



**AGENDA AND NOTICE OF THE REGULAR MEETING OF THE
SOUTH BAY REGIONAL HOUSING TRUST BOARD OF DIRECTORS
THURSDAY, JULY 16, 2026 - 3:30 P.M.**

**SBCCOG Offices: 357 VAN NESS WAY, #90, TORRANCE, CA 90501 &
Via Zoom: www.zoom.us/join Meeting ID: 879 3160 9573 / Passcode:
142451**

SBRHT OFFICERS

Chair

Debby Stegura

Vice Chair

Nina Tarnay

DIRECTORS

El Segundo

Michelle Keldorf

Ryan Baldino (*alt.*)

Hawthorne

Alex Monteiro

Katrina Manning (*alt.*)

Hermosa Beach

Rob Saemann

Dean Francois (*alt.*)

Inglewood

Eloy Morales

James Butts (*alt.*)

Lawndale

Bernadette Suarez

Pat Kearney (*alt.*)

Lomita

Bill Uphoff

Barry Waite (*alt.*)

Manhattan Beach

Nina Tarnay

Joe Franklin (*alt.*)

Rancho Palos Verdes

Stephen Perestam

George Lewis (*alt.*)

Redondo Beach

Paige Kaluderovic

Brad Waller (*alt.*)

Rolling Hills Estates

Debby Stegura

Velveth Schmitz (*alt.*)

Torrance

Vacant

Sharon Kalani (*alt.*)

**HOUSING/HOMELESS
EXPERTS**

Michelle Ramirez

Michael Allen

The agenda packet is available at the South Bay Cities Council of Governments' (SBCCOG) office at 357 Van Ness Way, #90, Torrance, CA 90501, and on the website www.sbrht.org. Copies are available via email upon request to Natalie@sbrht.org. Any additional agenda documents that are distributed to a majority of the Board after the posting of the agenda will be available for review in the SBCCOG office during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Thursday, and on the South Bay Regional Housing Trust website noted above.

PUBLIC PARTICIPATION:

Your participation is welcomed at all Board of Directors meetings. Time is reserved at each regular meeting for those who wish to address the Board. SBRHT requests that persons addressing the meeting refrain from making personal, slanderous, profane, or disruptive remarks. A person who continues to disrupt the orderly conduct of the meeting, after being warned by the Board Chair or designee to cease the disruption, may be precluded from further participation in the meeting.

At a regular meeting, the public may comment on any matter within the jurisdiction of the SBRHT Board of Directors that is not on the agenda during the public comment period at the beginning of the agenda. The public may also comment on any item on the Consent Calendar prior to action taken on the Consent Calendar. For other agenda items, the public may comment prior to the item being considered by the Board. At a special meeting, the public may only comment on items that are on the agenda.

Members of the public are requested to state their name, city of residence, and the organization they represent (if applicable) prior to speaking. Comments are limited to a maximum of three minutes per person. The Board Chair may impose additional time limits at their discretion. Both written and oral comments will be part of the official record.

Members of the public may address the Board in the following ways:

1. **Verbal Comment In-Person/Virtual:** If you would like to make a verbal public comment, please complete a Speaker Request Form and provide it to staff. Forms will be made available to you by staff at the meeting. If participating through Zoom, please use the "raise hand" feature.
2. **Written Comment:** If you wish to submit written public comments to be distributed to the Board prior to or during the meeting, please submit these materials via email to submit comments by emailing Natalie@sbrht.org at least 1 hour prior to the scheduled meeting time. Please indicate in the Subject Line of the email "FOR PUBLIC COMMENT."

- I. **CALL TO ORDER** – 3:30 P.M.
- II. **ROLL CALL**
- III. **ANNOUNCEMENTS OF ANY CHANGES TO THE AGENDA**
- IV. **PUBLIC COMMENTS** – 3:35 P.M.
- V. **CONSENT CALENDAR ITEMS** – 3:40 P.M.
 - A. **June 18, 2026 Meeting Minutes** (*attachment*) (Pages 3-7)
 - B. **Accounting and Finance Policies/Procedures** (*attachment*) (Pages 9-25)
 - C. **Investment Policy** (*attachment*) (Pages 27-36)
 - D. **Conflict of Interest Code** (*attachment*) (Pages 37-41)
 - E. **Records Retention Schedule** (*to be sent separately*)
 - F. **Resolution 2026-3 – Appointing a Trust Treasurer** (*attachment*) (Pages 43-44)
 - G. **Resolution 2026-4 – Updates to Bank Signers** (*attachment*) (Pages 45-46)

Recommended Action: Approve the Consent Calendar

VI. **DISCUSSION/ACTION ITEMS**

At this time, members of the public in attendance may ask the Board to be heard on the following items as those items are called.

- A. **SB 799 Updates** (David Leger) – 3:40 P.M.
- B. **LACAHSA Staff Introduction – Brittney Weissman, Director of Technical Assistance and Intergovernmental Relations** – 3:50 P.M.
- C. **Survey of Housing Trust Programs** (Adam Eliason & Grant Henninger) (*attachment*) (Pages 47-58) – 4:05 P.M.
- D. **Strategic Plan/Work Plan** (Ronson Chu) (*attachment*) (Pages 59-64) - 4:20 P.M. – Approve
- E. **City Approval Form to Authorize Work on a Project** (Jacki Bacharach) (*attachment*) (Pages 65-67) – 4:45P.M. – Approve
- F. **Look Ahead – Future Meeting Agenda Items** (Presented by Jacki Bacharach) – 4:55 PM
 - 1) Invite South Bay Board of Realtors
 - 2) Save the Date – 2026 SCANPH Annual Conference – October 8 @ LA Convention Center

VII. **GENERAL ITEMS FROM THE BOARD** – 5:05 P.M.

VIII. **ADJOURNMENT** – 5:15 P.M.

IX. **NEXT MEETING** – Thursday, September 17, 2026, at 3:30 p.m. at the SBCCOG office

Agenda Item V-A

June 18, 2026 Meeting Minutes

**MEETING MINUTES OF THE
SOUTH BAY REGIONAL HOUSING TRUST BOARD OF DIRECTORS
THURSDAY, JUNE 18, 2026 - 3:30 P.M.**

**SBCCOG Offices: 357 VAN NESS WAY, #90, TORRANCE, CA 90501 & Via Zoom
RECORDING IS ACCESSIBLE VIA THE FOLLOWING LINK: <https://youtu.be/V9mVWDhwaG4>**

I. CALL TO ORDER

South Bay Regional Housing Vice Trust Chair Jon Kaji called the meeting to order at 3:35 pm.

II. ROLL CALL

SBCCOG Administrative Manager David Leger conducted an attendance roll call. The following Directors and individuals were present:

In attendance were the following voting members:

Bernadette Suarez, Lawndale	Jon Kaji, Torrance
Bill Uphoff, Lomita	Michael Allen, Housing Expert
Eloy Morales, Inglewood, SB 707 non-voting	Michelle Ramirez, Housing Expert
Michelle Keldorf, El Segundo	Stephen Perestam, Rancho Palos Verdes
Nina Tarnay Manhattan Beach	
Rob Saemann, Hermosa Beach	

Also, in attendance were the following persons

Brandy Forbes, City of Rancho Palos Verdes	Philip Rebentisch, LA Forward
Jeannie Naughton, City of Rolling Hills Estates	Colleen Farrell, SBCCOG
Eduardo Schonborn, City of El Segundo	David Leger, SBCCOG
Paul Samaras, City of El Segundo	Jacki Bacharach, SBCCOG
Adam Eliason, CivicHome (virtual)	Jake Romoff, SBCCOG
Claudia Lima, LACAHS (virtual)	Kevin Umaña, SBCCOG
Grant Henninger, CivicHome	Natalie Champion, SBCCOG
Lauren Langer, Best Best & Krieger	Ronson Chu, SBCCOG
MC Guery, LA Forward	
Thomas Lane, LA Forward	

III. ANNOUNCEMENTS OF ANY CHANGES TO THE AGENDA

The agenda was modified to move agenda Item D Commercial Redevelopment Tool for Cities. before Item C. LACAHS funded TA studies.

IV. PUBLIC COMMENTS

No public comments were received.

V. CONSENT CALENDAR ITEMS

- A. May 21, 2026 Meeting Minutes** (attachment)
- B. Purchasing and Procurement policies and procedures** (attachment)
- C. CivicHome for On Call Services** (attachment)

MOTION by Director Saemann, seconded by Director Keldorf, to **APPROVE** the Consent Calendar, with correction to the May 21 meeting minutes.

Yes: Suarez, Uphoff, Keldorf, Tarnay, Saemann, Kaji, Allen, Ramirez, Perestam.

No: None

Abstain: None

Vote Total: 9

MOTION PASSES.

VI. DISCUSSION/ACTION ITEMS

A. The Year Ahead at LACAHS

Claudia Lima, Chief Strategic Investments Officer with LACAHS, presented an overview of the agency's funding priorities, including investments in affordable housing production, preservation, homeownership, community land trusts, rental subsidies, and technical assistance. Staff highlighted opportunities for the South Bay Regional Housing Trust to partner with LACAHS to leverage funding, build local capacity, identify development opportunities, and support affordable housing production. Discussion also covered future social bond issuances, which could significantly increase the Trust's available capital, and current LACAHS-funded projects in the South Bay, including a rental subsidy development in Carson nearing occupancy.

Her full presentation is available here: https://www.sbrht.org/wp-content/uploads/2026/06/PRESENTATION_LACAHS-Year-Ahead.pdf

B. Commercial Redevelopment Tool for Cities

SBCCOG Staff Jake Romoff presented the REAP 2.0 Sustainable Pathways to Housing Commercial Redevelopment Tool, a GIS-based inventory that identifies underutilized commercial properties with redevelopment potential throughout the South Bay. He demonstrated the tool's parcel scoring methodology and interactive mapping features, including layers for Housing Element sites, SB 535 disadvantaged communities, environmental justice areas, employment centers, and TCAC data. The tool, intended for city planning purposes, will be made available to member cities to support affordable housing planning and redevelopment efforts. Board members discussed its potential use in identifying future housing opportunities.

C. LACAHS funded TA studies

Ronson Chu and Kevin Umaña presented two LACAHS-funded Technical Assistance studies. Mr. Chu noted that LA County homeownership rates have fallen to approximately 44 percent, with most new construction built-to-rent, and described a study evaluating affordable homeownership models under Section 42(i)(7) of the federal tax code. Mr. Umaña presented the second study, the Naturally Occurring Affordable Housing (NOAH) Preservation Strategy, funded through a \$246,000 LACAHS grant and conducted in partnership with the Gateway Cities Council of Governments, covering 38 cities and nearly three million residents; the study will assess regional housing needs, identify at-risk naturally occurring affordable housing, and develop prioritization and implementation tools. In discussion, Board members and staff noted the studies are complementary to the Commercial Redevelopment Tool, that the build-to-own model would prioritize existing tenants where feasible, and emphasized the value of preserving affordable housing and creating pathways to homeownership.

His full presentation is available here: https://www.sbrht.org/wp-content/uploads/2026/06/PRESENTATION_LACAHS-funded-TA-studies.pdf

D. Brainstorm Session – around the table for ideas – homework – talk to your city about what they want the Trust to do.

Board members held a roundtable discussion to identify future SBRHT program priorities, including preservation, workforce housing, homeownership assistance, compliance monitoring, tax-default properties, and improving affordable housing inventory data. They also discussed potential funding sources, regional partnerships, rental assistance, and the need to distinguish among COG, LACAHS, and Trust funding. Members emphasized completing technical assistance studies and developing a strategic framework before committing to funding models. Additional discussion addressed regional compliance monitoring, redevelopment opportunities, and convening housing trusts to share best practices. Staff noted the Trust expects approximately \$8 million in available funding by July 1 and invited further Board input before

finalizing funding priorities. The discussion concluded with consensus on the importance of building a project pipeline, strengthening city engagement, and using future technical assistance studies to guide investment decisions.

E. SB 799 Update & Hearing in Sacramento (Jon Kaji & David Leger)

Ms. Bacharach reported that proposed amendments would allow workforce housing only with private funding while continuing to prohibit public funding, and raised concerns about attendance requirements for non-elected alternate Board members. Amendments would also allow the Trust to conduct preservation related activities for low, very low, and extremely low income units. Ms. Bacharach noted she had contacted Senator Allen's office regarding concerns that the bill, as drafted, does not provide the authority needed for the Trust to fulfill its mission. Mr. Leger noted that additional amendments remain possible as the bill advances and that its placement on the Consent Calendar precluded testimony at the scheduled hearing. Board Member Keldorf requested that staff prepare a draft letter for Board members to send to Senator Allen in support of additional amendments.

F. SBRHT Logo Options

Recommended Action: Approve a logo for SBRHT

SBCCOG staff Colleen Farrell presented two logo options, noting the original two-color design had been revised to add a third color (green) for greater design flexibility. Chair Kaji asked the Board which options they preferred.

Logo Option No. 1 was chosen by Directors Saemann, Ramirez, Kaji, Uphoff, Perestam

Logo Option No. 2 was chosen by Directors Allen, Keldorf, Suarez, and Tarnay

The Board agreed to move forward with that option, with the modification of incorporating the green tree element into the design.

G. Accounting Procedures Matrix

Mr. Leger presented the draft Accounting Procedures Matrix, reviewing the responsibilities and contract/financial approval authority of the Chair, Vice Chair, Treasurer, Executive Director, Finance Manager, and Auditor. Proposed procedures establish authorization for signing checks, establish contract approval thresholds, and clarify authority for budgeted expenditures, emergency purchases, and accounts payable. The procedures are intended to strengthen internal controls during the Trust's startup phase and will be reviewed by the SBCCOG's accounting consultant before returning to the Board for formal approval.

H. Selection of Vice Chair

Vice Chair Kaji announced that he would be stepping down as Vice Chair. He noted that during the Trust's initial officer election, Board Member Nina Tarnay had been the runner-up in the Vice Chair election and suggested either reopening nominations or appointing the previous runner-up to fill the vacancy. Board Member Tarnay confirmed her interest in serving as Vice Chair.

MOTION by Board Member Uphoff, seconded by Board Member Suarez, to **APPROVE** Board Member Nina Tarnay as the Vice Chair.

Yes: Suarez, Uphoff, Keldorf, Tarnay, Saemann, Kaji, Allen, Ramirez, Perestam.

No: None

Abstain: None

Vote Total: 9

MOTION PASSES.

I. Look Ahead – Future Meeting Agenda Items (Presented by Jacki Bacharach)

1. Approval of accounting, investment, and conflict of interest policies
2. What is needed from a city to authorize the Trust to discuss potential funding for developments with a developer
3. Approval of Strategic Plan/Work Program

Board Member Perestam requested that staff provide an overall timeline for future decisions and milestones to help guide the Trust's work and strategic planning.

VII. GENERAL ITEMS FROM THE BOARD

None.

VIII & IX. ADJOURNMENT AND NEXT MEETING

Vice Chair Kaji adjourned the meeting to Thursday, July 16, 2026, at 5:19 p.m. at the SBCCOG office.

Respectfully Submitted,
Natalie Champion for the SBRHT

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Agenda Item V-B

Accounting and Finance Policies and Procedures

SOUTH BAY REGIONAL HOUSING TRUST

**ACCOUNTING & FINANCE
POLICIES AND PROCEDURES MANUAL**

Draft Date: July 16, 2026

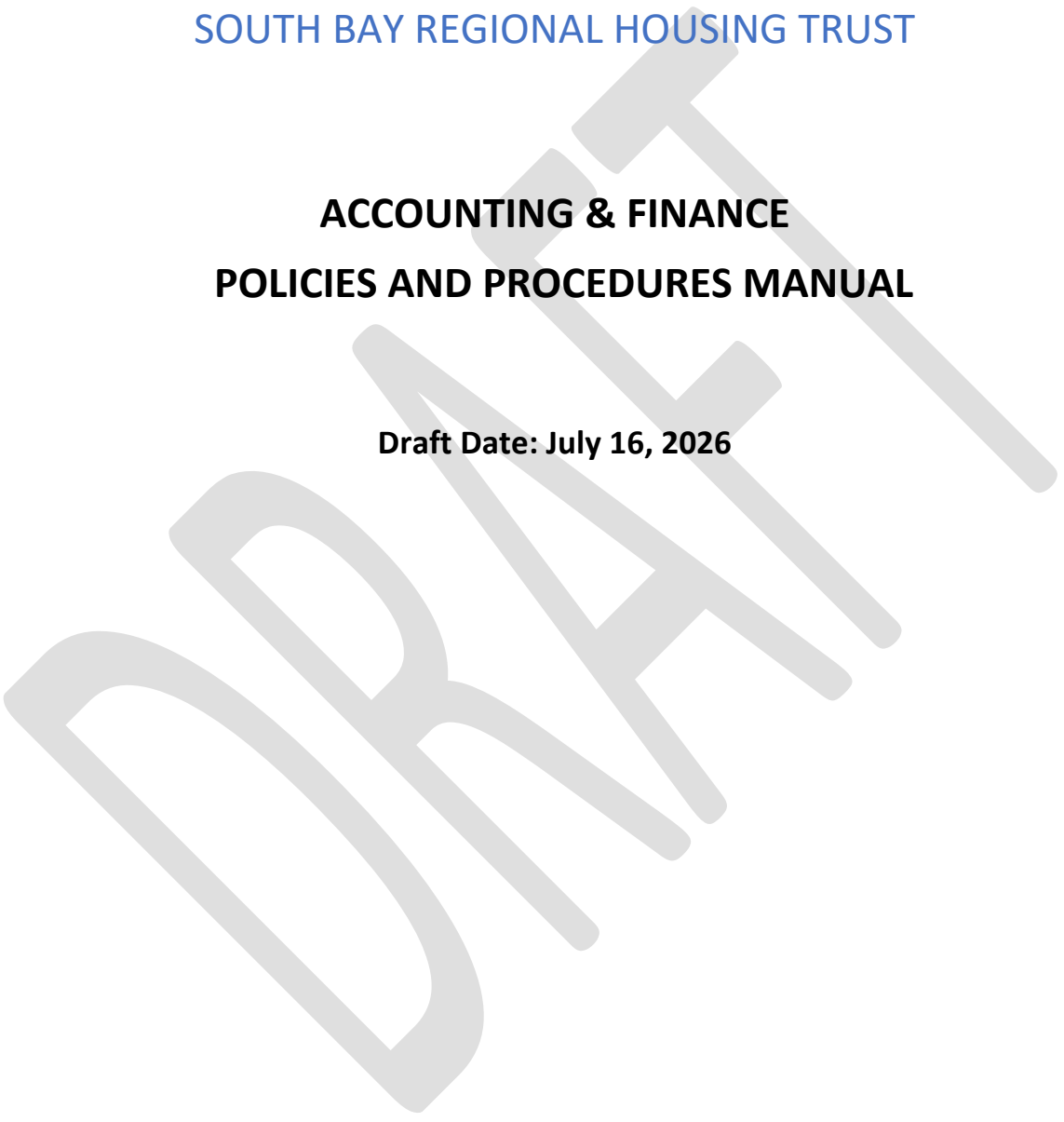


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1. Introduction

The purpose of this manual is to describe all accounting and finance policies and procedures to be used by the South Bay Regional Housing Trust (Trust) and to ensure that the financial statements conform to Generally Accepted Accounting Principles (GAAP); assets are safeguarded; guidelines of grantors and donors are complied with; and finances are managed with accuracy, efficiency, and transparency.

All of the Trust's personnel (including, but not limited to, consultants and contractors retained by the Trust) with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

These policies will be reviewed and revised as needed by the Trust Treasurer and Trust Manager with review by the Trust Executive Director and approval by the Trust Board of Directors (Board). In addition, if the South Bay Cities Council of Governments (SBCCOG) no longer manages the Trust, these policies and procedures shall be reviewed and updated accordingly.

2. Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Board of Directors

1. Review and approve the annual budget.
2. Review annual and periodic financial statements, including budget variance reports.
3. Review and approve all grant agreements and amendments that modify agreement budgets by more than 5%.
4. Approve the Trust Board Chair, Trust Board Vice Chair, Trust Treasurer, and South Bay Cities Council of Governments (SBCCOG) Finance Manager as signers on the Trust's investment and banking accounts.
5. Review the Trust Executive Director's performance annually and establish the compensation package if they are an employee of the Trust. If the SBCCOG is managing the Trust, then the Trust Board should review the services performed by the SBCCOG and its staff which should be provided to the SBCCOG Board of Directors annually.
6. Review and approve all contracts for professional services.
7. Review and approve all budgeted expenditures or nonprofessional services over \$50,000.
8. Payment to any vendor over \$20,000 requires two signatures – this can be two of the following: the Trust Board Chair, the Trust Board Vice Chair, the Trust Treasurer, and the

Finance Manager. The Chair and Vice Chair shall be primary signers with the Trust Treasurer and Finance Manager serving as secondary signers if the Chair and/or Vice Chair are unavailable.

9. Approve internal controls and accounting policies and procedures.
10. Approve the auditor recommended by the Trust Executive Director to the Trust Board, who will perform the annual independent audit of the Trust and include in the recommended motion approval of a contract to retain such auditor and authorization for the Trust Executive Director to execute such contract with the selected auditor.
11. The Trust Board Chair or Vice Chair approves any Expense Reimbursement requests made by the Trust Executive Director.
12. Authorize the Trust Executive Director to apply for and submit grant applications, provided the Trust Executive Director notifies the Board of all grant applications. The Board approves all grant agreements, subject to Trust Legal Counsel review and approval as to form.

Trust Executive Director

1. Reviews and approves all financial reports including cash flow projections.
2. Leads the process of ensuring an appropriate budget is developed annually.
3. Reviews and approves all payments to vendors up to and including \$10,000.
4. Reviews, approves, and executes all contracts in the budget under and including \$50,000 for goods and nonprofessional services.
5. Reviews and approves all grant submissions, i.e. proposals and expenditure reports.
6. Executes grant agreements and other contracts after Trust Board approval.
7. Reviews and approves all grant amendments that modify agreement budgets by less than 5%.
8. Oversees the adherence to all internal controls of cash.
9. Approves Expense Reimbursement requests made by the Trust Manager that are within the approved budget.
10. Provides the Board Information Packet to the Board.

Trust Treasurer (or their designee)

1. Responsible for the overall integrity of the accounting system and supervision of the Accounting Staff.

2. Ensures compliance with GAAP and other regulatory and statutory requirements.
3. Ensures compliance with any applicable federal, state, and local governmental reporting requirements, such as the *Report of Accounts Outside the State Treasury – Year-End Report No. 14 (Report 14)* annually via the Financial Information System for California.
4. Approves all program/grant expenditure cost allocations to multiple funding sources recorded in the General Ledger.
5. Reviews and advises on internal controls and accounting policies and procedures.
6. Monitors organization and program budgets and provides variance reports as requested by the Trust Manager or the Board of Directors.
7. Reviews the monthly investment accounts and provides regular updates on investment performance.
8. Reviews and manages cash flow.
9. Has overall responsibility for timely bill payment and accurate accounts receivable management.
10. Reviews and approves all reimbursements and fund requests prior to submitting for the approval of payment.
11. Monitors the bank accounts, reviews for any irregularities, and reviews the monthly financial reports with the Trust Manager and Finance Manager.
12. Processes all inter-account bank transfers after approval by the Trust Board Chair or Vice Chair and/or Trust Executive Director.
13. Assists the Trust Manager with the development of annual and program budgets, including collaborating with relevant stakeholders.
14. Reviews all approved incoming invoices.
15. Monitors and manages all expenses to ensure the most effective use of assets.
16. Monitors grant reporting and the appropriate release of temporarily restricted funds.
17. Oversees expense allocations to the various funds/departments.
18. Monitors and makes recommendations for asset retirement and replacement.
19. Review all financial reports before issuance. Provides insights and analysis on financial performance.
20. Responsible for ensuring a completed external audit process with the goal of a clean opinion. Ensures that any audit recommendations are implemented and continuously improves internal controls.

21. Responsible for overseeing proper Grants management and reporting, including adherence to grant-specific regulations and requirements.
22. Responsible for compliance with responsibilities of the Trust Treasurer as set forth in the Joint Exercise of Powers Act (set forth at California Government Code Section 6500 *et seq.* and the Trust's Joint Exercise of Powers Agreement dated April 1, 2026, as either may be amended or supplemented.

Trust Manager

1. Reviews the monthly financial reports with the Trust Treasurer and Finance Manager.
2. Submits and presents periodic and annual financial reports to the Trust Board for review and acceptance.
3. Reviews all financial reports including cash flow projections.
4. Develops annual and program budgets.
5. Reviews and approves all incoming invoices.
6. Reviews all reimbursements and fund requests prior to submitting to the Trust Treasurer for final review.
7. Reviews grant submissions, i.e. proposals and expenditure reports; and notifies Trust Treasurer of any grant funding awards and provides a copy of the grant/funding agreement.
8. Works with the Trust Treasurer to ensure proper recording of the Trust's books and the process of ensuring compliance with the grant/funding agreement.
9. Provides guidance to the Trust Treasurer regarding direct grant expenses as well as the allocation of indirect expenses applicable to the grant.
10. May sign loan documents after Trust Board approval.

Out-sourced Auditor

The Trust may utilize a contracted auditing firm and/or LACAHSAs auditors to perform these duties.

1. Oversight of Financial Records: Reviewing and auditing the Trust financial

reports/statements to ensure accuracy and compliance with applicable accounting principles and standards.

2. Verification of Compliance: Ensuring that financial transactions and reports comply with applicable state laws, regulations, and the Trust's internal policies.
3. Review of Internal Controls: Assessing the adequacy of the Trust's internal control systems to safeguard public funds and detect any financial irregularities.
4. Reporting to the Board: Providing audit findings and recommendations to the Board of Directors, including any identified weaknesses or areas for improvement in financial management.
5. Assistance with External Audits: Working with external auditors (if hired) to provide necessary financial records and documentation for independent audits.
6. Responsible for compliance with responsibilities of the Trust Auditor as set forth in the Joint Exercise of Powers Act (set forth at California Government Code Section 6500 *et seq.* and the Trust's Joint Exercise of Powers Agreement dated April 1, 2026, as either may be amended or supplemented, including, but not limited to, causing an independent audit to be made by a certified public accountant, or a public accountant, of the accounts and records of the Trust in compliance with Government Code Section 6505.

Accounting Staff

1. Has overall responsibility for the analysis of transactions and data entry into the accounting system with adherence to GAAP or other regulatory requirements.
2. Records all financial transactions with the proper cost allocation to multiple funding sources.
3. Generates invoices for housing projects or services provided and submits invoices for the Trust Treasurer's handling.
4. Enters recurring monthly journal entries.
5. Enters monthly investment income and expenses, both realized and unrealized.
6. Maintains the General Ledger.
7. Prepares monthly, quarterly, and year-end financial, grant, investment, and budget reports for the Trust Treasurer's review.
8. Reconciles all bank, investment, and other financial accounts on a monthly basis.
9. Manages Accounts Payable to ensure timely cash disbursements.
10. Manages Accounts Receivable to ensure timely receipt of any receivables.

11. Assists with various finance and accounting functions.
12. Obtains a fully executed Form W-9 from any vendor or independent contractor.

3. Chart of Accounts and General Ledger

The Trust has designated a Chart of Accounts specific to its operational needs and the needs of its financial statements. The Chart of Accounts is structured so that financial statements can be shown by natural classification (expense type) as well as by functional classification (by fund, department, restricted grants, etc.). The Trust Treasurer or designee is responsible for maintaining the Chart of Accounts and revising it as necessary. The Chart of Accounts is attached to this manual in Exhibit B.

The General Ledger shall be automated and maintained utilizing accounting software. All input and balancing are the responsibility of the Accounting Staff with final approval by the Trust Treasurer. The Finance Manager is responsible for role-based access maintenance and administrator rights.

The Trust Treasurer will review the General Ledger on a quarterly basis for any unusual transactions.

4. Revenue

Revenue generally arises from:

1. LACAHSAs fund distributions
2. Grants
3. Direct donor contributions

The principal steps in the receipt of revenue process are:

The Trust Manager is responsible for providing the Trust Treasurer with notice of any grant funding awards and a copy of the grant application and grant/funding agreement.

The Trust Manager and Trust Treasurer are responsible for reviewing all grant agreements to ensure proper recording of the Trust's books and the process of ensuring compliance with the grant/funding agreement.

The Trust Manager will provide the Trust Treasurer with guidance regarding direct grant expenses. The Trust Manager and the Trust Treasurer will agree on the allocation of indirect expenses applicable to the grant.

The Trust Treasurer will review the expense allocations and grant reports with the Trust Manager periodically.

All grants or contributions received should be submitted via wire or ACH deposit into the Trust's checking account. In the cases where a check is submitted to the Trust, the Administrative Staff shall open the mail and provide the check to the Accounting Staff. Accounting Staff shall log the check in a receipts log and make a copy of the check for the Finance Manager or Trust Treasurer and deposit any contributions into the Trust's checking account. Once funds are held on deposit in the Trust's checking account, they will immediately be transferred into the Trust's investment account, if established. The Finance Manager shall keep record of deposit entries.

5. Revenue Recognition

Cost Reimbursable Grants and Contracts

Revenue from cost-reimbursable grants and contracts is recorded to the extent of expenses incurred applicable to the grant or contract. Any difference between expenses incurred and the total funds received (not to exceed the grant or contract maximum) is recorded as receivable or an advance, whichever is applicable.

Other Grants

Revenue from other grants is recognized on an accrual basis as earned according to the provisions of the grant.

Cash Contributions

Contributions primarily include unconditional promises to give cash or other assets. Contributions, whether with or without donor restrictions, are recognized as revenue when they are received. Unconditional promises to give are reported at fair value on the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received or when the conditions expire, whichever occurs first.

Contributions are reported as contributions with donor restrictions if they are received with donor stipulations that limit the use of cash or other assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Donations in Kind

Contributions of donated noncash assets are recorded at fair value in the period received.

Donated services are recognized if the service requires specialized skills, is provided by individuals possessing the skills and the service would otherwise need to be purchased. In order to comply

with the related accounting rules, certain services would be recorded as revenues and expenses. Such services would be those professional services that would otherwise have been paid for, which were provided by a person whose work would normally include providing those services.

Any donated assets that would meet the definition to be capitalized will be recorded as revenue and as fixed assets.

6. Matching Principle

Some of the general guidelines that the Trust must comply with under GAAP are the Matching Principle and Accrual Accounting. Consequently, if the Trust has incurred expenses such as the delivery of office supplies or performance of services but the vendor has not invoiced the organization for such delivery or performance of the service by the end of the month, such expenses should be accrued as an expense in the fiscal period the goods were delivered, or services were performed.

In order to strengthen internal controls over recording of accrued expenses in the Trust's books of accounts, the journal entries relating to the recording of the accrued expenses should be adequately documented by either a copy of vendors invoices, signed contract, engagement letter, correspondence from vendor or other acceptable forms of documentation verifying such delivery of goods or performance of services.

7. Cash Disbursements & Expense Allocations

Cash disbursements are generally made for:

1. Payments to vendors for goods and services
2. Payments in the form of grants/awards or loans to accomplish the organization's mission
3. Staff compensation, training, and development
4. Memberships and subscriptions
5. Meeting/travel expenses
6. Reimbursements of Trust expenses paid with a personal card or cash
7. Marketing/promotional materials
8. Minor equipment

Accounts Payable is processed monthly. Invoices submitted by second Tuesday of each month at 5:00 p.m. will generally be approved for payment by the Trust Board at their meeting that month. The Trust will pay the approved invoices within 3 business days of approval.

In situations where the Trust Board does not meet monthly, the Trust Chair and Trust Vice Chair can approve Accounts Payable that are within budget. A report of approvals shall be distributed to the Trust Board between meetings and a consent calendar item ratifying the approvals shall be on the next Board meeting agenda.

In time-sensitive emergency situations for non-budgeted items, the Trust Executive Director may request approval by the Trust Chair or Trust Vice-Chair. Non-budgeted items over \$50,000 require approval by the Board.

Requests for cash disbursements are submitted to accounting in three ways:

1. Original vendor invoice. The goal is for vendors to submit themselves and cc: the appropriate Trust staff.
2. Purchase request.
3. Employee/outsourced personnel expense report or reimbursement request.

All invoices must indicate if the expense is a general expense or if the expense applies to a specific grant or program.

The Trust complies with IRS regulations, which require that all business expense reimbursement requests be substantiated with adequate records. This substantiation must include information relating to the:

- (1) amount of the expenditure
- (2) time and place of the expenditure
- (3) business purpose of the expenditure, and
- (4) names and the business relationships of individuals other than yourself for whom the expenditures were made.

Requests for reimbursement lacking this information will not be processed and will be returned to the originator.

The Expense Reimbursement process requires that only one (1) PDF of all the detailed receipts with the Expense Reimbursement request be submitted.

The Accounting Staff will:

1. Immediately enter the invoices submitted into the Accounts Payable module in the Trust's accounting software.

2. Provide or verify appropriate expense allocation information.
3. Ensure the appropriate general fund, restricted fund, or program fund entries are made in the Trust's accounting software.
4. Verify expenditure and amount and that a detailed receipt for each item is received.
5. Run accounts payable aging at the middle and end of each month and submit to the Trust Manager to ensure timely payment of all invoices.

The Trust Manager reviews all requests for payment and:

1. Recommends Board approval for payment if in accordance with the budget.
2. Depending upon the amount of the invoice, receives one or two approval signatures on the check to be obtained from the Trust Board Chair, the Trust Board Vice Chair, the Trust Treasurer, or the SBCCOG Finance Manager.

8. Credit Card Policy and Charges

Anyone authorized to carry an organization credit card will be held personally responsible in the event that any charge is deemed personal or unauthorized. Unauthorized use of the credit card includes personal expenditures of any kind; and expenditures which have not been properly authorized; meals, entertainment, gifts, or other expenditures which are prohibited by budgets, laws, and regulations, and the entities from which the Trust receives funds. Such unauthorized use of the credit card will be grounds for termination, removal, or dismissal, and legal prosecution.

The receipts for all credit card charges will be given to the Accounting Staff within two (2) weeks of the purchase along with proper documentation and applicable allocation information for posting. The Accounting Staff will verify all credit card charges with the monthly statement. bank account. The Finance Manager will review and sign off on the posting, and the Trust Board will approve payment of the monthly statement.

9. Accruals

To ensure a timely closing of the General Ledger, the Trust will book accrual entries on a monthly basis. Some accruals will be made as recurring entries.

Accruals to consider:

1. Monthly interest earned on money market accounts, certificates of deposits, investments, etc.

2. Recurring expenses, including employee vacation accrual, prepaid corporate DEO/cyber/EO/other insurance, other prepaid expenses, depreciation, etc.
3. Mark-to-Market adjustments for the investment accounts.

10. Bank Account Reconciliations

1. Monthly bank account reconciliations are required to be completed by the Accounting Staff. Finance Manager is required to sign off and note the date of completion of the bank reconciliation. The completed bank reconciliation will be retained.
2. Each entry in the Transaction Register in the Trust's accounting software agrees to the balance reflected in the Trust's checking account. Accordingly, the bank account balance and the balance reflected in the Trust's accounting software can be traced on a transaction-by-transaction basis. As the Accounting Staff enters transactions into the Transaction Register, each transaction is compared to the Trust's checking account balance to ensure they both agree.
3. The Accounting Staff will review account to ensure any payments issued that have not been posted in the bank account are reflected in the bank reconciliation.
4. The Accounting Staff will verify that voided transactions are appropriately recorded.
5. The Accounting Staff will investigate any payments made that are outstanding over six months.

11. Petty Cash Fund

No petty cash funds are maintained by the organization.

12. Inter-Account Bank Transfers

The Finance Manager monitors the balances in the checking account(s) to determine when there is a shortage or excess in the account. The Finance Manager recommends to the Trust Treasurer and notifies the Trust Manager and/or Trust Executive Director that a transfer should be made to maximize the potential for earning interest. Should the Trust Executive Director be unavailable, the Trust Chair and Vice Chair may be notified. Upon approval by the Trust Executive Director (or Trust Chair/Vice Chair), the Trust Treasurer shall process the transfer.

In addition to the Trust Chair and Trust Vice Chair, the Trust Treasurer and Finance Manager will serve as authorized agents/signers on the checking account, which handles day-to-day Trust

financial activity. If grant funds are deposited in the checking account, they must be transferred to the Trust's investment account, if established, within two weeks of the deposit date.

13. Independent Contractor Records

1. All Trust personnel retained as independent contractors must complete *Form W-9, Request for Taxpayer Identification Number and Certification*, and return it to the Trust Treasurer before remittance of the first invoice can be paid. Such a form is to be resubmitted every third year by the independent contractor upon the request of the Trust Treasurer.
2. The completed Form W-9 is placed in a secure cloud file maintained by the Trust Treasurer.
3. All contracts with independent contractors are kept in a secure cloud file maintained by the Trust Executive Director or their designee.
4. The written Trust Board approval of the initial hiring and subsequent performance reviews of the Trust Manager is placed in a secure cloud file maintained by the Trust.

14. End of Month and Fiscal Year-End Close

1. The Finance Manager will review and approve all month- and year-end journal entries prepared by the Accounting Staff. The Trust's accounting system stores the entries in the cloud for audit trail purposes.
2. At the end of each month and fiscal year-end, the Finance Manager will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations, fixed assets accounts reflect all purchases, deferred revenue, write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The income and expense accounts review will ensure consistent reporting within the Chart of Accounts and appropriate allocation to grants or programs.
4. Once the final monthly and fiscal year-end financial reports are run, reviewed, and approved by the Finance Manager, no more entries or adjustments will be made into that month or year's ledgers. Finance Manager may enter and approve post close adjustments.
5. All other appropriate government filings including those required by the state or other regulatory agencies will be completed and filed with the appropriate agency.
6. Data Cutoff. To meet the deadlines for producing reports discussed in the following

section, the gathering of information to use in making the month-end entries must be cut off by a certain date which shall be the 5th day of the following month.

7. The monthly financial statements are due to the Trust Executive Director by approximately the 15th day after the month's end. Any payables or other information not available by the 5th day after the month's end will be classified in the next period. Accounting may need to use estimates if final information is not available on a significant additional transaction.
8. The year-end financial statements are due to the Trust Executive Director no later than thirty (30) calendar days after year-end. For these reports, a cutoff of three weeks will be used. Since the year-end is the most important period cutoff, the General Ledger will continue to be held open for additional material transactions through the conclusion of the financial audit fieldwork.

15. Financial Reports

The Accounting Staff will prepare the monthly and annual financial reports for distribution to the Trust Treasurer. The reports will include a balance sheet, statement of income and expenses, budget versus actual report for each program/fund which has an established budget, a budget versus actual report for the organization, accounts receivable aging, accounts payable register and aging, investment report, any cash flow projection, and any other requested reports.

Periodic and annual financial reports will be submitted and presented by the Trust Manager to the Trust Board for review and acceptance.

The annual financial report shall be prepared and distributed in compliance with the Joint Exercise of Powers Act and the Trust's Joint Exercise of Powers Agreement.

16. Fiscal Policy Statements

1. The Trust will utilize the accrual method of accounting according to Generally Accepted Accounting Principles (GAAP).
2. The Trust will adopt a fiscal year beginning on July 1 and ending on June 30.
3. All checking accounts owned by the Trust will be held in financial institutions that are insured by the FDIC. No bank account will carry a balance over the FDIC-insured amount, currently \$250,000.

4. In general, any funds not needed in the Trust's checking account at any time will be invested with the Trust's investment account, if established.
5. No independent contractor or vendor advances will be made under any circumstances.
6. No travel cash advances will be made except under special conditions and pre-approved in writing by the Trust Executive Director, Trust Board Chair, or Trust Board Vice Chair.
7. Reimbursements will be paid upon complete expense reporting and approval. Reimbursements and payments to the Trust Executive Director must be authorized by the Trust Board Chair or Vice Chair.
8. All material volunteer time or other donated services and rent shall be recorded as in-kind donations in the Trust's books pursuant to Generally Accepted Accounting Principles (GAAP).
9. The Trust Board Chair and Vice-Chair are primary signatories to Trust bank checking accounts. The Trust Treasurer and Finance Manager serve as signatories only when the Trust Board Chair and Trust Board Vice Chair are unavailable. Payments to vendors over \$10,000 and within budget require approval from Trust Board unless it does not meet in a timely fashion in which case either the Trust Board Chair or Vice Chair may approve and shall report to the Trust Board at its next meeting.
10. Financial documents require the same signature authorities as invoices.
11. Loan documents may be signed by the Trust Executive Director or Trust Manager after Trust Board approval.
12. All wires must be approved by the Trust Executive Director in writing before the Trust Treasurer can issue the wire.
13. The Trust Treasurer may set up ACH withdrawals for monthly recurring payments of the accounting and bill pay software and similar programs needed to carry out his/her duties in setting up and managing the financial systems.
14. All grant agreements require written Trust Board approval before execution by the Trust Executive Director.

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Agenda Item V-C
Investment Policy

SOUTH BAY REGIONAL HOUSING TRUST

STATEMENT OF INVESTMENT POLICY

Introduction

The South Bay Regional Housing Trust (“SBRHT” or “Trust”) was established on April 1, 2026, by the execution of the Joint Exercise of Powers Agreement (the “Agreement”) pursuant to the Joint Exercise of Powers Act set forth at California Government Code Section 6500 *et seq.*¹

The vision of the Trust is to secure funding for the region that will increase the production of affordable housing and provide safe and quality homes for lower- and moderate-income individuals and families. The mission of the Trust is to finance the development of affordable housing in the region and thereby increase the supply of housing to lower- and moderate-income individuals and families.

This Investment Policy has been created to formalize the Trust's commitment to employing prudent investment strategies of its available funds. It aims to uphold public interest by effectively managing investments and ensuring fiscal responsibility and accountability. Any necessary changes to this policy will be made in accordance with federal or state requirements. The Trust Board of Directors will conduct an annual review and adopt revisions during regular meetings as needed.

I. Policy Statement

The Trust, through the adoption of this policy, shall invest public funds in a manner that will:

1. Safeguard the principal of the funds under its control.
2. Meet the liquidity needs of the Trust.
3. Achieve a return on the funds under its control.²

Further, the Trust will conform to all applicable Federal, State, and Trust statutes governing the investment of public funds.

II. Maintain The Public Trust

¹ California Government Code Section 6539.1 pertains to the establishment of regional housing trusts. It outlines the legal framework for creating these trusts, specifying their purposes, which primarily involve addressing housing needs for homeless populations and individuals and families with low to moderate incomes. The section details the formation process, the trust's powers, and the allocation of funds, emphasizing the goal of providing affordable housing and support services within the region. Additionally, it specifies the trust's authority to partner with public and private entities to achieve its objectives.

² These are the three funding priorities according to California Government Code Section 53600.5
Page 1 of 9

All participants in the investment process shall act as custodians of the public trust. Participants shall recognize that the investment portfolio is subject to public review and evaluation. The overall policy shall be designed and managed with a degree of professionalism that is worthy of the public trust.

III. Delegation of Authority

The Trust Treasurer is the designated investment officer of the Trust and is responsible for implementing the investment policy and activities. The Trust Treasurer, Trust Chair, and Trust Vice Chair are authorized to order the deposit or withdrawal of funds in the Local Agency Investment Fund (LAIF).

IV. Investment Philosophy and Prudence

The standard of prudence to be used in the investment function shall be the “Prudent Investor Standard” and shall be applied in the context of managing the overall portfolio. Securities shall generally be held until maturity, with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal.
- Liquidity needs of the portfolio require that the security be sold.
- A security swap would improve the quality, yield, or target duration in the portfolio.

Prudent Investor Standard: When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law. In consideration of an investment, the safety of the capital as well as income is part of the “prudent person” approach. Investment officers acting in accordance with the investment policy 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 a timely fashion and appropriate action is taken to control adverse developments.

V. Scope

The scope of this investment policy applies to all financial assets and funds held by the Trust. The Trust Executive Director is authorized to invest the Trust’s funds as prescribed by California Government Code Sections 53600 *et seq.*

VI. Objectives

The investment policy and practices of the Trust Executive Director for the Trust are based upon State law and prudent money management. The primary objectives of this policy are in priority

order:

SAFETY OF PRINCIPAL: Safety of principal is the foremost objective of the Trust. The investment of funds shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To achieve this goal, diversification is required in the portfolio's composition. The investment portfolio will be diversified to avoid unreasonable and avoidable risks regarding specific security types and individual financial institutions. With diversification, failure of any one institution would not unduly harm the Trust's cash flow.

LIQUIDITY: The investment portfolio shall be structured to match expected cash flow needs. Trust investments must be able to be easily sold with minimal risk of loss of principal or interest.

Therefore, the Trust's investment portfolio will remain sufficiently liquid to enable the Trust to meet operating requirements which might be reasonably anticipated.

YIELD: Return on investment becomes a consideration after the basic requirements of investment safety and liquidity are achieved. The Trust's investment portfolio shall be designed with the objective of attaining a benchmark rate of return throughout budgetary and economic cycles commensurate with the Trust's investment risk constraints and the cash flow of the portfolio. The Trust's investment portfolio is designed to operate on a general "buy and hold" premise.

VII. **Authorized Investments and Suitable Investments**

It is the policy of the Trust to diversify its investment portfolio. Invested funds shall be diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity, specific issuer, or specific class of securities. As part of the Trust Treasurer's diversification strategy, investments will be matched with anticipated cash flow requirements. Investment of Trust funds is governed by the California Government Code Sections 53600 *et seq.*

One of the eligible and authorized investment options for the Trust is to invest available funding into the Local Agency Investment Fund (LAIF), a voluntary program created by statute, which began in 1977 as an alternative for California's local governments and special districts, and it continues today under the State Manager's office. The enabling legislation for the LAIF is California Government Code Section 16429.1 *et seq.* The LAIF has grown from 293 participants and \$468 million in 1977 to 2,341 participants and \$20.3 billion at the end of July 2024. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Manager's Office professional investment staff at no additional cost to the taxpayer. The maximum amount any one agency can invest in LAIF is \$75 million.

So rather than the complication of the Trust Board of Directors and the Trust Treasurer reviewing and deciding which investments meet the various government codes and limits,

the Trust has the option to utilize the expertise of the State Manager's office to manage the Trust's available investment funds.

In the event the Trust Board of Directors desires investments in addition to the LAIF, the following investments are authorized as further limited herein:

A. **United States Treasury Obligations** 100% Maximum

United States Treasury Bill, Notes and Bonds, or those for which the full faith and credit of the United States are pledged for payment of principal and interest. This investment is both safe and liquid. There is no percentage limitation on the funds that can be invested in this category. Although a five-year maturity limitation is applicable.

B. **Federal Agency Obligations** 100% Maximum

The Trust may invest in federally sponsored agency securities including obligations issued by the Government National Mortgage Association (GNMA), the Federal Farm Credit Bank System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Agricultural Mortgage Corporation (Farmer Mac) and the Federal National Mortgage Association (FNMA). The "prudent investor" rule shall apply to a single agency name, as U.S. Government backing is implied rather than guaranteed. There is no percentage limitation on the funds that can be invested in this category. Although a five-year maturity limitation and a maximum of forty percent (40%) per issuer is applicable.

C. **Collateralized Time Deposits (CDs)** 50% Maximum

The Trust may invest in non-negotiable time deposits collateralized in accordance with Government Code Sections 53651-53652 in those banks that meet the requirements for investment in Certificates of Deposit. All investments in time deposits must be issued by a financial institution whose performance has been reliable and whose safety rating meets the standards established by the Trust Treasurer. The Trust Treasurer will periodically monitor the operating performance of all financial institutions holding Trust time deposits. Financial institutions must provide proof of collateralization by submitting third-party trustee reports detailing securities that represent collateralization for Trust accounts monthly. Collateralization will be required for certificates of deposit. The Trust chooses to limit collateral to the Government Securities. Collateral will always be held by an independent third party. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the Trust and retained.

D. **Banker's Acceptances**

10% Maximum

The Trust may invest in Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed seven days to maturity or thirty percent of the market value of the funds and shall follow Government Code Section 53601(g).

E. **Commercial Paper**

15% Maximum

The Trust may invest in Commercial Paper with a short-term rating of "P-1" by Moody's Investor Services or "A-1" by Standard and Poor's and issued by a corporation that is organized and operating within the United States with assets more than \$500,000,000 and having an "A" or better rating on its long-term debentures, if any, as provided by Moody's or Standard and Poor's. Purchases of eligible commercial paper may not exceed fifteen (15%) of the market value of the Trust's funds nor represent more than ten (10%) from any single issuing corporation. The term to maturity may not exceed 270 days.

F. **Negotiable Certificates of Deposits**

30% Maximum

The Trust may invest in negotiable time deposits issued by a financial institution whose performance has been reliable and whose safety rating is four stars or better. The Trust Treasurer will periodically throughout the year monitor the operating performance of all financial institutions holding deposits.

G. **Certificates of Deposit – Private Placement**

30% Maximum

The Trust may invest in Certificates of Deposit through a selected depository institution that utilizes a private sector entity to assist in the placement of certificates with one or more depository institutions to always ensure that the full amount of the deposit and accrued interest be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. These investments are commonly identified as CDARS, and are in accordance with California Government Code Section 53601.8.

H. **Local Agency Investment Fund**

\$75 Million Per Account

The Trust may invest in the Local Agency Investment Fund (LAIF) as established by the State Manager of California for the benefit of local agencies up to the maximum amount permitted by State law, which is currently \$75 million per account.

I. **Money Market Funds or Mutual Funds**

20% Maximum

The Trust may invest in shares of beneficial interest issued by diversified management companies that are money market funds (MMFs) registered with the Securities and Exchange Commission under the federal Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for investment, these companies shall either: (1) attain the highest rating of AAA by at least two nationally recognized statistical rating organizations, one of which must be S&P or Moody's, or (2) retain an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million. No more than 10% of the surplus funds may be invested in shares of any one money market fund. Allowable investments for this category shall be limited to MMFs which primarily invest only in government securities and repurchase agreements collateralized by government securities.

J. **Medium Term Corporate Notes**

20% Maximum

The Trust may invest in debt securities issued by a corporation organized and operating in the United States or a depository institution licensed by the United States or any state and operating within the United States. Local agencies are restricted by California Government Code to invest in corporations rated in the top three note categories by Moody's Investor Service, Inc., and/or Standard and Poor's Corporation, the lowest being a rating category of "A. No more than 5% of surplus funds may be invested in any single issuer. If an issuer is downgraded, an analysis will be prepared showing the Trust's exposure and to determine whether the security should continue to remain in the portfolio or sold.

K. **State/Municipal Bonds**

20% Maximum

The Trust may invest in bonds issued by the State of California or any local agency in the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency. All bonds must be rated AA or better by Moody's or Standard & Poor's. Due diligence must be performed to ensure that the revenues dedicated to the repayment of the bonds and interest cannot be interrupted.

L. **Supranational Obligations**

10% Maximum

The Trust may invest in United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development of the World Bank (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IABD), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments must have a minimum rating of AA by Moody's and Standard & Poor's and shall not exceed 30% of the Trust's

surplus funds, and not more than 5% of the market value of the portfolio may be invested in notes issued by any one supranational.

VIII. **Bond Revenue**

Bond revenue, if any, shall remain separate from the Trust investment and administrative accounts. These funds shall be invested pursuant to the instructions provided by the bond indenture. Should the bond indenture conflict with this policy, then such investments shall be made in accordance with the bond indenture.

IX. **Authorized Financial Dealers and Institutions**

The Trust will work with the California State Manager's office regarding the LAIF to invest all Trust funding. Any other financial dealers and institutions must be approved by the Trust Board of Directors and provide proof that they are financial institutions authorized to provide investment services in the State of California. All Trust financial dealers and institutions must further ensure that investments are purchased only through well-established, financially sound institutions, a list will be maintained of approved security brokers/dealers selected by credit worthiness, adequate capitalization, and an agreement to abide by the conditions outlined in the Trust's Investment Policy.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the Trust's Investment Policy, and in turn must supply the Trust Treasurer with the following:

- Current audited financial statements
- A copy of the latest FDIC Call Report or FHLBB Report, as appropriate
- Proof of FINRA certification and good standing
- Proof of State or Federal registration or charter, as appropriate
- Completed broker/dealer questionnaire
- Certification of having read and agreed to the Trust's investment policy
- Depository contract
- Proof that brokerage firms are members in good standing on a national securities exchange.
- Must be a member of the SIPC- Securities Investors Protection Corporation

An annual review of the financial condition and registrations of qualified bidders will be conducted by the Trust Treasurer.

X. **Internal Control**

The Trust Treasurer shall establish appropriate procedures designed to provide proper control over investments and deposits. On an annual basis these controls will be reviewed in conjunction with the annual audit of the Trust. This review will assure compliance with policies and procedures.

XI. **Ethics and Conflicts of Interest**

The Trust Treasurer shall avoid any transaction that might impair public confidence in the Trust's ability to govern and manage the investment of public funds in an effective manner. The Trust Treasurer or any other official charged with the responsibility of making investment decisions shall have no vested interest in any investment being made involving public funds of the Trust and shall gain no financial benefit from such investment decisions. All participants in the Trust's investment process shall seek to act responsibly as custodians of the public trust and shall immediately disclose to the Trust Board of Directors any material financial interests in financial institutions that conduct business within their jurisdiction as well as any large personal financial/investment positions that could be related to the performance of the Trust.

XII. **Performance Standards**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. Given this objective, the benchmark for investments shall reflect the prominent and persistent characteristics of the portfolio over time. The benchmark may be adjusted periodically when material changes take place.

XIII. **Reporting**

The Trust Treasurer shall render quarterly investment reports to the Trust Board of Directors. In addition, the Statement of Investment Policy will be provided annually. The monthly reports shall include:

- The Par/Face, Cost and Market value of the investment
- The classification of the investment
- The name of the institution or entity
- The maturity date
- Percentage of the investment portfolio represented by each investment category
- A statement of compliance or manner in which the portfolio is not in compliance
- A statement as to the ability of the Trust to meet its expenditure requirements for the next six months or an explanation of why sufficient money may not be available

XIV. **Investment Policy Review**

The investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of SAFETY, LIQUIDITY, and YIELD and its relevance to current law, financial, and economic trends and to meet the needs of the Trust. The Trust's investment policy shall be adopted by resolution by the Trust Board of Directors. This policy shall be reviewed annually by the Trust Board of Directors and any amendments to the investment policy must be approved by a unanimous vote of the Trust Board of Directors.

XV. **Review of Investment Portfolio**

The securities held by the Trust must follow Section VII Authorized and Suitable Investments at the time of purchase. Because some securities may not comply with Section VII Authorized and Suitable Investments subsequent to the date of purchase, the Trust Treasurer shall at least quarterly review the portfolio to identify those securities that do not comply. The Trust Treasurer shall report to the Trust Board of Directors any major and critical incidences of noncompliance identified through the review of the portfolio.

XVI. **Collateralization**

Pursuant to Government Code Sections 53652 through 53667, the Trust requires depositories to post certain types and levels of collateral for public funds above the Federal Deposit Insurance Corporation (FDIC) insurance amounts. The collateral requirements apply to bank deposits and certificates of deposit.

Collateral shall always be held by an independent third party with whom the entity has a current written custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of substitution is granted.

Agenda Item V-D
Conflict of Interest Code

**Conflict of Interest Code
of the
South Bay Regional Housing Trust**

Incorporation of FPPC Regulation 18730
(2 California Code of Regulations, Section 18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730), that contains the terms of a standard conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, is hereby incorporated into the South Bay Regional Housing Trust ("Agency") conflict of interest code. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this Agency.

Place of Filing of Statements of Economic Interests

Officials Who Manage Public Investments shall electronically file their annual statements of economic interests directly with the Fair Political Practices Commission. All designated positions required to submit a Statement of Economic Interests ("Statement") shall file their Statements with the Agency head, or his or her designee.

The Agency shall retain the originals of Statements for all other Designated Positions named in the Agency's conflict of interest code. All retained Statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

SOUTH BAY REGIONAL HOUSING TRUST

EXHIBIT "A"

CATEGORY 1:

Persons in this category shall disclose all interest in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the Agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

CATEGORY 2:

Persons in this category shall disclose all investments and business positions.

CATEGORY 3:

Persons in this category shall disclose all income (including gifts, loans and travel payments) and business positions.

CATEGORY 4:

Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by the Agency and associated with the job assignment of designated positions assigned to this disclosure category.

SOUTH BAY REGIONAL HOUSING TRUST

EXHIBIT "B"

Designated Positions

Disclosure Categories

Finance Manager

4

Consultants/New Positions*

*Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director or his or her designee may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director or his or her designee's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov. Code Section 81008.)

Individuals who perform under contract the identical duties of any designated position shall be required to file Statements disclosing reportable interests in the categories assigned to that designated position.

EFFECTIVE DATE: July 16, 2026

SOUTH BAY REGIONAL HOUSING TRUST

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3(b), are NOT subject to the Agency's Code, but must file under Government Code Section 87200 *et seq.* [Regs. § 18730(b)(3)]. These positions are listed for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments:

Member, Board of Directors
Alternate Member, Board of Directors
Trust Executive Director
Trust Manager
General Counsel

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

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Agenda Item V-F

Resolution 2026-3 – Trust Treasurer Appointment

RESOLUTION NO. 2026-3

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL HOUSING TRUST DESIGNATING A TREASURER OF THE SOUTH BAY REGIONAL HOUSING TRUST

Recitals:

A. Pursuant to Article II, Section F of the Bylaws of the South Bay Regional Housing Trust, the Board of Directors shall designate a Treasurer of the Trust.

B. The Board of Directors hereby designates Jasmine Allen, Deputy City Treasurer for the City of Torrance as the Treasurer of the Trust.

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors of the South Bay Regional Housing Trust as follows:

1. Jasmine Allen, Deputy City Treasurer for the City of Torrance, is hereby designated the Treasurer of the Trust starting July 17, 2026.

PASSED, APPROVED, AND ADOPTED this 16th day of July 2026.

Chair (Signature)

ATTEST:

Clerk of the Board (Signature)

Agenda Item V-G

Resolution 2026-4 – Updates to Bank Signers

RESOLUTION NO. 2026-4

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAY REGIONAL HOUSING TRUST DESIGNATING AUTHORIZED SIGNERS FOR BANKING PURPOSES

Recitals:

A. A bank account for the South Bay Regional Housing Trust will be established at Malaga Bank

B. The Board hereby designates authorized signers for the bank account to: sign checks; initiate ACH payments; transfer funds between operating and investment accounts; and conduct other tasks related to the financial operations of the South Bay Regional Housing Trust.

NOW, THEREFORE, IT IS RESOLVED by the Board of Directors of the South Bay Regional Housing Trust as follows:

1. The designated signers for the South Bay Regional Housing Trust bank account with Malaga Bank are the individuals currently in the positions as follows:

Chairperson

Vice-Chairperson

Treasurer

PASSED, APPROVED, AND ADOPTED this 16th day of July 2026.

Chair (Signature)

ATTEST:

Clerk of the Board (Signature)

Agenda Item VI-C

Survey of Housing Trust Programs

South Bay Regional Housing Trust

AGENDA ITEM: VI-C

July 16, 2026

TO: SBRHT Board of Directors
FROM: Jacki Bacharach, Interim Trust Executive Director
SUBJECT: Survey of Housing Trust Programs

RECOMMENDED ACTION:

RECEIVE AND FILE THE SURVEY OF HOUSING TRUST PROGRAMS

BACKGROUND:

At the June meeting of the Trust Board of Directors, the Trust Board directed staff to prepare a survey of programs currently offered by other housing trusts in Southern California. Trust staff examined the programs offered by three other housing trusts, the San Gabriel Valley Regional Housing Trust (SGVRHT), Gateway Cities Affordable Housing Trust (GCAHT), and the Orange County Housing Finance Trust (OCHFT), all of which have a multi-year history and the same organizational structure as the South Bay Regional Housing Trust.

DISCUSSION:

Each of the three trusts provides the type of programs and services that have been discussed previously for the SBRHT to offer in the future. Notably, none of the trusts have ever provided programs for homeownership or moderate-income housing.

San Gabriel Valley Regional Housing Trust

The SGVRHT provides three large-scale programs: a Revolving Loan Fund; a PPO NOFA; and Tiny Home Bridge Housing.

The SGVRHT created the Revolving Loan Fund in June 2022 to provide short-term acquisition and predevelopment loans to affordable housing projects within the San Gabriel Valley. The Revolving Loan Fund is currently capitalized with \$12.8 million, initially funded with \$7.8 million from a State Budget Earmark and \$5.0 million from the Southern California Association of Government's (SCAG's) Regional Early Action Planning (REAP) 2.0 Program. The Revolving Loan

Fund provides loans of up to \$4,000,000 for a term of 36 months. Interest rates are set significantly below the market-rate interest for similar acquisition and predevelopment loans.

SGVRHT's PPO NOFA makes LACAHSAs Measure A PPO – New Construction funding available for both residual receipts loans and operating deficit reserves. The FY 2025-2026 NOFA made \$12.0 million in PPO funding available to projects in the San Gabriel Valley. Maximum loan amounts for residual receipts loans are \$12 million per project and \$300,000 per units. Maximum loan amounts for operating deficit reserves are \$3 million per project and \$75,000 per unit.

SGVRHT's Tiny Home Bridge Housing developments include four communities of tiny homes throughout San Gabriel Valley. They were developed in partnership between the SGVRHT, San Gabriel Valley Council of Governments, and the cities in which the communities are located. These developments provide bridge housing between emergency shelters and permanent supportive housing for individuals and families experiencing homelessness. These developments were funded through a State Budget Earmark.

The SGVRHT has not yet publicly identified how it intends to allocate its PPO – Flexible funding from LACAHSAs.

Gateway Cities Affordable Housing Trust

The GCAHT provides two large-scale programs: an Affordable Multi-Family Loan Program; and a Predevelopment Loan Program, which is currently in development.

The GCAHT's Multi-Family Loan Program provides residual receipt soft loans to both tax credit projects, and smaller projects not utilizing traditional affordable housing financing sources. This loan program is funded with a combination of Measure A PPO – New Construction, Permanent Local Housing Allocation, Local Solutions Fund, and Local Housing Trust Fund Program funding. The GCAHT makes multiple NOFAs available each year, aligned with tax credit funding cycles. The GCAHT does not provide a maximum loan amount, but does provide per-unit loan limits between \$140,000 and \$360,000, depending on unit size and affordability restrictions. However, each NOFA has only made between \$4.0 and 5.2 million available at a time, which creates a de facto loan limit.

The GCAHT's Predevelopment Loan Program is currently in development. The GCAHT was awarded \$5 million from SCAG through the REAP 2.0 Program to create this program. The GCAHT is partnering with Community Development Financial Institutions (CDFIs) to implement and expand the program. It is anticipated that the CDFIs that the GCAHT partners with will provide an additional \$5 million from their own sources, for a total Predevelopment Loan Program fund of \$10 million. These funds will be used for acquisition and predevelopment expenses for new pipeline projects in the Gateway Cities sub-region.

Orange County Housing Finance Trust

The OCHFT also provides two large-scale programs: a Permanent Supportive and Affordable Housing Loan Program; and a Predevelopment Loan Program, which is also still currently in development.

The OCHFT's Permanent Supportive and Affordable Housing Loan Program provides residual receipt soft loans to projects primarily funded with tax credits. The OCHFT issued annual NOFAs between 2020 and 2024, making a total \$54.9 million available to projects in Orange County. This program was funded with a combination of County of Orange General Funds, Mental Health Services Act, Local Housing Trust Fund Program, and both Federal and State Budget Earmarks. Loans are limited to \$3.5 million per project.

The OCHFT's Predevelopment Loan Program is nearly identical to the GCAHT's Predevelopment Loan Program.

The OCHFT did attempt to implement an Accessory Dwelling Unit (ADU) Loan Program to provide construction loans to homeowners building an ADU. These loans would require the homeowners to agree to a regulatory agreement that would restrict the income of the ADU tenants to be lower income. While the OCHFT received funding from CalOptima for this program, the Trust's Board of Directors elected to return the funding and terminate the program due to the difficulty in issuing and servicing loans made to individual homeowners.

Burbank-Glendale-Pasadena Regional Housing Trust

The BGPRHT has implemented two distinct affordable housing funding strategies.

First, the Trust received approximately \$4.0 million through the State's CalHome Program to establish a First-Time Homebuyer Mortgage Assistance Program. The program provides deferred-payment down payment assistance loans to income-qualified first-time homebuyers purchasing homes within Burbank, Glendale, and Pasadena. Unlike the other housing trusts surveyed, this program provides financing directly to individual homebuyers rather than affordable housing developers.

Second, the BGPRHT is utilizing its Measure A funding differently than most regional housing trusts. Rather than directly making development loans, the Trust allocates Measure A funds to its member cities through subrecipient agreements. The cities then administer those funds and provide financing for affordable housing developments, including construction and permanent residual receipts loans, consistent with each city's local housing priorities. This approach differs from the lending model used by the Gateway Cities, Orange County, and San Gabriel Valley housing trusts, all of which administer their loan programs directly through the regional housing trust.

SUMMARY:

Three of the housing trusts surveyed primarily provide ongoing funding for rental affordable housing projects through acquisition and predevelopment loans or residual receipts soft loans. While there are significant differences in program design and project scoring, the underlying loan structures and affordability requirements are largely similar.

The BGPRHT has expanded beyond this traditional model by implementing a State-funded CalHome First-Time Homebuyer Mortgage Assistance Program for individual homebuyers. In addition, the Trust allocates Measure A funding directly to its member cities, which administer construction and permanent residual receipts loan programs based on their local housing priorities. Together, these programs illustrate an alternative approach that combines regional homeownership assistance with city-administered affordable housing financing.

Prepared by CivicHome

South Bay Regional Housing Trust Program Survey

JULY 16, 2026 – 3:30PM

1

SAN GABRIEL VALLEY REGIONAL HOUSING TRUST



- Revolving Loan Fund
- PPO NOFA
- Tiny Home Bridge Housing

2

SGVRHT REVOLVING LOAN FUND



- Funds both acquisition and predevelopment expenses
- Total fund amount is \$12.8 million
 - \$7.8 million from State Budget Earmark
 - \$5.0 million from SCAG REAP 2.0
- Maximum loan amount of \$4 million for 36 months

3

SGVRHT PPO NOFA



- Provides for both Residual Receipts Loans and Operating Deficit Reserves
- Total FY 25-26 NOFA of \$12.0 million
 - Funded by LACAUSA
- Average award amount of \$6.24 million per project

4

SGVRHT TINY HOME BRIDGE HOUSING



- Provides bridge housing between emergency shelters and permanent supportive housing for individuals and families experiencing homelessness
- Partnership between Trust, COG, and cities
- \$4 million pilot program for four sites
 - Funded with State Budget Earmark

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GATEWAY CITIES AFFORDABLE HOUSING TRUST



- Affordable Multi-Family Loan Program
- Predevelopment Loan Program (in development)

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GCAHT AFFORDABLE MULTI-FAMILY LOAN PROGRAM



- Multiple NOFAs per year, aligned with State funding programs
- \$17.3 million made available since 2023
 - LACAHS A PPO – New Construction – \$7.6 million
 - Permanent Local Housing Allocation – \$3.3 million
 - Local Solutions Fund – \$4 million
 - Local Housing Trust Fund Program – \$2.3 million
- Average award amount of \$2.8 million per project

7

GCAHT PREDEVELOPMENT LOAN PROGRAM



- Partnered with CDFI(s)
- Funds both acquisition and predevelopment expenses
- Funded with \$5.0 million from SCAG REAP 2.0 and matching funds from CDFI(s) of \$5.0 million
- Anticipated average award amount of \$1 million per project

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**ORANGE COUNTY
HOUSING FINANCE TRUST**

**Orange
County** | Housing
Finance
Trust

- Permanent Supportive and Affordable Housing Loan Program
- Predevelopment Loan Program (in development)

9

**OCHFT PERMANENT SUPPORTIVE AND
AFFORDABLE HOUSING LOAN PROGRAM**

**Orange
County** | Housing
Finance
Trust

- Annual NOFA between 2020 and 2024
- Provided residual receipts soft loans for tax credit projects
- **\$54.9 million** awarded since 2020
 - County of Orange General Funds – \$5 million
 - Mental Health Services Act – \$29.4 million
 - Local Housing Trust Fund Program – \$16.5 million
 - Federal and State Budget Earmarks – \$4 million
- Average award amount of \$1.9 million per project

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OCHFT PREDEVELOPMENT LOAN PROGRAM

Orange
County | Housing
Finance
Trust

- Partnered with CDFI(s)
- Funds both acquisition and predevelopment expenses
- Funded with \$5.0 million from SCAG REAP 2.0 and matching funds from CDFI(s) of \$5.0 million
- Anticipated average award amount of \$1 million per project

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BURBANK, GLENDALE, PASADENA REGIONAL HOUSING TRUST



- First-Time Homebuyer Mortgage Assistance Program
- Measure A City Funding Program

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FIRST-TIME HOMEBUYER MORTGAGE ASSISTANCE PROGRAM



- State-funded CalHome Program \$3.6 million grant
- Deferred-payment mortgage assistance loans (\$200k each – for 18 homes)
- Assists income-qualified first-time homebuyers

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MEASURE A CITY FUNDING PROGRAM



- Measure A funding allocated from the Trust to member cities
- Cities administer affordable housing financing programs
- Supports construction and permanent residual receipts loans
- Programs administered based on each city's housing priorities

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Agenda Item VI-D

Strategic Plan/Work Plan

Identified Priority Areas

- New Construction of Affordable Housing (LACAHS A PPO)
- Preservation of Affordable Housing and Workforce Housing
- Compliance Monitoring
- Homeownership
- Increase Funding – Impact Funds and other alternative sources of funding
- Tax Default Properties
- Community Development Directors Advisory Committee
- Commercial Redevelopment and the GIS maps

LACAHSA PPO - New Construction

Task	Funding Source	Action Items	Deliverables	Lead
LACAHSA PPO New Construction	LACAHSA PPO - \$5.7 million	Predevelopment Loan Product Creation - Sub \$1.5 million loans to seed project development prior to construction phase. Loans paid back at beginning of construction	Product Guidelines, financial model, scoring, and underwriting checklist Consider funding \$ limits/project	Civic Home consultants
		Construction Loan Product - (the Hawthorne/Abode project) - Soft loan product creation	Memorialize deliverables from the Hawthorne project - product guidelines, financial model, scoring, and underwriting checklist Consider funding \$ limits/project	HR&A consultants/ SBRHT Staff
		Pipeline Development - Formation of a Community Development Directors Advisory Committee. Interview cities on focus areas and opportunities. Leverage GIS Mapping from Commercial Redevelopment study. Engage with development community	GIS Map of City Selected Priority Areas FY26-27 NOFA and/or RFPs for specific site(s)	SBRHT Staff and Community Development Directors (CDDs)
		APEX - Build to Own Study - Looking at existing frameworks to create housing projects that our build-to-own instead of the traditional-build to-rent	An Affordable Housing Build to Own Pilot Program	APEX and LACAHSA

Timeline			
July - September	October - December	January - March	April - June
Finalize Predevelopment Loan and Construction Loan Product			
Pipeline Development - Discussion with CDDs and development community		Release NOFA and/or RFPs	Scoring and Project Selection
	APEX begins Build-to-Own study	Study results published	Possible program implementation

Preservation, Workforce Housing, and Ownership

<u>Task</u>	<u>Funding Source</u>	<u>Action Items</u>	<u>Deliverables</u>	<u>Lead</u>
Preservation, Workforce Housing, and Ownership	PPO Flex - \$1.7 million	Preservation Loan Program thru LACAUSA funded study in the South Bay and Gateway	Map/Inventory of At-Risk NOAH (Naturally Occurring Affordable Housing) Specific Site Feasibility Analysis with LACAUSA Guidelines Program Documents (Guidelines, financial model, RFP, etc)	HR&A consultants with LACAUSA Technical Assistance
	Impact Fund	Increase available SBRHT Funding thru philanthropy and regional employers (Skechers, Aerospace, Logistics, Hospitals, Sports teams..). Partnerships with stakeholder groups - Teachers' Union, Habitat for Humanity, Hospitality Workers, Entertainment Unions, Nurses, etc..	Evaluate formation of non-profit affiliated with SBRHT and SBCCOG. Establish an Affordable and Workforce Housing Impact fund	SBCCOG and SBRHT Staff
	Financial Engineering	Develop Financial Innovations to better pencil out preservation and workforce housing projects. Work with thought partners such as Manhattan Beach's Ethos Real Estate - a local leader in preservation work.	Financing product to help preservation and workforce development projects pencil out.	SBRHT Staff and Financial Thought Leaders
	Trust Budget	Research Other Available Funding Programs by meeting with Community Development Finance Institutions (CDFIs) and reviewing HCD's CalHome Program	Memorandum of available funding sources to support preservation and ownership activities	SBRHT Staff

Timeline			
July - September	October - December	January - March	April - June
	HR&A begins study of Preservation Program	Study results published	Possible program implementation
	SBCCOG and SBRHT Staff undertakes due diligence to create new non-profit	New Non-Profit created	New Non-Profit Board selected
	SBRHT Staff investigates innovative new financial ideas	New financial product created	Possible product implementation
	SBRHT Staff researched other available funding programs		

Low Income Compliance Monitoring

<u>Task</u>	<u>Funding Source</u>	<u>Action Items</u>	<u>Deliverables</u>	<u>Lead</u>
Compliance Monitoring for Cities	Developer Fees paid to cities	Provide Low Income Housing Compliance Monitoring Services for opt in cities. Develop RFP with city staffs.	RFP to seek consulting services to develop program - investigate budget, feasibility, costs, and develop operating plan	TBD Consultant
	Trust Budget	Advocacy to LACAHS A to include compliance and monitoring for non-Measure A funded units as an eligible use within the LACAHS A program guidelines	Finalize RFP and share with member cities to investigate who is interested in the program and how much it will cost Based on information gathered, create a memo directed at LACAHS A to include compliance and monitoring for non-Measure A funded units as eligible use	SBRHT Staff

Timeline			
July - September	October - December	January - March	April - June
SBRHT and City staff develop RFP	RFP released, consultant selected	Consultant develops plan	SBRHT solicits cities to sign on
Advocacy to LACAHS A		Bring forward changes to LACAHS A Board	

Additional Programs

Task	Funding Source	Action Items	Deliverables	Lead
Home Ownership	PPO Flex - \$1.7 million	Create a complimentary program based of the impending LACAHS Homeownership program, or alternatively, create our own unique program	SBRHT staff to recommend possible partnership with LACAHS Homeownership program, or to develop own program Research on other homebuyer programs	SBRHT Staff and LACAHS Staff
Tax Default Properties	LACAHS PPO - \$5.7 million	Develop a Tax Default Program - by working directly with the County of Los Angeles Treasurer and Tax	Tax Default Property Guidelines and Property List	SBRHT Staff and Tax Collector Staff
CSCDA - Bonding for Workforce Housing	CSCDA Bonds	Create CSCDA Bonding Program in the South Bay	Work with CSCDA and Community Development Directors to create RFP to solicit CSCDA projects	SBRHT Staff and CSCDA and CDDs

Timeline			
July - September	October - December	January - March	April - June
Homeownership - evaluation of LACAHS product	Promote LACAHS Homeownership product in South Bay, or develop own product		
Discuss with Tax Collector on feasibility of program	Work with Community Development Directors and developers to evaluate list of properties.		Work with cities to select sites to bid on
Discuss with CSCDA on feasibility of program	Work with Community Development Directors to determine interested cities		Create RFP to solicit for CSCDA projects from developers

Other Programs: Master Leasing and Tenant Opportunity to Purchase Act (TOPA)

Agenda Item VI-E

City Approval Form to Authorize Work on a Project

South Bay Regional Housing Trust

AGENDA ITEM: VI-E

July 16, 2026

TO: SBRHT Board of Directors
FROM: Jacki Bacharach, Interim Trust Executive Director
SUBJECT: City Approval Form to Authorize Trust to Work on a Project

RECOMMENDED ACTION:

REVIEW AND APPROVE FOR CIRCULATION TO CITIES

BACKGROUND:

The SBRHT has assured member cities that they will not take action on any project without city approval. What follows is a proposed form for obtaining that approval:

City Authorization to Proceed

Date:

Re: City Authorization to Proceed – [Project Name]

The City of _____ acknowledges receipt of information regarding the above-referenced affordable housing project and the applicant's request for financial assistance from the South Bay Regional Housing Trust.

The City authorizes the Trust to evaluate the project and, if deemed appropriate under the Trust's policies, consider the project for funding.

This authorization is intended solely to acknowledge the City's awareness of the proposed funding request and that the City has no objection to the Trust proceeding with its funding review.

This authorization does not constitute:

- Project approval;

- Approval of any discretionary or ministerial entitlement;
- Environmental clearance;
- A determination of consistency with applicable laws or regulations;
- A commitment that any future permits or approvals will be granted;
- A commitment of City funding or other City resources.

All land use approvals, environmental review, permits, and other governmental approvals shall remain subject to the City's normal review processes and applicable law. Nothing in this letter shall be construed as limiting the City's discretion with respect to any future action concerning the project.

Authorized By:
City Manager

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