

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

221A



**FROM:** Housing Authority of the County of Riverside

**SUBMITTAL DATE:**  
July 29, 2008

**SUBJECT:** Investment Policy and Annual Portfolio Disclosure Report for the Year Ending June 30, 2008

**RECOMMENDED MOTION:** That the Board of Commissioners receive and file the attached Disclosure Report in the Housing Authority's Investment Portfolio for the year ending June 30, 2008, and adopt the Agency's Investment Policy dated June 30, 2008.

**BACKGROUND:** On January 1, 2008, the Board of Supervisors adopted an umbrella investment policy, which directs those departments and special districts whose funds reside in Trust or in separate operating funds other than the Treasurer's pool to establish an Investment Policy that identifies authority for investing, minimum requirements for quality investment practices, and standards for reporting and auditing. This policy also requires the Housing Authority to annually adopt the Agency's Investment Policy and file an annual Disclosure Report with the Board of Commissioners, and the Investment Oversight Committee. Attached are the Housing Authority's Investment Policy and Disclosure Report for the year ending June 30, 2008. The only change is to update the signature list of Authorized Designees.

Departmental Conference

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*Robin Zimpfer*  
\_\_\_\_\_  
Robin Zimpfer, Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	N/A

<b>SOURCE OF FUNDS:</b>	N/A	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
		<b>Requires 4/6 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

APPROVE  
BY: *Jennifer L. Sargent*  
\_\_\_\_\_  
Jennifer L. Sargent

**County Executive Office Signature**

- Dept't Recomm.:  Consent
- Per Exec. Ofc.:  Consent
- Policy
- Policy

**Prev. Agn. Ref.:** 11/27/07 Item#3.2

**District:**

**Agenda Number:**

**10.1**

**Housing Authority of the County of Riverside**  
**INVESTMENT POLICY STATEMENT**  
**June 30, 2008**

**PURPOSE & OBJECTIVE**

It is the policy of the Housing Authority to invest funds in a manner that will provide the maximum safety, liquidity, and reasonable investment return while meeting the daily cash flow demands of the Housing Authority and conforming to all statutes governing the investment of Housing Authority funds.

**SCOPE**

This investment policy applies to all financial assets of the Housing Authority. The Housing Authority's funds are listed and accounted in its Annual Financial Report, and include the Section 8 Earned Administrative Fee and Housing Assistance Payment Funds, HUD Affordable Housing Operating and Capital Funds, Tax-Exempt Revenue Multi-family Bond Development Funds, and Authority Program Funds.

**DELEGATION OF AUTHORITY**

Authority to manage the investment program is derived from Section 401(E) of the Annual Contribution Contract between HUD and the Housing Authority and the California Government Code (CGC) Sections 53601, et seq. Management responsibility for the investment program is hereby delegated to the Director of the Housing Authority or designee who shall establish written procedures for the operation of the investment program consistent with this investment policy. Procedures shall include references to safekeeping, wire transfer agreements, depository agreements, and banking services contracts, as appropriate. Such procedures shall also include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and procedures established by the Director. The Director, as authorized by the Housing Authority Board of Commissioners, shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

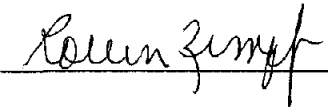
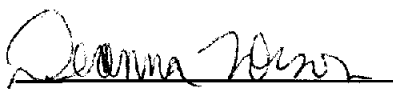



The Director or designee shall make daily cash flow reviews for anticipated revenues and expenditures to determine the amount of investment(s) to be made, if any. The investment process shall be accomplished through financial representatives at designated financial institutions.

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**AUTHORIZED DESIGNEES**

**June 30, 2008**

Only those staff whose signatures appear here are authorized to make investments, make wire or electronic fund transfers and to order the shipment and delivery of investment securities among accounts.

<u>NAME/TITLE</u>	<u>SIGNATURE</u>
Robin Zimpfer, Executive Director	
Deanna Lorson, Deputy Executive Director	
Heidi Marshall, Deputy Executive Director	
Peggy Sanchez, Deputy Director	
Sharon H. Espejo, Principal Accountant	
Melinda Addington, Senior Accountant	

**AUTHORIZED AND SUITABLE INVESTMENTS**

The Housing Authority is empowered by HUD, as stated on HUD Notice PIH 96-33, to invest HUD funds in the following:

<b>HUD APPROVED INVESTMENT INSTRUMENTS</b>	<b>MAXIMUM MATURITY</b>	<b>AUTHORIZED LIMIT (\$ or %)</b>	<b>REQUIRED RATING</b>
United States Treasury Bills, Notes & Bonds	3-12 months	\$200,000	None
Obligations of Federal Government Agencies	10-40 yrs	None	None
Securities of Government-Sponsored Agencies	1-25 yrs	None	None
Insured Demand and Savings Deposits	None	None	None
Insured Money Market Deposit Accounts	None	None	None
Municipal Depository Fund	None	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Local Government Investment Pool	N/A	None	None
Insured Super NOW Accounts	None	None	None
Certificates of Deposit	None	None	None
Repurchase Agreements	30 days	None	None
Sweep Accounts	30 days	None	None
Separate Trading of Registered Interest and Principal of Securities (STRIPS)	None	None	None
Mutual Funds	None	20%	None

The Housing Authority is empowered by California Government Code (CGC Sections 5922 and 53601 et seq.) to invest non-HUD funds in the following:

CGC SECTION	INVESTMENT TYPE	MAXIMUM MATURITY	AUTHORIZED LIMIT (%)	REQUIRED RATING
53601 (a)	Local Agency Bonds	5 Years	None	None
53601 (b)	U.S. Treasury Bills, Notes or Bonds	5 Years	None	None
53601 (c)	State Warrants, Notes, Bonds	5 Years	None	None
53601 (d)	Registered Treasury Notes & Bonds of CA & other 49 States	5 Years	None	None
53601 (e)	Notes & Bonds of other Local Agencies	5 Years	None	None
	Local Agency Investment Fund (LAIF)	N/A	None	None
	County Pooled Investment Funds	N/A	None	None
53601 (f)	U.S. Government-Sponsored Enterprises	5 Years	None	None
53601 (g)	Bankers' Acceptances	180 days	0.4	None
53601 (h)	Prime Commercial Paper	270 days	0.25	A-1
53601 (i)	Negotiable Certificates of Deposit	5 Years	0.3	None
53601 (j)	Repurchase Agreements	1 Year	0.2	None
53601 (k)	Medium Term Corporate Notes	5 Years	0.3	A
53601 (l)	Money Market Mutual Funds & Mutual Funds	5 Years	0.2	None
53601 (m)	Bond Security	5 Years	None	None
53601 (n)	Collateralized Bank Deposits	5 Years	None	None
53601 (o)	Mortgage Pass-Through Securities	5 Years	0.2	AA
53601 (p)	Shares Issued by a Joint Powers Authority	5 Years	None	None

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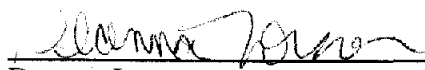
**REPORTING**

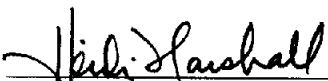
The Director or designee shall submit a quarterly investment report to the Investment Oversight Committee of the County of Riverside Board of Supervisors. The report shall include a complete description of the portfolio, the type of investments, amount invested, the issuers, maturity dates, the current market values of each component of the portfolio, funds managed by third party contractors, and the source of the portfolio valuation. Bank statements shall be kept on file to support reported funds invested in the Local Agency Investment Fund (LAIF), Federal Deposit Insurance Corporation (FDIC) accounts, or county investment pools. The report shall contain a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and; (2) the Housing Authority will meet its expenditure obligations for the next six months.

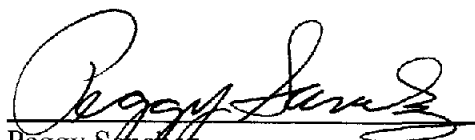
**INVESTMENT POLICY ADOPTION**

The Investment Policy shall be adopted by resolution of the Housing Authority Board of Commissioners. Moreover, the Policy shall be reviewed on an annual basis by the Investment Oversight Committee of the Board of Supervisors, and any modifications must be approved by the Housing Authority Board of Commissioners.

  
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Robin Zimpfer  
Executive Director

  
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Deanna Lorson  
Deputy Executive Director

  
\_\_\_\_\_  
Heidi Marshall  
Deputy Executive Director

  
\_\_\_\_\_  
Peggy Sanchez  
Deputy Director

**Housing Authority of the County of Riverside**  
**Disclosure Report on Investment Portfolio**  
 As of June 30, 2008

Institution/Issuer	Investment Type	Interest Rate	Purchase Date	Maturity Date	Par Value At Maturity	Book Value	Market Value	Source
<b>Investments Under the Direction of Housing Authority Staff</b>								
<b>Operating and Reserve Funds</b>								
Bank of America (Operations)	Demand Checking Account	1.00%	not applicable	not applicable	2,933,131.63	2,933,131.63	2,933,131.63	Bank Statement
Rabobank (Ripley Operations)	Demand Checking Account	0.10%	not applicable	not applicable	10,103.25	10,103.25	10,103.25	Bank Statement
Local Agency Investment Fund (Operations)	State of California Investment Pool	2.85%	not applicable	not applicable	10,896,801.42	10,896,801.42	10,896,801.42	Bank Statement
Bank of America (Ripley: State Reserve)	Money Market	0.30%	not applicable	not applicable	365,195.73	365,195.73	365,195.73	Bank Statement
Union Bank of California	Demand Checking Account	1.24%	not applicable	not applicable	49,951.86	49,951.86	49,951.86	Bank Statement
<b>Total Operating and Reserve Funds</b>					<b>14,255,183.89</b>	<b>14,255,183.89</b>	<b>14,255,183.89</b>	
<b>Investments Under the Direction of Fiscal Agents</b>								
<b>Bond Trustee Funds</b>								
US Bank (Bond Trustee)	Money Market	1.87%	not applicable	not applicable	178,700.81	178,700.81	178,700.81	Bank Statement
1998 "A" Bonds Debt Service Funds					178,700.81	178,700.81	178,700.81	
<b>Total Bond Trustee Funds</b>					<b>357,401.62</b>	<b>357,401.62</b>	<b>357,401.62</b>	
<b>Grand Total All Funds</b>					<b>14,612,585.51</b>	<b>14,612,585.51</b>	<b>14,612,585.51</b>	

*Certification:*  
 I certify that this investment portfolio is in compliance with the statement of investment Policy of the Housing Authority of the County of Riverside.  
 This investment program provides sufficient liquidity to meet pool expenditure requirements for the next six months as required by the California Government  
 Code Sections 53646(b)(2) and (3), respectively.

*Heidi Farshall*  
 Heidi Marshall, Deputy Executive Director