following.

Section 1. Findings. That it hereby specifically finds and determines that the actions

authorized hereby relate to the public affairs of the SGVRHT.

Section 2. Sixth Amended JPA Agreement. The Amended JPA Agreement proposed to be executed and entered into by and between the SGVRHT and members of the Special District Risk Management Authority, in the form presented at this meeting and on file with the SGVRHT Secretary, is hereby approved. The SGVRHT Board and/or Authorized Officers (“The Authorized Officers”) are hereby authorized and directed, for and in the name and on behalf of the SGVRHT, to execute and deliver to the Authority the Amended JPA Agreement in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Program Participation. The SGVRHT Board of Directors approves participating for three full program years in Special District Risk Management Authority Property and Liability Program.

Section 4. Other Actions. The Authorized Officers of the SGVRHT are each hereby authorized and directed to execute and deliver any and all documents which is necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 5th day of August 2020.

San Gabriel Valley Regional Housing
Trust

Jed Leano, Chair

Attest:

I, Marisa Creter, Executive Director and Secretary of the Board of Directors of the San Gabriel Valley Regional Housing Trust, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Board of Directors held on the 5th day of August 2020, by the following vote:

AYES:	
NOES:	
ABSTAIN:	
ABSENT:	

Marisa Creter, Secretary

**SIXTH AMENDED
JOINT POWERS AGREEMENT**

RELATING TO THE

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Adopted August 1, 1986
1st Amended February 5, 1988
2nd Amended March 31, 1990
3rd Amended July 1, 1993
4th Amended February 9, 1998
5th Amended and Restated
- Approved March 24, 2003
- Effective July 1, 2003
6th Amended October 2, 2007

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**SIXTH AMENDED JOINT POWERS AGREEMENT
RELATING TO THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY**

THIS SIXTH AMENDED JOINT POWERS AGREEMENT (the “Agreement”) is made and entered into by and among the public agencies (the “Members”) organized and existing under the laws of the State of California, which are signatories to this Agreement.

RECITALS

WHEREAS, California Government Code Section 6500 *et seq.* (the “Act”) provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Labor Code Section 3700(c) permits pooling by public agencies of self insurance for Workers’ Compensation liability; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purposes set forth in Article 2 hereof, including establishing pools for self-insured losses and purchasing Excess or Re-Insurance and administrative services in connection with joint protection programs (the “Programs”) for members of the California Special Districts Association (“CSDA”); and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so; and

WHEREAS, the Members have previously executed that certain Fifth Amended and Restated Joint Powers Agreement (the “Original JPA”), which Original JPA the Members desire to amend and restate by this Agreement; provided that such amendment and restatement shall not affect the existence of the Authority; and

WHEREAS, CSDA exists to assist and promote special districts, and has been responsible for the original creation of the Special District Risk Management Authority (“Authority”) and Special District Workers Compensation Authority (“SDWCA”), and determined the consolidation of SDWCA and the Authority on July 1, 2003 was in the best interests of special districts and other public agencies throughout the State.

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1. Definitions. The following definitions shall apply to the provisions of this agreement:

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the California Government Code, as amended or supplemented.

“Alliance Executive Council” means the council organized pursuant to the MOU.

“Assessment” means an additional amount, in addition to the Member’s or Former Member’s original contribution, which the Board of Directors determines in accordance herewith and/or with the Bylaws that a Member or Former Member owes on account of its participation in a Program for a given Program year.

“Authority” shall mean the Special District Risk Management Authority created by the original version of this Agreement.

“Board of Directors” or “Board” shall mean the governing body of the Authority.

“Bylaws” means the Bylaws of the Authority adopted by the Board of Directors, as they may be amended from time to time.

“Chief Executive Officer” shall mean that employee of the Authority who is so appointed by the Board of Directors.

“Claim” shall mean a demand made by or against a Member or Former Member which is or may be covered by one of the Programs approved by the Board of Directors.

“Contribution” means the amount determined by the Board of Directors to be the appropriate sum which a Member should pay at the commencement of or during the Program Year in exchange for the benefits provided by the Program.

“Coverage Documents” shall mean the Declarations, Memorandum of Coverages, Coverage Agreements, Endorsements, Policies of Insurance or any other documents that provide the terms, conditions, limits and exclusions of coverage afforded by a Program.

“CSDA” means the California Special Districts Association.

“District” shall mean a special district, public agency or public entity within the State of California which is both a Member of the CSDA and a signatory to this Agreement.

“Duly Constituted Board Meeting” shall mean any Board of Directors meeting noticed and held in the required manner and at which a Quorum was determined to be present at the beginning of the meeting.

“Estimated Contribution” means the amount which the Board of Directors estimates will be the appropriate contribution for a Member’s participation in a Program for a Program Year.

“Excess or Re-Insurance” shall mean that insurance which may be purchased on behalf of the Authority and/or the Members to protect the funds of the Members or Former Members against catastrophic losses or an unusual frequency of losses during a single year in excess of the self-insurance retention maintained by the Authority.

“Fiscal Year” shall mean that period of twelve months which is established as the fiscal year of the Authority.

“Former Member” shall mean a District which was a signatory to the Agreement but which has withdrawn from, or been involuntarily terminated from participating in, the Authority.

“Joint Protection Program” means a Program offered by the Authority, separate and distinct from other Programs, wherein Members will jointly pool their losses and claims, jointly purchase Excess or Re-Insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

“Member” shall mean a signatory to this Agreement, which is qualified as a Member under the provisions of this Agreement and the Bylaws.

“MOU” means the Memorandum of Understanding - Alliance Executive Council, dated as of September 20, 2001, among the Authority, CSDA, the CSDA Finance Corporation and SDWCA.

“Program” or “Programs” means the specific type of protection plan as set forth in the terms, conditions and exclusions of the Coverage Documents for self-insured losses, and the purchasing of Excess or Re-Insurance and administrative services.

“Program Year” shall mean a period of time, usually 12 months, determined by the Board of Directors, in which a Program is in effect.

“Retained Earnings,” as used herein, shall mean an equity account reflecting the accumulated earnings of a Joint Protection Program.

“SDWCA” means the Special Districts Workers Compensation Authority, and its successors or assigns.

Article 2. Purposes. This Agreement is entered into by the Members pursuant to the provisions of California Government Code section 990, 990.4, 990.8 and 6500 *et seq.* in order to provide, subject to the provisions of the Coverage Documents, economical public liability and workers’ compensation coverage, or coverage for other risks which the Board of Directors may determine.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be

accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, the Special District Risk Management Authority (the “Authority”), to establish and administer Programs as set forth herein and in the Bylaws.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion, at a subsequent date, and subject to approval by the Board of Directors, of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and Members of the Authority.

Article 3. Parties to Agreement. Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 18. Each party to this Agreement also certifies that the withdrawal from or cancellation of membership by any Member, pursuant to Articles 19 and 20 or otherwise, shall not affect this Agreement nor such party’s intent, as described above, to contract with the other remaining parties to the Agreement.

Article 4. Term of Agreement. This Agreement shall become effective as to existing Members of the Authority as set forth in Article 33 hereof. This Agreement shall continue thereafter until terminated as hereinafter provided. This Agreement shall become effective as to each new Member upon: (i) approval of its membership by the Board of Directors, (ii) the execution of this Agreement by the Member, and (iii) upon payment by the Member of its initial Contribution for a Program. Any subsequent amendments to the Agreement shall be in accordance with Article 27 of this Agreement.

Article 5. Creation of Authority. Pursuant to the Act, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Special District Risk Management Authority. Pursuant to Section 6508.1 of the Act, the debts, liabilities and obligations of the Authority, including but not limited to, debts, liabilities and obligations of any of the Programs shall not constitute debts, liabilities or obligations of any party to this Agreement or to any Member or Former Member.

The Authority is not an insurer, and the coverage programs offered by the Authority do not provide insurance, but instead provide for pooled joint protection programs among the members of the Authority. The Joint Protection Programs offered by the Authority constitute negotiated agreements among the Members which are to be interpreted according to the principles of contract law, giving full effect to the intent of the Members, acting through the Board of Directors in establishing the Programs.

Article 6. Powers of Authority. (a) The Authority shall have all of the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

- (1) to make and enter into contracts, including the power to accept the assignment of contracts or other obligations which relate to the purposes of the Authority, or which were entered into by a Member or Former

Member prior to joining the Authority, and to make claims, acquire assets and incur liabilities;

- (2) to accept an assignment from SDWCA of all its assets, obligations and liabilities prior to the dissolution of SDWCA (including claims and contracts in existence prior to such dissolution) in order to benefit the Members or Former Members participating in the SDWCA workers compensation program; provided, that except for the fair and equitable allocation of administrative and overhead expenses, funds from such assignment shall not be co-mingled and shall be separately accounted for as provided for in this Agreement and the Bylaws.
- (3) to incur debts, liabilities, or other obligations, including those which are not debts, liabilities or obligations of the Members or Former Members, or any of them;
- (4) to charge and collect Contributions and Assessments from Members or Former Members for participation in Programs;
- (5) to receive grants and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
- (6) to acquire, hold, lease or dispose of property, contributions and donations of property and other forms of assistance from persons, firms, corporations and governmental entities
- (7) to acquire, hold or dispose of funds, services, donations and other forms of assistance from persons, firms, corporations and governmental entities;
- (8) to employ agents and employees, and/or to contract for such services;
- (9) to incur debts, liabilities or other obligations to finance the Programs and any other powers available to the Authority under Article 2 or Article 4 of the Act;
- (10) to enter into agreements for the creation of separate public entities and agencies pursuant to the Act;
- (11) to sue and be sued in its own name;
- (12) to exercise all powers necessary and proper to carry out the terms and provisions of this Agreement (including the provision of all other appropriate ancillary coverages for the benefit of the Members or Former Members), or otherwise authorized by law or the Act; and
- (13) to exercise all powers and perform all acts as otherwise provided for in the Bylaws.

(b) Said powers shall be exercised pursuant to the terms hereof, in the manner provided by law and in accordance with Section 6509 of the Act. The foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Member or Former Member designated in the Bylaws.

Article 7. Board of Directors. Subject to the limitations of this Agreement and the laws of the State of California, the powers of this Authority shall be vested in and exercised by, and its property controlled and its affairs conducted by, the Board of the Authority, which is hereby established and designated as the agency to administer this Agreement pursuant to Section 6506 of the Act. The powers of the Authority shall be exercised through the Board of Directors, who may, from time to time, adopt and modify Bylaws and other rules and regulations for that purpose and for the conduct of its meetings as it may deem proper. The officers of the Board shall be as set forth in the Bylaws.

So long as the MOU has not been terminated or the Authority has not withdrawn from the MOU, the Board of Directors shall be composed of seven (7) directors elected by the Member entities who have executed the current operative Agreement and are participating in a Joint Protection Program. The terms of directors, procedures for election of directors, procedures for meetings and provisions for reimbursement of Director expenses shall be as set forth in the Bylaws. Each Member of the Board of Directors shall have one vote. Each Member of the Board shall serve as set forth in the Bylaws.

So long as the Authority is a participant in the MOU, the Board of Directors of the Authority shall appoint three (3) members of its board to serve as members of the Alliance Executive Council. No member of the Board of Directors of the Authority shall serve as a director on any other board of directors of an entity or organization that is a signatory to the MOU during the term of the MOU. In the event a director is elected to such a board, that director shall immediately resign from the Board of Directors of the Authority.

In the event SDRMA withdraws from the MOU, the Board of Directors of the Authority shall consist of those seven (7) Directors who hold seats on the Authority's Board of Directors at the time of the withdrawal and who were duly appointed by the Board, or elected or re-elected by the Member entities of SDRMA plus the additional directors appointed by CSDA as provided in Article 25.

Article 8. Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Article 9. Powers of the Board of Directors. The Board of Directors shall have such powers and functions as provided for pursuant to this Agreement and the Bylaws and such additional powers as necessary or appropriate to fulfill the purposes of this Agreement and the Bylaws, including, but not limited to, the following:

- (a) to determine details of and select the Program or Programs to be offered, from time to time, by the Authority;

- (b) to determine and select all insurance, including Excess or Re-insurance, necessary to carry out the programs of the Authority;
- (c) to contract for, develop or provide through its own employees various services for the Authority;
- (d) to prepare or cause to be prepared the operating budget of the Authority for each fiscal year;
- (e) to receive and act upon reports of committees and from the Chief Executive Officer;
- (f) to appoint staff, including a Chief Executive Officer, and employ such persons as the Board of Directors deems necessary for the administration of this Authority;
- (g) to direct, subject to the terms and conditions of the Coverage Documents, the payment, adjustment, and defense of all claims involving a Member during their period of membership in and coverage under a Program;
- (h) to fix and collect Contributions and Assessments for participation in the Programs;
- (i) to expend funds of the Authority for the purpose of carrying out the provisions of the Agreement and the Bylaws as they now exist or may be hereafter amended;
- (j) to purchase excess insurance, liability insurance, stop loss insurance, officers and directors liability insurance, and such other insurance as the Authority may deem necessary or proper to protect the Program, employees of the Authority and employees of the Members;
- (k) to defend, pay, compromise, adjust and settle all claims as provided for in the Coverage Documents;
- (l) to obtain a fidelity bond in such amount as the Board of Directors may determine for any person or persons who have charge of or the authority to expend funds for the Authority;
- (m) to establish policies and procedures for the operation of the Authority and the Programs;
- (n) to engage, retain, and discharge agents, representatives, firms, or other organizations as the Board of Directors deems necessary for the administration of the Authority;
- (o) to enter into any and all contracts or agreements necessary or appropriate to carry out the purposes and functions of the Authority;

- (p) to acquire, hold, lease, manage and dispose of, as provided by law, any and all property necessary or appropriate to carry out the purposes and functions of the Authority;
- (q) to transact any other business which is within the powers of the Board of Directors;
- (r) to invest funds on hand in a manner authorized by law, the Agreement and the Bylaws;
- (s) to provide financial administration, claims management services, legal representations, safety engineering, actuarial services, and other services necessary or proper to carry out the purposes of the Authority either through its own employees or contracts with one or more third parties;
- (t) to exercise general supervisory and policy control over the Chief Executive Officer;
- (u) to establish committees and sub-committees as it deems necessary to best serve the interests of the Authority; and
- (v) to have such other powers and functions as are provided for pursuant to the Act, this Agreement or necessary or appropriate to fulfill the purpose of this Agreement and the Bylaws.

Article 10. Officers of the Authority. The officers of the Authority shall be as set forth in the Bylaws. The Board may elect or authorize the appointment of such other officers than those described in the Bylaws as the business of the Authority may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in this Agreement, or as the Board, from time to time, may authorize or determine.

Any officer may be removed, either with or without cause, by a majority of the directors of the Board at any regular or special meeting of the Board. Should a vacancy occur in any office as a result of death, resignation, removal, disqualification or any other cause, the Board may delegate the powers and duties of such office to any officers or to any Members of the Board until such time as a successor for said office has been appointed.

Article 11. Provision for Bylaws. The Board shall promulgate Bylaws to govern the day-to-day operations of the Authority. The Board may amend the Bylaws from time to time as it deems necessary, and as provided in the Bylaws. Each Member shall receive a copy of any Bylaws and agrees to be bound by and to comply with all of the terms and conditions of the Bylaws as they exist or as they may be modified. The Bylaws shall be consistent with the terms of this Agreement. In the event any provision of the bylaws conflicts with a provision of this Agreement, the provision contained in this Agreement shall control.

Article 12. [Reserved].

Article 13. Coverage Programs.

(a) The Authority shall maintain such types and levels of coverage for Programs as determined by the Board of Directors. Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.

(b) The coverage afforded under one or more Programs may include protection for general liability, auto liability, property, boiler and machinery, public officials errors and omissions, employment practices, employee benefits liability coverage, employee dishonesty coverage, public officials personal liability coverage and workers' compensation, as well as coverage for other risks which the Board of Directors may determine to be advisable. More than one type of coverage may be afforded under a single Program.

(c) The Board of Directors may arrange for group policies to be issued for Members, their board members and employees interested in obtaining additional coverage, at an appropriate additional cost to those participating Members.

(d) The Board of Directors may arrange for the purchase of Excess or Re-Insurance. The Authority shall not be liable to any Member or to any other person or organization if such excess or reinsurance policies are terminated, canceled or non-renewed without prior notice to one or more Members, or if there is a reduction in the type of coverage afforded under a program by reason of any change in coverage in a succeeding excess or reinsurance policy, even if such reduction occurs without prior notice to one or more Members.

Article 14. Implementation of the Programs. The Board of Directors shall establish the coverage afforded by each Program, the amount of Contributions and Assessments, the precise cost allocation plans and formulas, provide for the handling of claims, and specify the amounts and types of Excess or Re-Insurance to be procured. The Contributions and Assessments for each Program shall be determined by the Board of Directors as set forth herein, in the Bylaws or in the operating policies established for a Program.

Article 15. Accounts And Records.

(a) **Annual Budget.** The Authority shall, pursuant to the Bylaws, annually adopt an operating budget, including budgets for each Joint Protection Program.

(b) **Funds and Accounts.** The Authority shall establish and maintain such funds and accounts as required by the Board of Directors and as required by generally accepted accounting principles, including separate funds and accounts for each Program, including Joint Protection Programs. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members, or as otherwise required by law.

(c) **Investments.** Subject to the applicable provisions of any indenture or resolution providing for the investment of moneys held thereunder, the Authority shall have the power to invest any money in the treasury that is not required for the immediate necessities of the Authority, as the Board determines is advisable, in the same manner as local agencies pursuant to

California Government Code Sections 53601 *et seq.* (as such provisions may be amended or supplemented).

(d) **No Commingling.** The funds, reserves and accounts of each Program shall not be commingled and shall be accounted for separately; provided, however, that administration and overhead expenses of the Authority not related to a specific Program or Programs may be fairly and equitably allocated among Programs as determined by the Board of Directors. Investments and cash accounts may be combined for administrative convenience, but a separate accounting shall be made for balances of individual funds and Program revenues and expenses.

(e) **Annual Audit.** The Board shall provide for a certified, annual audit of the accounts and records of the Authority, in the manner set forth in the Bylaws.

Article 16. Services Provided by the Authority. The Authority may provide, at the sole discretion of the Board of Directors, the following services in connection with this Agreement:

(a) to provide or procure coverage, including but not limited to self-insurance funds and commercial insurance, as well as excess coverage, re-insurance and umbrella insurance, by negotiation or bid, and purchase;

(b) to assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority;

(c) to assist risk managers with the implementation of risk management functions as it relates to risks covered by the Programs in which the Member participates;

(d) to provide loss prevention and safety consulting services to Members;

(e) to provide claims adjusting and subrogation services for Claims covered by the Programs;

(f) to provide loss analysis and control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles;

(g) to review Member contracts to determine sufficiency of indemnity and insurance provisions when requested;

(h) to conduct risk management audits relating to the participation of Members in the Programs; and

(i) to provide such other services as deemed appropriate by the Board of Directors.

Article 17. Responsibilities of Members. Members or Former Members shall have the following responsibilities, which shall survive the withdrawal from, or involuntary termination of participation in, this Agreement:

(a) Each Member shall designate a person to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.

(b) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices and/or hazard mitigation.

(c) Each Member shall maintain its own set of records, including a loss log, in all categories of risk covered by each Program in which it participates to insure accuracy of the Authority's loss reporting system, unless it is no longer deemed necessary by the Board of Directors.

(d) Each Member shall pay its Contribution, and any adjustments thereto, and any Assessments within the specified period set forth in the invoice, or as otherwise may be set forth herein or in the Bylaws. After withdrawal or termination, each Former Member or its successor shall pay promptly to the Authority its share of any additional Contribution, adjustments or Assessments, if any, as required of it by the Board of Directors under Article 21 or 22 of this Agreement or the Bylaws.

(e) Each Member or Former Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the Programs under this Agreement in which the Member or Former Member participates or has participated.

(f) Each Member or Former Member shall in any and all ways cooperate with and assist the Authority and any insurer of the Authority, in all matters relating to this Agreement and covered claims.

(g) Each Member or Former Member will comply with all Bylaws, rules and regulations adopted by the Board of Directors.

(h) Each Member shall remain a member in good standing of CSDA.

Article 18. New Members. The Authority shall allow entry into its Programs of new Members only upon approval of the Board, with any conditions or limitations as the Board deems appropriate. In order to become a Member and remain a Member, any District must be a member in good standing of CSDA, shall participate in at least one (1) Joint Protection Program and shall be authorized to exercise the common powers set forth in this Agreement.

Article 19. Withdrawal.

(A) Any Member may voluntarily withdraw from this Agreement only at the end of any applicable Program Year and only if:

- (i) The Member has been a signatory to this Agreement for not less than three (3) full Program Years as of the date of the proposed withdrawal;

- (ii) The Member submits a written withdrawal notification in accordance with the Bylaws;
 - (iii) In order to withdraw from the agreement the member must have completed the three (3) full program year participation requirement for each Joint Protection Program the member participated in at the time of withdrawal.
- (B) Any Member may voluntarily withdraw from any particular Joint Protection Program; and
- (i) It has participated in such Joint Protection Program for at least three (3) full Program Years;
 - (ii) it is a participant in another Joint Protection Program; and
 - (iii) the Member submits a written withdrawal notification in accordance with the Bylaws.
- (C) In the event that the three year participation requirement as required by (A)(i) or (B)(i) as to any such Joint Protection Program above has not been met, for each Program the withdrawing Member participated in at the time of its withdrawal, for less than three years such withdrawing member shall be obligated to pay all Contributions and Assessments as if that Member had remained in each such Program for the full three years from the inception of its membership in the Authority.
- (D) In the event that the notice is not provided as required by (A)(ii) or (B)(iii) above, any such withdrawing Member shall, with respect to each Program the Member participated in, be obligated to pay any and all Contributions and Assessments for the next full Program Year.
- (E) A Member may withdraw from any Program (other than a Joint Protection Program) as provided by the Coverage Documents relating to such Program.
- (F) Withdrawal of one or more Members shall not serve to terminate this Agreement.
- (G) A Member may not withdraw as a party to this Agreement until it has withdrawn, as provided in the Bylaws from all of the Programs of the Authority.

Article 20. Involuntary Termination.

- (a) Notwithstanding the provisions of Article 19, the Authority shall have the right to involuntarily terminate any Member's participation in any Program, or terminate membership in the Authority, as provided in the Bylaws.
- (b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's Programs, may be involuntarily terminated at the discretion of the Board of Directors whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the

discretion of the Board of Directors, to place coverage elsewhere. Any such involuntary termination shall not relieve the Member or Former Member of its responsibilities as provided for in Articles 17 or 21.

Article 21. Effect of Withdrawal or Involuntary Termination. The withdrawal from or involuntary termination of any Member from this Agreement shall not terminate this Agreement, and such Member, by withdrawing or being involuntarily terminated, shall not be entitled to payment, return or refund of any Contribution, Assessment, consideration, or other property paid, or donated by the Member to the Authority, or to any return of any loss reserve contribution, or to any distribution of assets (except payment of any Retained Earnings, as set forth in the following paragraph).

The withdrawal from or involuntary termination of any Member after the effective date of any Program shall not terminate its responsibility to pay its unpaid Contribution adjustments, or Assessments to such Program. The Board of Directors shall determine the final amount due from the Member or Former Member by way of contribution or assessments, if any, or any credit due on account thereof, to the Member or Former Member for the period of its participation. Such determination shall not be made by the Board of Directors until all Claims, or other unpaid liabilities, have been finally resolved. In connection with this determination, the Board of Directors may exercise similar powers to those provided for in Article 22(b) of this Agreement, or as otherwise set forth in the Bylaws. Upon such withdrawal from or cancellation of participation in any Program by any Member, said Member shall be entitled to receive its pro rata share of any Retained Earnings declared by the Board of Directors after the date of said Member withdraws or is involuntarily terminated.

Article 22. Termination and Distribution; Assignment.

(a) This Agreement may be terminated any time with the written consent of two-thirds of the voting Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of net assets and all other functions necessary to wind up the affairs of the Authority.

(b) The Board of Directors is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members or Former Members, including those which were signatory hereto at the time the subject Claims arose or was/were incurred, to pay any Assessment in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement or the Bylaws. A Member or Former Member's Assessment shall be determined as set forth in the Bylaws or the applicable Coverage Documents.

(c) Upon termination of a Program, all net assets of such Program other than Retained Earnings shall be distributed only among the Members that are participating in such Program at the time of termination, in accordance with and proportionate to their cash payments (including Contributions, adjustments, Assessments and other property at market value when received) made during the term of this Agreement for such Program. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by such Program, or as otherwise set forth in the Bylaws.

(d) Upon termination of this Agreement all net assets of the Authority, other than of any Program distributed pursuant to (c) above, shall be distributed only among the Members in good standing at the time of such termination in accordance with and proportionate to their cash contributions and property at market value when received. The Board of Directors shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement, or as otherwise set forth in the Bylaws.

(e) In the event the Board of Directors is no longer able to assemble a quorum, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Board of Directors or Chief Executive Officer under this Article shall be final.

(f) In lieu of terminating this Agreement, the Board, with the written consent of two-thirds of the voting Members, may elect to assign and transfer all of the Authority's rights, assets, liabilities and obligations to a successor joint powers authority created under the Act.

Article 23. Enforcement. The Authority is hereby granted authority to enforce this Agreement. In the event action is instituted to enforce the terms of this Agreement, the Bylaws and/or any policies and/or procedures of the Board of Directors and the nondefaulting party(s) should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party(s) herein contained, the defaulting party agrees that it will on demand therefore pay to the nondefaulting party(s) the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party(s).

Article 24. Nonliability of Directors, Officers and Employees. The Board of Directors, and the officers and employees of the Authority, including former directors, officers and employees, shall not be liable to the Authority, to any Member or Former Member, or to any other person, for actual or alleged breach of duty, mistake of judgment, neglect, error, misstatement, misleading statement, or any other act or omission in the performance of their duties hereunder; for any action taken or omitted by any employee or independent contractor; for loss incurred through the investment or failure to invest funds; or for loss attributable to any failure or omission to procure or maintain insurance; except in the event of fraud, gross negligence, or intentional misconduct of such director, officer or employee. No director, officer or employee, including former directors, officers and employees, shall be liable for any action taken or omitted by any other director, officer or employee. The Authority shall defend and shall indemnify and hold harmless its directors, officers and employees, including former directors, officers and employees, from any and all claims, demands, causes of action, and damages arising out of their performance of their duties as such directors, officers or employees of the Authority except in the event of fraud, gross negligence, corruption, malice or intentional misconduct, and the funds of the Authority shall be used for such purpose. The Authority may purchase conventional insurance to protect the Authority, and its participating Members or Former Members, against any such acts or omissions by its directors, officers and employees, including former directors, officers and employees.

Article 25. Provisions Relating to CSDA. It is agreed and understood the mandatory membership in CSDA provision in Article 18 is in consideration of CSDA's exclusive endorsement of SDRMA's programs as they exist or may be modified. CSDA and the Authority

may from time to time exchange services or enter into separate service agreements pursuant to Section 6505 of the Act, including, but not limited to, services relating to educational programs, marketing, web-site graphics and conferences.

So long as the Authority is a participant in the MOU, the Board of the Authority shall appoint three members of the Board to serve as members of the Alliance Executive Council. In the event the MOU has been terminated or the Authority has withdrawn from the MOU, the composition of the Authority Board of Directors shall be increased by two (2) additional directors to be appointed by CSDA. CSDA appointees shall be a director serving on the CSDA Board of Directors and said director(s) shall be a member of an agency who is a signatory to the current SDRMA Joint Powers Agreement.

CSDA shall be a third party beneficiary to Sections 18, 25, 27 of this Agreement.

Article 26. Notices. Notices to Members or Former Members hereunder shall be sufficient if delivered to the principal office of the respective Member or Former Member.

Article 27. Amendment. This Agreement may be amended at any time by a two-thirds vote of the Members; provided, that any amendment to Article 18, Article 25, or Article 27 shall require the prior written consent of CSDA. The Bylaws may be amended as provided therein. Upon the effective date of any validly approved amendment to this Agreement, such amendment shall be binding on all Members.

Article 28. Prohibition Against Assignment. No person or organization shall be entitled to assert the rights, either direct or derivative, of any Member or Former Member under any coverage agreement or memorandum. No Member or Former Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member or Former Member shall have any right, claim or title or any part, share, interest, fund, contribution or asset of the Authority.

Article 29. Agreement Complete. The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein. This Agreement supersedes and replaces the Fifth Amended Joint Powers Amendment.

Article 30. Counterparts. This Agreement may be executed in one or more counterparts and shall be as fully effective as though executed in one document.

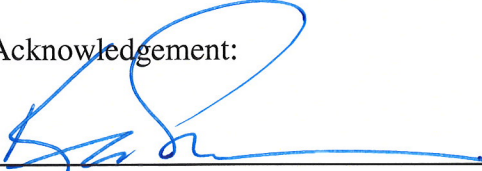
Article 31. California Law. This Agreement shall be governed by the laws of the State of California.

Article 32. Severability. Should any part, term or provisions of this Agreement be determined by any court of component jurisdiction to be illegal or in conflict with any law of the State of California or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

Article 33. Effective Date. This Agreement shall become effective as to existing Members of the Authority on the date on which the last of two-thirds of such Members have executed this Agreement.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below:

Acknowledgement:



Ken Sonksen, President
Board of Directors
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Oct 2, 2007
Date

I hereby certify this Amended Joint Powers Agreement has also received the required approval of not less than two-thirds of the Member entities then parties to the Fifth Amended Joint Powers Agreement.



James W. Towns, Chief Executive Officer
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

Oct. 2, 2007
Date

EXECUTION BY MEMBER

The Amended and Restated Joint Powers Agreement of the Special District Risk Management Authority, has been approved by the Board of Directors of the Member listed below, on the date shown, and said Member agrees to be subject to all of the terms and conditions set forth in said Agreement.

Entity Name: _____

By: _____ President

By: _____ Clerk

Date: _____

EXECUTION BY AUTHORITY

The Special District Risk Management Authority (the "Authority"), operating and functioning pursuant to this Sixth Amended Joint Powers Agreement, hereby accepts the entity named above as a participating member in the Authority, subject to all of the terms and conditions set forth in this Sixth Amended Joint Powers Agreement and in the Bylaws, effective as of

_____.

SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

By: _____
Michael Scheafer, President
Board of Directors

Date: _____

REPORT

DATE: August 5, 2020

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: **MEMORANDUM OF AGREEMENT (MOA) WITH THE CITY OF BALDWIN PARK**

RECOMMENDED ACTION

Authorize Executive Director to execute a memorandum of agreement (MOA) with the City of Baldwin Park in an amount not-to-exceed \$376,420.

BACKGROUND

In January 2020, the tri-city cohort of Baldwin Park, El Monte, and South El Monte were awarded funding from the County of Los Angeles Measure H program to implement programs to address homelessness. A portion of that funding - \$376,420 – was awarded to explore the feasibility of establishing a sub-regional housing trust fund.

Rather than allocating this funding towards an effort to establish a sub-regional housing trust fund, the tri-city cohort elected to allocate its funds to support the establishment of the San Gabriel Valley Regional Housing Trust. The City of Baldwin Park serves as the administrator of the County Measure H funds. To that end, over the last several months, staff has worked with staff from the City of Baldwin Park and the County of Los Angeles to develop a memorandum of agreement (MOA) and negotiate the MOA scope of work. The scope of work will be to complete activities that are foundational to the SGVRHT. Funding must be expended by June 30, 2021.

While the scope of work has not yet been finalized, it will likely include an activity to complete the core activities of the SGVRHT, which include holding meetings of the SGVRHT Board of Directors, developing an FY 2021-22 budget and workplan, completing additional funding processes, and securing additional project funding. The scope of work will also likely include funding to complete planning studies and program development that will support the ongoing operations of the SGVRHT. These could include completion of a regional needs assessment, establishing a funding program for innovative projects, and identifying additional opportunities for affordable housing and homeless housing developing in the San Gabriel Valley.

Upon finalization of the MOA and related scope of work, the Executive Director would execute the MOA with the City of Baldwin Park for an amount not-to-exceed \$376,420.

REPORT

Prepared by: Brielle Acevedo
Brielle Acevedo
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

REPORT

DATE: August 5, 2020
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: **SGVRHT INVESTMENT POLICY**

RECOMMENDED ACTION

Adopt Resolution 20-17 approving the SGVRHT Investment Policy.


BACKGROUND

An investment policy sets forth the guidelines for the investment activities for surplus funds. The investment policy establishes the primary investment objectives while conforming to State regulations and the customary standards of prudent investment management.

At its June 3, 2020, meeting, the SGVRHT Board of Directors approved an Agreement with the San Gabriel Valley Council of Governments (SGVCOG) for core staffing services and appointed Marisa Creter Executive Director of the SGVRHT. The Agreement was subsequently approved by the SGVCOG Governing Board at its June meeting. As part of this Agreement, the SGVCOG will provide administrative support, which includes financial management.

The SGVCOG has an existing Investment Policy, which was approved by the SGVCOG Governing Board in April 2018. Given that through the existing Agreement, the SGVCOG will be managing the finances of the SGVRHT, staff recommends that the Board of Directors adopt the SGVCOG Investment Policy (Attachment A) and subsequent amendments as the SGVRHT Investment Policy. If the SGVCOG Governing Board amends its Investment Policy, staff will bring the revised investment policy to the next Board of Directors. At any time, the SGVRHT Board could rescind its action to have the policy mirror that of the COG.

Those authorities designated to the SGVCOG Executive Director would be designated to the SGVRHT Executive Director and those authorities designated to the SGVCOG Governing Board would be designated to the SGVRHT Board of Directors.

Prepared by: 

Caitlin Sims
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Resolution 20-17

RESOLUTION NO. 20-17

**RESOLUTION OF THE SAN GABRIEL VALLEY REGIONAL HOUSING TRUST
APPROVING THE SGVRHT INVESTMENT POLICY**

WHEREAS, the investment policy sets forth the guidelines for the investment activities for surplus funds; and

WHEREAS, investment policy establishes the primary investment objectives while conforming to State regulations and the customary standards of prudent investment management; and

WHEREAS, the SGVRHT Board of Directors entered into a contract with the San Gabriel Valley Council of Governments (SGVCOG) to provide core staffing support, including financial and contractual services;

WHEREAS, the SGVCOG Governing Board adopted Resolution 18-24 updating the SGVCOG Investment Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors approves the SGVCOG Investment Policy, attached hereto and incorporated herein as Exhibit A.

BE IT FURTHER RESOLVED that where the term “SGVCOG” is used in the Policy, it shall read “SGVRHT.”

BE IT FURTHER RESOLVED that where the term “Executive Director” is used, it shall read as the SGVRHT Executive Director.

PASSED AND ADOPTED by the Board of Directors of the San Gabriel Valley Regional Housing Trust, in the County of Los Angeles, State of California, on the 5th day of August 2020.

San Gabriel Valley Regional Housing Trust

Jed Leano, Chair



**SAN GABRIEL VALLEY
COUNCIL OF GOVERNMENTS**

**STATEMENT OF
INVESTMENT POLICIES**

INTRODUCTION

It is the policy of the San Gabriel Valley Council of Governments (SGVCOG) to ensure that the temporarily idle funds of the agency are prudently invested to preserve capital and provide necessary liquidity, while maximizing earnings, and conforming to state and local statutes governing the investment of public funds.

This investment policy conforms to the California Government Code ("Code") as well as to customary standards of prudent investment management. Investments may only be made as authorized by the Code, Section 53600 et seq., Sections 16429.1 through 16429.4 and this investment policy. Should the provisions of the Code become more restrictive than those contained herein, such provisions will be considered as immediately incorporated in this investment policy. Changes to the Code that are less restrictive than this investment policy may be adopted by the Board of Directors (Board).

2.0 Scope

This investment policy sets forth the guidelines for the investment of surplus Enterprise and Capital Projects, and any new fund created by the Board, unless specifically exempted.

Internal and external portfolio managers may be governed by Portfolio Guidelines that may on an individual basis differ from the total fund guidelines outlined herein. The Finance Director/Treasurer is responsible for monitoring and ensuring that the total funds subject to this investment policy remain in compliance with this investment policy, and shall report to the Board regularly on compliance.

3.0 Investment Objectives

The primary objectives, in priority order, of investment activities shall be:

- A. Safety:** Safety of principal is the foremost objective of the investment program. The investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The SGVCOG shall seek to ensure that capital losses are avoided whether from institutional default, broker-dealer default, or erosion of market value. Diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- B. Liquidity:** The investment portfolio will remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated.
- C. Return on Investments:** The SGVCOG shall manage its funds to maximize the return on investments consistent with the two objectives above, with the goal of exceeding the performance benchmarks (Section 12.0) over a market cycle (typically a three to five-year period).

It is policy to hold investments to maturity. However, a security may be sold prior to its maturity and a capital gain or loss recorded if liquidity needs arise, or in order to improve the quality, or rate of return of the portfolio in response to market conditions and/or SGVCOG risk preferences.

Internal and external investment managers shall report such losses to the Finance Director/Treasurer quarterly.

Investments shall be made with the judgment, skill, and diligence of a prudent investor acting in like capacity under circumstances then prevailing, for the sole benefit of the SGVCOG, and shall take into account the benefits of diversification in order to protect the investment from the risk of substantial loss.

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with this investment policy, written portfolio guidelines and procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in the quarterly investment report to the Board, and appropriate action is taken to control adverse developments.

4.0 Delegation of Authority

The Board shall be the trustee of funds received by the SGVCOG. The Board hereby delegates the authority to invest or reinvest the funds, to sell or exchange securities so purchased and to deposit securities for safekeeping to the Finance Director/Treasurer for a one-year period, who thereafter assumes full responsibility for such transactions and shall make a monthly report of those transactions to the Board. Subject to review by the Board, the Board may renew the delegation of authority each year.

The Finance Director/Treasurer shall establish written procedures for the operation of the investment program consistent with this investment policy, including establishment of appropriate written agreements with financial institutions. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. The Finance Director/Treasurer may engage independent investment managers to assist in the investment of its financial assets.

No person may engage in an investment transaction except as provided under the terms of this investment policy and the procedures established by the Finance Director/Treasurer.

Officers and employees involved in the investment process shall be governed by the standards regarding ethical behavior and conflicts of interest established in the San Gabriel Council of Governments Ethics Policy and annually shall file a Statement of Economic Disclosure with the Ethics Office.

5.0 Permitted Investments

All funds which are not required for immediate cash expenditures shall be invested in income producing investments or accounts, in conformance with the provisions and restrictions of this investment policy as defined in Section 5.1A and as specifically authorized by the Code, (Sections 53600, et seq.).

In order to reduce overall portfolio risk, investments shall be diversified among security type, maturity, issuer and depository institutions. See Section 5.1A for specific concentration limits by type of investment.

- A.** Percentage limitations where listed are only applicable at the date of purchase.
- B.** In calculating per issuer concentration limits commercial paper, bankers' acceptances, medium term notes, asset-backed securities, placement service assisted deposits, and negotiable certificates of deposit shall be included; deposits collateralized per Section 7.3 of this investment policy are excluded from this calculation.
- C.** Credit requirements listed in this investment policy indicate the minimum credit rating (or is equivalent by any nationally recognized statistical rating organization) required at the time of purchase without regard to modifiers (e.g., +/- or 1,2,3), if any.

Maturities of individual investments shall be diversified to meet the following objectives:

- A.** Investment maturities will be first determined by anticipated cash flow requirements.
- B.** Where this investment policy does not state a maximum maturity in Section 5.1A, no investment instrument shall be purchased which has a stated maturity of more than five years from the date of purchase, unless the instrument is specifically approved by the Board or is approved by the Board as part of an investment program and such approval must be granted no less than three months prior to the investment. The Board hereby grants express authority for the purchase of new issue securities with a 5-year stated maturity with extended settlement of up to 30 days from date of purchase.
- C.** The average duration of the externally managed funds subject to this investment policy shall not exceed 150% of the benchmark duration. The weighted average duration of the internal portfolios shall not exceed three (3) years.

State and local government sponsored Investment Pools and money market mutual funds as authorized by this investment policy are subject to due diligence review prior to investing and on a continual basis as established in Section 5.1A, #11 and #12.

This investment policy specifically prohibits the investment of any funds subject to this investment policy in the following securities:

- A.** Derivative securities, defined as any security that derives its value from an underlying instrument, index, or formula, are prohibited. The derivative universe includes, but is not limited to, structured and range notes, securities that could result in zero interest accrual if held to maturity, variable rate, floating rate or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal only strips. Callable or puttable securities with no other option features, securities with one interest rate step-up feature, and inflation indexed securities meeting all other requirements of this investment policy are excluded from this prohibition, as are fixed rate mortgage-backed securities and asset-backed securities.

B. Reverse repurchase agreements and securities lending agreements.

6.0 Selection of Depository Institutions, Investment Managers and Broker-Dealers

To minimize the risk to the overall cash and investment portfolio, prudence and due diligence as outlined below shall be exercised with respect to the selection of Financial Institutions in which funds are deposited or invested. The SGVCOG's Financial Advisor (FA) will conduct competitive processes to recommend providers of financial services including commercial banking, investment management, investment measurement and custody services.

- A.** In selecting Depositories pursuant to Code Sections 53630 (et seq.), the credit worthiness, financial stability, and financial history of the institution, as well as the cost and scope of services and interest rates offered shall be considered. No funds will be deposited in an institution unless that institution has an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency. The main depository institutions will be selected on a periodic and timely basis.
- B.** Deposits which are insured pursuant to federal law by the Federal Deposit Insurance Corporation (FDIC), or the National Credit Union Administration (NCUA) may be excluded from the collateralization requirements of Section 7.3 of this investment policy, at the Finance Director/Treasurer's discretion. A written waiver of securitization shall be executed, provided to the Depository Institution, and kept on file in the Treasury Department.
- C.** The Finance Director/Treasurer shall seek opportunities to deposit funds with disadvantaged business enterprises, provided that those institutions have met the requirements for safety and reliability and provide terms that are competitive with other institutions.
- D.** Deposits: The Agency's money shall be deposited in any state or national bank, savings association or federal association, state or federal credit union, or federally insured industrial loan company, as defined in Section 53630 et seq., with the objective of realizing maximum return, consistent with prudent financial management, except that money shall not be deposited in any state or federal credit union if a member of the Board of Directors, or an employee of the directors, or the credit committee or supervisory committee, of the state or deferral credit union. Deposits may be in inactive deposits, active deposits or interest-bearing deposits. The amount of the deposits cannot exceed the amount of the bank's savings and loan's credit unions paid up capital surplus.

The bank or savings and loan must secure the active and inactive deposits with eligible securities having a market value of 110% of the total amount of deposits. State law also allows, as an eligibility security, first trust deeds having a value of 150% of the total amount of the deposits. A third class of collateral is letters of credit drawn on the Federal House Loan Bank (FHLB) of San Francisco having a value of 105% of the total amount of the deposits.

In selecting external investment managers and brokers, past performance, stability, financial strength, reputation, area of expertise, and willingness and ability to provide the highest investment return at the lowest cost within the parameters of this investment policy and the Code shall be

considered. External investment managers must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor Act of 1940.

Pursuant to Code Section 53601.5, the SGVCOG and its investment managers shall only purchase statutorily authorized investments either from the issuer, from a broker-dealer licensed by the state, as defined in Section 25004 of the Corporations Code, from a member of a federally regulated securities exchange, a national or state-chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or from a brokerage firm designated as a primary government dealer by the Federal Reserve Bank.

- A.** Internal investment manager will only purchase or sell securities from broker-dealers that are Primary Dealers in U.S. Government Securities or are a direct affiliate of a Primary Dealer. Internal investment manager will only purchase securities from broker-dealers who have returned a signed Receipt of Investment Policy and completed the Broker-Dealer Questionnaire, and have been approved by the Finance Director/Treasurer (see Appendices B and C). A current copy of the Broker-Dealer's financial statements will be kept on file in the Treasury Department. Should market conditions limit access to inventory, the Finance Director/Treasurer may approve executing transactions through non-Primary Dealers who meet all of the criteria listed below:
 - a. The broker dealer must qualify under Securities Exchange Commission rule 15C3-1 (Uniform Net Capital Rule);
 - b. Must be licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a member of a federally registered securities exchange (i.e. FINRA, SEC, MSRB);
 - c. Have been in operation for more than five years; and
 - d. Have a minimum annual trading volume of \$100 billion in money market instruments or \$500 billion in U.S. Treasuries and Agencies.
- B.** In addition to Primary Dealers in U.S. Government Securities and direct affiliates of a Primary Dealer, external investment managers may purchase or sell securities from non-Primary Dealers qualified under U.S. Securities and Exchange Commission Rule 15C3-1, the Uniform Net Capital Rule, and provided that the dealer is a member of the Financial Industry Regulatory Authority. External investment managers shall submit, at least quarterly, a list of the non-Primary Dealers used during the period.
- C.** External investment managers must certify in writing that they will purchase securities in compliance with this investment policy, SGVCOG Procedures, and applicable State and Federal laws.

Financial institutions and external investment managers conducting investment transactions with or for SGVCOG shall sign a Certification of Understanding. The Certification of Understanding (see Appendix A) states that the entity:

- A. Has read and is familiar with the Investment Policy and Guidelines as well as applicable Federal and State Law;
- B. Meets the requirements as outlined in this investment policy;
- C. Agrees to make every reasonable effort to protect the assets from loss;
- D. Agrees to notify the SGVCOG in writing of any potential conflicts of interest.

Completed certifications shall be filed in the Finance Director/Treasurer's Office. Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by that financial institution, or investment manager and/or the rescission of any and all authority to act as an agent to purchase or invest funds.

All broker-dealers who do business with the SGVCOG's internal investment managers shall sign a Receipt of Investment Policy. The Receipt of Investment Policy (see Appendix B) states that the broker dealer:

- A. Has received, read, and understands this investment policy;
- B. Has communicated the requirements of this investment policy to all personnel who may select investment opportunities for presentation.

Failure to submit a Receipt of Investment Policy shall preclude the SGVCOG from purchasing or selling securities from such broker-dealer. Completed receipts shall be filed in the Finance Director/Treasurer's Office.

7.0 Custody and Safekeeping of Securities and SGVCOG Funds

A Master Repurchase Agreement must be signed with the bank or dealer before any securities and collateral for repurchase agreements shall be purchased and maintained for the benefit of the SGVCOG in the Trust Department or safekeeping department of a bank as established by a written third party safekeeping agreement between the SGVCOG and the bank. Specific collateralization levels are defined in Section 5.1A.

All investment transactions shall be settled "delivery vs. payment", with the exception of deposits, money market mutual fund investments, and Local Agency Investment Fund or other Local Government Investment Pools. Delivery may be physical, via a nationally recognized securities depository such as the Depository Trust Company, or through the Federal Reserve Book Entry system.

Funds deposited shall be secured by a Depository in compliance with the requirements of Code Section 53652. Such collateralization shall be designated and agreed to in writing.

8.0 Reports and Communications

The Finance Director/Treasurer is responsible for ensuring compliance with all applicable Local, State, and Federal laws governing the reporting of investments made with public funds. All

investment portfolios will be monitored for compliance. Non-compliance issues will be included in the quarterly Board report as stated in Section 8.3 of this investment policy.

The Finance Director/Treasurer shall annually submit a statement of investment policy to the Board for approval. The existing approved investment policy will remain in effect until the Board approves the recommended statement of investment policy.

The Finance Director/Treasurer shall render a quarterly cash, investment, and transaction report to the CEO and Board, and quarterly to the Internal Auditor within 30 days following the end of the quarter covered by the report. The report shall include a description of SGVCOG's funds, investments, or programs that are under the management of contracted parties, including lending programs. The report shall include as a minimum:

- A.** Portfolio Holdings by Type of Investment and Issuer
- B.** Maturity Schedule and Weighted Average Maturity (at market)
- C.** Weighted Average Yield to Maturity
- D.** Return on Investments versus Performance Benchmarks on a quarterly basis
- E.** Par, Book and Market Value of Portfolio for current and prior quarter-end
- F.** Percentage of the portfolio represented by each investment category
- G.** Total Interest Earned
- H.** Total Interest Received
- I.** A statement of compliance with this investment policy, or notations of non-compliance.
- J.** At each calendar quarter-end a subsidiary ledger of investments will be submitted with the exception listed in 8.3K.
- K.** For investments that have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in National Credit Union Administration insured accounts in a credit union, in a county investment pool, or in shares of beneficial interest issued by a diversified management company that invest in the securities and obligations as authorized by this investment policy and the Code, the most recent statement received from these institutions may be used in lieu of the information required in 8.3J.
- L.** At each calendar quarter-end the report shall include a statement of the ability to meet expenditure requirements for the next six months.
- M.** A quarterly gain or loss report on the sale or disposition of securities in the portfolio.

Internal and external investment managers shall monitor investments and market conditions and report on a regular and timely basis to the Finance Director/Treasurer.

- A.** Internal and external investment managers shall submit monthly reports to the Finance Director/Treasurer, such reports to include all of the information referenced in Section 8.3, items A-J of this investment policy. Portfolios shall be marked-to-market monthly and the comparison between historical cost (or book value) and market value shall be reported as part of this monthly report.

- B.** Internal and external investment managers shall monitor the ratings of all investments in their portfolios on a continuous basis and report all credit downgrades of portfolio securities to the Finance Director/Treasurer in writing within 24 hours of the event. If an existing investment's rating drops below the minimum allowed for new investments made pursuant to this investment policy, the investment manager shall also make a written recommendation to the Finance Director/Treasurer as to whether this security should be held or sold.
- C.** External and internal investment managers shall immediately inform the Finance Director/Treasurer, or the Executive Director in writing of any major adverse market condition changes and/or major portfolio changes. The Executive Director, and Finance shall immediately inform the Board in writing of any such changes.
- D.** External investment managers shall notify the SGVCOG internal managers daily of all trades promptly, via fax or via email.
- E.** Internal investment managers will maintain a file of all trades.

9.0 Portfolio Guidelines

Portfolio Guidelines are the operating procedures used to implement this investment policy approved by the Board. The Finance Director/Treasurer may impose additional requirements or constraints within the parameters set by this investment policy.

10.0 Internal Control

The Finance Director/Treasurer shall establish a system of internal controls designed to prevent losses of public funds arising from fraud, employee or third party error, misrepresentation of third parties, unanticipated changes in financial markets, or imprudent actions by employees or agents. Such internal controls shall be approved by the Executive Director and shall include authorizations and procedures for investment transactions, custody/safekeeping transactions, opening and dosing accounts, wire transfers, and clearly delineate reporting responsibilities.

- A.** SGVCOG officials with signature authority shall be bonded to protect against possible embezzlement and malfeasance, or at the option of the governing board self-insured.
- B.** Electronic transfer of funds shall be executed upon the authorization of two official signatories.
- C.** Transaction authority shall be separated from accounting and record keeping responsibilities.
- D.** All investment accounts shall be reconciled monthly with custodian reports and broker confirmations by a party that is independent of the investment management function. Discrepancies shall be brought to the attention of the investment manager, the Finance Director/Treasurer and if not resolved promptly, to the Executive Director.
- E.** The Finance Director/Treasurer shall establish an annual process of independent review by an external auditor. This review will provide independent confirmation of compliance with policies and procedures.
- F.** The Finance Director/Treasurer is responsible for the preparation of the cash flow model. The cash flow model shall be updated monthly based upon the actual and projected cash flow.

- G.** Annually, the Finance Director/Treasurer shall notify the external investment managers of the cash flow requirements for the next twelve months. The Finance Director/Treasurer shall monitor actual to maximum maturities within the parameters of this investment policy.
- H.** The Finance Director/Treasurer shall annually submit the Financial Institutions Resolution to the Board for approval. The existing resolution will remain in effect until the Board approves the recommended resolution.

11.0 Purchasing Guidelines

Investment managers shall purchase and sell securities at the price and execution that is most beneficial to the SGVCOG. The liquidity requirements shall be analyzed and an interest rate analysis shall be conducted to determine the optimal investment maturities prior to requesting bids or offers. Investments shall be purchased and sold through a competitive bid/offer process. Bids/offers for securities of comparable maturity, credit and liquidity shall be received from at least three financial institutions, if possible.

Such competitive bids/offers shall be documented on the investment managers' trade documentation. Supporting documentation from the Wall Street Journal, Bloomberg or other financial information system shall be filed with the trade documentation as evidence of general market prices when the purchase or sale was effected.

12.0 Benchmarks

Internal and external investment managers' performance shall be evaluated against the following agreed upon benchmarks. If the investment manager does not meet its benchmark over a market cycle (3 to 5 years), the Finance Director/Treasurer shall determine and set forth in writing reasons why it is in the best interests of the SGVCOG to replace or retain the investment manager.

Portfolio	Investment Benchmarks
Intermediate Duration Portfolios	Bank of America/Merrill Lynch AAA-A 1-5 year Government & Corporate Index (BV10)
Short Duration Portfolios	Three month Treasury

**San Gabriel Council of Governments
Statement of Investment Policy ^a**

Section 5.1A

* Percentage of portfolio authorized based on market value.

Investment Type	Maximum Maturity	Maximum Allowable Percentage of Portfolio*	Minimum Quality and Other Requirements
U.S. Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for payment of principal and interest	5 years ^b	100%	None
Registered state warrants or treasury notes or bonds of the other 49 states in addition to California.	5 years ^b	25%	Such obligations must be rated "A1" or better short term; or "AA" or better long term, by nationally recognized statistical rating organization
Bonds, notes, warrants, or other evidences of indebtedness of any local agency within the State of California	5 years ^b	25%	Such obligations must be rated "A1" or better short term; or "AA" or better long term, by a nationally recognized statistical rating organization
Federal Agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government –sponsored enterprises	5 years ^b	50% ^d	See Footnote d
Bills of exchanges or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances	180 days	40% ^c	The issuer's short-term debt must have the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization
Commercial paper or "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by a nationally recognized statistical rating organization	270 days	25% ^c	See Footnote e

Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal savings and loan association, a state or federal credit union, or by a state licensed branch of a foreign bank, or a federally licensed branch of a foreign bank.	5 years ^b	30% ^c	See Footnote f
Placement Service Assisted Deposits	5 years ^b	30% ^c	See Footnote g
Investments in repurchase agreements	90 days	20%	Limited to no more than 90 days. See Footnote h
Medium-term notes issued by corporations organized and operating within the United States, or by depository institutions licensed by the United States or any state and operating within the United States	5 years ^b	30% ^c	Must be rated “A” or better by a nationally recognized statistical rating organization. If rated by more than one rating agency, both ratings must meet the minimum credit standards.
Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission, as authorized by Code Section 53601	Not applicable	20% ^c	See Footnote i
State of California Local Agency Investment fund (LAIF) Code Section 16429.1 through 16429.4 or other Local Government Investment Pool (LGIP) established by public California entities pursuant to Section 53684	Not applicable	Set by LAIF and LGIP	See Footnote j
Asset-backed Securities	5 years ^b	15% combined with mortgage-backed securities	See Footnote k
Mortgage-backed Securities	5 years ^b	15% combined with asset-backed securities	See Footnote l

**San Gabriel Council of Governments
Statement of Investment Policy ^a**

Footnotes for Section 5.1A	
a	Sources: California Government Code Sections 16429.1, 53601, 53601.8, 53635 and 53638
b	Maximum maturity of five (5) years unless a longer maturity is approved by Board of Directors, either specifically or as part of an investment program, at least three (3) months prior to the purchase. New issue securities with a stated 5 year maturity can be purchased in the primary market with extended settlements of up to 30 days from the date of purchase.
c	Limited to no more than 10% of the portfolio in any one issue (i.e. bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, and money market funds).
d	No more than 15% of portfolio in any one Federal Agency or government-sponsored issue
e	Eligible paper is further limited to 10% of the outstanding paper of an issuing corporation, the issuing corporation must be organized and operating within the United States and having total assets in excess of \$500,000,000 and have an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided for by a nationally recognized statistical rating organization. Issuing corporations that are organized and operating within the United States and have total assets in excess of \$500 million dollars and having an "A" or higher rating for the issuer's debentures, other than commercial paper, if any, as provided by a nationally recognized statistical rating organization.
f	The legislative body of the local agency, the Finance Director/Treasurer or other official of the local agency having custody of the money are prohibited from investing in negotiable certificates of deposit of a state or federal credit union if a member of the legislative body or any other specified city officer or employee also serves on the board of directors or certain committees of that credit union.
g	Investments in placement services assisted deposits is authorized under Sections 53601.8, 53635.8, and 53601 (i) of the California Government Code.
h	Repurchase agreements shall be executed through Primary Broker-Dealers. The repurchase agreement must be covered by a master repurchase agreement. Repurchase agreements shall be collateralized at all times. Collateral shall be limited to obligations of the United States and Federal Agencies with an initial margin of at least 102% of the value of the investment, and shall be in compliance if brought back up to 102% no later than the next business day. Collateral shall be delivered to a third party custodian in all cases. Collateral for term repurchase agreements shall be valued daily by the SGVCOG's investment manager (for internal funds) or external investment manager. Investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day. The SGVCOG shall obtain a first lien and security interest in all collateral.
i	Companies must have either 1) the highest ranking or the highest letter and numerical rating provided by not less than two of the nationally recognized statistical rating organizations, or (2) retained an investment advisor registered or exempt with the Securities and-Exchange Commission, with no less than five years experience investing in the securities and obligations authorized by California Government Code 53601 a-k inclusive and m-o inclusive and with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price may not include any commissions charged by these companies.

j	<p>Maximum investment per individual pool limited to the amount for LAIF as set by the State Finance Director/Treasurer's Office. Limit does not include funds required by law, ordinance, or statute to be invested in pool. Each pool must be evaluated and approved by the Finance Director/Treasurer, as to credit worthiness, security, and conformity to state and local laws. An evaluation should cover, but is not limited to establishing, a description of who may invest in the program, how often, what size deposit and withdrawal; the pool's eligible investment securities, obtaining a written statement of investment policy and objectives, a description of interest calculations and how it is distributed; how gains and losses are treated; a description of how the securities are safeguarded and how often the securities are priced and the program audited. A schedule for receiving statements and portfolio listings. A fee schedule, when and how fees are assessed.</p>
k	<p>Limited to senior class securities with stated maturities of no more than 5 years. Further limited to securities rated in a rating category of "AAA", and issued by an issuer having an "A" or higher rating for the issuer's debt as provided for by a nationally recognized statistical rating organization. Further limited to fixed rate, publicly offered, generic credit card, automobile receivables, and equipment receivables only. Deal size must be at least \$250 million, and tranche size must be at least \$25 million</p>
l	<p>Pass-Through securities: Limited to Government Agency or Government Sponsored issuers, fixed rate, stated maturity no more than 5 years. CMOS: Limited to Government Agency or Government Sponsored Issuers "AAA" rated by a nationally recognized statistical rating organization. Planned Amortization Classes (PAC) only. The following are prohibited: ARMS, floaters, interest or principal (IOs, POs), Targeted Amortization Classes, companion, subordinated, collateral classes, or zero accrual structures</p>

APPENDIX A

SAN GABRIEL COUNCIL OF GOVERNMENTS CERTIFICATION OF UNDERSTANDING

The San Gabriel Council of Governments (SGVCOG) Investment Policy as approved by the Board of Directors requires that all Financial Institutions and Investment Managers' conducting investment transactions with or for SGVCOG sign a Certification of Understanding acknowledging that:

1. You have read and are familiar with the SGVCOG's Investment Policy as well as applicable Federal and State laws.
2. You meet the requirements as outlined in Investment Policy.
3. You agree to make every reasonable effort to protect the assets from loss.
4. You agree to notify the SGVCOG in writing of any potential conflicts of interest.
5. You agree to notify the SGVCOG in writing of any changes in personnel with decision-making authority over funds within 24 hours of such event.

Failure to submit a Certification of Understanding shall result in the withdrawal of all funds held by the financial institution or investment manager and the immediate revocation of any rights to act as an agent of the SGVCOG for the purchase of securities or investment of funds on behalf of SGVCOG.

The Board of Directors is committed to the goals of the Community Reinvestment Act (CRA). As part of the certification process for depository institutions, it is requested that you remit evidence of your most recent CRA rating.

Sign _____ Date _____

Name and Title _____

After reading and signing this Certification of Understanding, please return with any supporting documentation to:

SGVCOG
Attention: Finance Director
4900 Rivergrade Road, Ste. A120
Irwindale, CA 91706

FOR SGVCOG USE ONLY

Approved: _____ Disapproved: _____ Date: _____

Signature: _____

SGVCOG Finance Director/Treasurer

APPENDIX B

SAN GABRIEL COUNCIL OF GOVERNMENTS BROKER-DEALER RECEIPT OF INVESTMENT POLICY

We are in receipt of the San Gabriel Council of Governments' (SGVCOG) Investment Policy.

We have read the policy and understand the provisions and guidelines of the policy. All salespersons covering SGVCOG's account will be made aware of this policy and will be directed to consider its provisions and constraints in selecting investment opportunities to present to SGVCOG.

Sign _____ Date _____

Name and Title _____

Firm Name _____

Sign _____ Date _____

Name and Title _____

Firm Name _____

After reading and signing this Certification of Understanding, please return with any supporting documentation to:

SGVCOG
Attention: Finance Director
4900 Rivergrade Road, Ste. A120
Irwindale, CA 91706

FOR SGVCOG USE ONLY

Approved: _____ Disapproved: _____ Date: _____

Signature: _____

SGVCOG Finance Director/Treasurer

APPENDIX C

SAN GABRIEL COUNCIL OF GOVERNMENTS BROKER/DEALER QUESTIONNAIRE

1. Name of Firm _____

2. Address _____
Local

_____ *Headquarters*

3. Telephone (____) _____ (____) _____
Local *Headquarters*

4. Primary Representative _____ Manager/Partner in Charge

_____ Name _____ Name

_____ Title _____ Title

_____ Telephone No. _____ Telephone No.

_____ No. of Yrs. In Institutional Sales _____ No. of Yrs. In Institutional Sales

_____ No. of Yrs. With Firm _____ No. of Yrs. With Firm

5. Are you a Primary Deal in U.S. Government Securities?

YES NO

If NO, is the parent company or its subsidiary a Primary Dealer in U.S. Government Securities? Provide proof of certification.

YES NO

Please explain your Firm's relationship to the Primary Dealer:

Please provide proof certification from the National Association of Securities Dealer.

6. Are you a Broker instead of Dealer, i.e., you DO NOT own positions of Securities?
 YES NO

7. What is the net capitalization of your Firm? _____

8. What is the date of your Firm's fiscal year-end? _____

9. Is your Firm owned by a Holding Company? If so, what is the name and its net capitalization? _____

10. Please provide your WIRING and DELIVERY Instructions _____

11. Which of the following instruments are offered regularly by your local desk?
 T-Bills Treasury Notes/Bonds Discount Notes NCD's
 Agencies (*specify*) _____
 BA's (*Domestic*) BA's (*Foreign*) Commercial Paper
 Med-Term Notes Repurchase Agreements

12. Does your Firm specialize in any of the instruments listed above? _____

13. Please identify your comparable government agency clients in the SGVCOG's geographical area.

Entity _____ Contact Person _____

Telephone _____ Client Since _____

14. What reports, confirmations, and other documentation would SGVCOG receive? Please include samples of research reports or market information that your firm regularly provides to government agency client.

15. What precautions are taken by your Firm to protect the interest of the public when dealing with government agencies as investors?

16. Have you or your Firm been censored, sanctioned or disciplined by a Regulatory State or Federal Agency for improper or fraudulent activities, related to the sale of securities within the past five years? [] YES [] NO

If YES, please explain

17. Please provide your most recent audited financial statements within 120 days of your fiscal year- end.

18. Please indicate the current licenses of the SGVCOG representatives:

Agent: _____ License or Registration: _____

APPENDIX D

SAN GABRIEL COUNCIL OF GOVERNMENTS INVESTMENT POLICY GLOSSARY

ASKED: The price at which securities are offered from a seller.

BANKERS' ACCEPTANCE (BA): Time drafts which a bank "accepts" as its financial responsibility as part of a trade finance process. These short-term notes are sold at a discount, and are obligations of the drawer (or issuer - the bank's trade finance client) as well as the bank. Once accepted, the bank is irrevocably obligated to pay the BA upon maturity if the drawer does not.

BID: The price offered by a buyer of securities.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable (marketable or transferable).

COLLATERAL: Securities, evidence of deposit, or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Unsecured promissory notes issued by companies and government entities at a discount. Commercial paper is negotiable, although it is typically held to maturity. The maximum maturity is 270 days, with most CP issued for terms of less than 30 days.

CUSTODY or SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DELIVERY VERSUS PAYMENT: Delivery of securities with a simultaneous exchange of money for the securities.

FEDERAL AGENCIES AND U.S. GOVERNMENT SPONSORED ENTERPRISES (AGENCIES): U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include:

- Federal Home Loan Banks (FHLB)
- Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
- Federal National Mortgage Association (FNMA or "Fannie Mae")

- Federal Farm Credit Banks (FFCB)
- Student Loan Marketing Association (SLMA or “Sallie Mae”)
- Tennessee Valley Authority (TVA)

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold. **MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase/reverse repurchase agreements that establish each party’s rights in the transactions. A master agreement will specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Interest bearing, continuously offered debt, issued in the 9 month to ten-year maturity range. Deposit notes, like Certificates of Deposit, actually represent an interest bearing deposit at a bank or other depository institution.

OFFER: The price asked by a seller of securities.

PAR VALUE: The face value, or principal amount payable at maturity.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York, and are subject to its informal oversight.

REPURCHASE AGREEMENT (RP OR REPO): A purchase of securities under a simultaneous agreement to sell these securities back at a fixed price on some future date. This is in essence a collateralized investment, whereby the security “buyer” in effect lends the “seller” money for the period of the agreement, and the difference between the purchase price and sale price determining the earnings. Dealers use RP extensively to finance their positions.

SECURITIES & EXCHANGE COMMISSION (SEC): An agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY NOTES AND BONDS: Long-term U.S. Treasury securities having initial maturities of 2 to 30 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

DATE: August 5, 2020
TO: Board of Directors
FROM: Marisa Creter, Executive Director
RE: **ASSIGNMENT OF HOUSING FUNDS**

RECOMMENDED ACTION

Authorize Executive Director to execute Assignment of Housing Funds with the San Gabriel Valley Council of Governments.

BACKGROUND

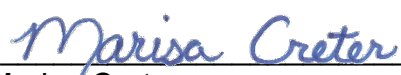
In November 2019, the Governing Board of the San Gabriel Valley Council of Governments (SGVCOG) approved the recommended funding plan for homelessness funding received by the Agency. In total, the SGVCOG was awarded more than \$7.1 million – through the \$5.6 million State budget allocation and approximately \$1.5 million allocation from Los Angeles County’s Measure H Innovation Funds – to support homeless programs in the San Gabriel Valley.

Of these funds, the SGVCOG Governing Board elected to allocate \$1,000,000 in funding from the State Budget Allocation and \$350,000 from the Measure H Innovation Funds to the San Gabriel Valley Regional Housing Trust (SGVRHT) for the purposes of awarding towards eligible affordable housing and homeless housing projects. In addition, the Governing Board elected to allocate \$200,000 from the Measure H Innovation Funds to support the operations of the SGVRHT. This funding could be used for the completion of studies or other program development to support the long-term viability of the SGVRHT. In addition, the Governing Board allocated 5% of administrative costs to the SGVRHT related to the administration of these funds.

The Assignment of Housing Funds would facilitate the transfer of these funds from the SGVCOG to the SGVRHT. With the transfer of these funds, the SGVRHT is agreeing to use the funds for purposes consistent with the restrictions and limitations set forth in the grants of the funds and its own joint powers agreement. The SGVRHT Board of Directors would also report annually to the SGVCOG on the amount of funds spent and in what amounts.

The Assignment would also be adopted by the SGVCOG Governing Board.

Prepared by: 
Caitlin Sims
Principal Management Analyst

Approved by: 
Marisa Creter
Executive Director

ATTACHMENTS

Attachment A – Assignment of Housing Funds

ASSIGNMENT OF HOUSING FUNDS

This Assignment of Housing Funds (“Assignment”) by and between the San Gabriel Valley Council of Governments, a joint powers agency (“SGVCOG”) and the San Gabriel Valley Regional Housing Trust, a joint powers agency (“SGVRHT”) is entered into be effective this ___ day of August 2020 (“Effective Date”).

RECITALS

A. The SGVCOG membership consists of the cities and the County of Los Angeles that lie within the San Gabriel Valley. It was created to assist in the development and implementation of policies, plans, and projects of common interest within the San Gabriel Valley and to provide recommendations and solutions to common problems and concerns to its member agencies. One of these issues of common interest is homelessness and the lack of affordable housing.

B. The SGVRHT membership is comprised solely of public agencies who are also eligible to be members of the SGVCOG. By statute, its Board consists of seven directors from agencies which are also members of the SGVCOG and two at large directors, who may, but are not required to, be from agencies which are also members of the SGVCOG. The Board of the SGVCOG appoints the directors who serve on the SGVRHT Board.

C. The SGVRHT was created to maximize sources of public and private funds to provide housing for the homeless, low, very low and extremely low-income persons within the San Gabriel Valley and as a vehicle for addressing the issue of homelessness and lack of affordable housing which is of interest to SGVCOG.

D. The SGVCOG receives funds from various sources that are to be used to provide affordable and homeless housing and may be utilized to further the purposes of the SGVRHT.

E. By this Assignment, the Parties desire to the transfer such funds to SGVRHT to further the purposes for which both SGVCOG and SGVRHT were formed.

ASSIGNMENT

1. ASSIGNMENT OF HOUSING FUNDS BY SGVCOG.

SGVCOG anticipates receiving funds in the current fiscal year (July 1, 2020 to June 30, 2021) from the following sources: Los Angeles County Measure H Innovation Funds (approximately \$577,750); and State Budget Allocation Funds (approximately \$1,000,000). The two aforementioned funding sources are collectively referred to herein as the “Housing Funds.” Upon receipt, the SGVCOG shall transfer and upon such transfer hereby assigns the Housing Funds to the SGVRHT in the amounts transferred and all SGVCOG’s rights, interest, privileges, benefits, obligations and duties in and under

the terms, conditions, and restrictions that are set forth in the grants of such Housing Funds and by law.

2. ACCEPTANCE OF HOUSING FUNDS BY SGVRHT.

SGVRHT accepts the foregoing assignment of Housing Funds from SGVCOG and agrees to use such Housing Funds for purposes consistent with any restrictions and limitations set forth in the grants of such Housing Funds as well as its own joint powers agreement. The SGVRHT Board shall cause a report to be filed with the SGVCOG Board at least annually, disclosing to the SGVCOG Board how the Housing Funds have been spent and in what amounts.

3. THIRD PARTY BENEFICIARIES.

In entering this Assignment, the Parties do not intend, and the Assignment shall not be interpreted to, create any third-party beneficiaries or provide any right to any person or entity not a Party to this Assignment to enforce its provisions.

4. POWER AND AUTHORITY.

The Parties have full power and authority to enter, execute, deliver and perform this Assignment and to perform all obligations hereunder;

5. EFFECTIVE DATE.

This Assignment shall become effective on the Effective Date and as to each source of Housing Funds, upon the date each source of Housing Funds is transferred to and accepted by SGVRHT.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the Effective Date.

SGVCOG

SGVRHT

Cynthia Sternquist, Board President

Jed Leano, Board Chairman

Dated: August __, 2020

Dated: August __, 2020

DATE: August 5, 2020

TO: Board of Directors

FROM: Marisa Creter, Executive Director

RE: SGVRHT OUTREACH AND MARKETING MATERIALS

RECOMMENDED ACTION

For discussion only.

BACKGROUND

The SGVRHT was established to fund the planning and construction of homeless housing and extremely low, very low, and low-income housing. The SGVRHT is able to accept public and private funds. Staff has begun developing initial outreach and marketing materials which are intended to become part of a larger media packet for use by staff and the Board to solicit both private and public funds.

The outreach and marketing materials will also help to create brand recognition. After the release of the first Notice of Funding Availability, the SGVRHT has dedicated funds to three projects which will provide 125 new units of affordable housing in the region. The marketing materials will celebrate this first effort and promote additional investment and participation.

Prepared by: Brielle Acevedo
Brielle Acevedo
Principal Management Analyst

Approved by: Marisa Creter
Marisa Creter
Executive Director