

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

830



FROM: Housing Authority

SUBMITTAL DATE:
August 31, 2011

SUBJECT: Investment Policy Effective September 1, 2011, and Annual Portfolio Disclosure Report for the Year Ending June 30, 2011

RECOMMENDED MOTION: That the Board of Commissioners adopt the Agency's Investment Policy and receive and file the Disclosure Report for the year ending June 30, 2011.

BACKGROUND: On September 2, 2008, the Board of Supervisors adopted Board Policy B-21, 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.

(Continued)

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:	2011/12

COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA: No

SOURCE OF FUNDS: N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

C.E.O. RECOMMENDATION:

APPROVE

BY:

Jennifer L. Sargent

County Executive Office Signature

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

Departmental Concurrence

Dep't Recomm.: ☐ Consent
 Per Exec. Ofc.: ☐ Consent
 Policy ☒
 Policy ☒

10.3

Prev. Agn. Ref.: 3.35 of 9/2/08

District: ALL

Agenda Number:

BACKGROUND: (Continued)

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 is the Housing Authority's Investment Policy effective September 1, 2011, and Disclosure Report for the year ending June 30, 2011.

Housing Authority of the County of Riverside
INVESTMENT POLICY STATEMENT
September 1, 2011

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 Executive Director 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 Executive Director. The Executive 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 Executive 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.

AUTHORIZED DESIGNEES
June 30, 2011

Only the 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.

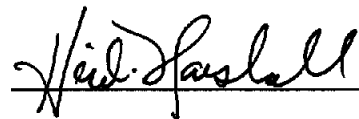
NAME/TITLE

SIGNATURE

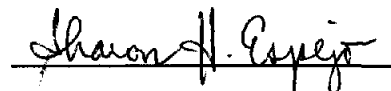
Robert Field, Executive Director



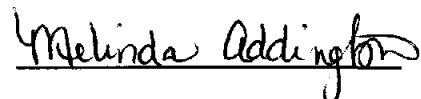
Heidi Marshall, Deputy Executive Director



Sharon H. Espejo, Fiscal Manager



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:

HUD APPROVED INVESTMENT INSTRUMENTS	MAXIMUM MATURITY	AUTHORIZED LIMIT (\$ or %)	REQUIRED RATING
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

REPORTING

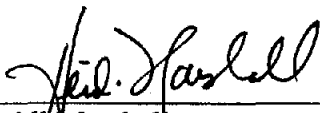
The Executive Director or designee shall submit a quarterly investment report to the Investment Oversight Committee of the County of Riverside Board of Supervisors. The report shall include a complete description of the portfolio, the type of investments, amount invested, the issuers, maturity dates, 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.



Robert Field
Executive Director



Heidi Marshall
Deputy Executive Director

Housing Authority of the County of Riverside
Statement of Investments
as of June 30, 2011

ACCOUNT NAME	ACCOUNT NUMBER	SECURITY PURCHASED *	TRUSTEE	YIELD AT MARKET	MARKET VALUE	RATING Moody's/S&P/Fitch
Revenue Fund	107959-001	First American Treas Oblig CL Y	U S Bank	0.00	\$187,947.10	Aaa/AAAm/AAAmmf
Subtotal					\$187,947.10	
Interest Account	107959-002	First American Treas Oblig CL Y	U S Bank	0.00	\$0.00	Aaa/AAAm/AAAmmf
Subtotal					\$0.00	
Principal Account	107959-003	First American Treas Oblig CL Y	U S Bank	0.00	\$0.00	Aaa/AAAm/AAAmmf
Subtotal					\$0.00	
Reserve Fund	107959-004	First American Treas Oblig CL Y	U S Bank	0.00	\$0.00	Aaa/AAAm/AAAmmf
Subtotal					\$0.00	
Surplus Fund	107959-011	First American Treas Oblig CL Y	U S Bank	0.00	\$1.20	Aaa/AAAm/AAAmmf
Subtotal					\$1.20	
Total					\$187,948.30	

* Footnote: The First American Treasury Obligations Fund's investment strategy seeks to provide maximum current income and daily liquidity by purchasing U.S. Treasury securities and highly liquid repurchase agreements collateralized at more than 100% by U.S. Treasuries.

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 Marshall, Deputy Executive Director