

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE
REDEVELOPMENT AGENCY
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

146



FROM: Redevelopment Agency

SUBMITTAL DATE:
September 1, 2010

SUBJECT: Revised Investment Policy and Annual Portfolio Disclosure Report for the Year Ending June 30, 2010

RECOMMENDED MOTION: That the Board of Directors adopt the Agency's revised Investment Policy dated September 1, 2010.

BACKGROUND: Pursuant to Board Policy B-21, those departments and special districts whose funds reside in Trust or outside of the Treasurer's Pooled Investment fund must adopt a policy establishing authority for investing, minimum requirements for quality investment practices, reporting, and auditing standards. The policy also requires the Redevelopment Agency to annually adopt its Investment Policy, and to file at least annually, Disclosure Reports with the Board of Directors, the Auditor Controller, and the Investment Oversight Committee.

In the course of structuring the Agency's most recent 2010 Non-Housing bond issuance, dated July 8, 2010, and subsequent to the annual adopting of the Agency's Investment Policy, it was determined that the policy needed to be changed to comply with the Agency's bond covenants.

Robert Field
Executive Director

FINANCIAL DATA	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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY:
County Executive Office Signature Jennifer J. Sargent

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

FORM APPROVED COUNTY COUNSEL

BY: ANITA C. WILLIS

DATE Departmental Concurrence

Prev. Agn. Ref.: N/A

District: ALL

Agenda Number: 4.4



**REDEVELOPMENT AGENCY FOR THE
COUNTY OF RIVERSIDE
INVESTMENT POLICY STATEMENT
September 1, 2010**

PURPOSE & OBJECTIVE

This Investment Policy statement is limited solely to the proceeds of bonds issued by the Redevelopment Agency for the County of Riverside (the "Agency"). The objective of the policy shall be first to safeguard principal, second to maintain sufficient liquidity to meet disbursement and reserve requirements and third to achieve the highest possible earning consistent with the prior two considerations.

AUTHORITY

The authority for investment decisions is delegated by the specific legal documents of each (e.g., indenture, fiscal agent agreement, resolution, etc.) to the Agency's Executive Director and his or her designees.

INVESTMENT ADVISORS

The Agency may authorize, by contract, investment advisory services to provide advice and direction on the investment of bond proceeds. Any such authority shall not extend to the actual execution investment transactions on behalf of the Agency, nor shall it include the holding of bond proceeds.

AUTHORIZED INVESTMENTS

Investments shall be restricted to those authorized by each bond indenture, all of which subject to approval by the Board of Directors at the time of issuance. A minimum rating of "A" or better by at least one of the three major rating agencies at the time of purchase is required. Any divestment in the event of a downgrade below the 'A' category shall not be automatic, but subject to the "prudent man" standard.

LEVERAGE

No leverage shall be employed. No reverse-repurchase agreements are to be authorized nor shall any security purchased with bond proceeds be subject to securities lending.

COLLATERAL

Any repurchase agreements, or similar instruments, will be fully collateralized and the collateral shall be held by a third party trustee.

INVESTMENT AGREEMENTS

Investment agreements are authorized, but shall be awarded through a competitive bidding process and to the extent possible include three or more bids. Additionally, any requirements of tax counsel such as limitations and disclosure of the amount of fees shall be met.

All providers shall have a minimum rating of "A". Any agreement with a provider with a rating below "AA" shall be fully collateralized.

INVESTMENT MATURITIES

All maturities should be matched to the specific requirements of the individual funds; debt service, construction, debt service reserve, etc. Debt Service Reserve Funds shall be limited to a five year maturity, unless the security purchased is an investment agreement which incorporates draw provisions without penalty on any interest payment date.

TRADING OF SECURITIES

Trading of securities is permitted prior to maturity whenever financial market conditions or changes to credit quality of the security in question warrant such action.

REPORTING


Securities holdings shall be reported at least annually on a market-to-market basis.

SECURITY, CUSTODY & DELIVERY

All transactions shall be made on a "delivery versus payment" basis and held by the authorized trustee or fiscal agent. No securities shall be held by broker/dealers.

EFFECTIVE DATE

This policy statement is effective as of September 1, 2010 and will remain in force until amended in writing by the Agency and adopted by the Board of Directors.



Robert Field, Executive Director

**REDEVELOPMENT AGENCY
FOR THE COUNTY OF RIVERSIDE
Authorized Designees
September 1, 2010**

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.

NAME/TITLE

SIGNATURE

Robert Field, Executive Director



Lisa Brandl, Deputy Executive Director



Emilio Ramirez, Deputy Executive Director

